

## Annual Report 2019-20



## 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. Ravindra Vikram*
	Shri B.K. Sarma*
	Shri N. Bhaskara Reddy*
	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
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AUDIT COMMITTEE	: Shri M. Ravindra Vikram Shri B.K. Sarma Shri Ch. Suresh Mohan Reddy Shri N. Bhaskara Reddy
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CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	: Shri M. Ravindra Vikram Shri B.K. Sarma Shri Ch. Suresh Mohan Reddy
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NOMINATION AND REMUNERATION COMMITTEE	: Shri B.K. Sarma Shri M. Ravindra Vikram Shri N. Bhaskara Reddy
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RISK MANAGEMENT COMMITTEE	: Shri Ch. Suresh Mohan Reddy Shri B.K. Sarma Shri M. Ravindra Vikram
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SHAREHOLDERS' GRIEVANCES COMMITTEE	: Shri B.K. Sarma Shri Ch. Suresh Mohan Reddy Shri M. Ravindra Vikram
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CHIEF FINANCIAL OFFICER	: Shri A. Narasimha Rao
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COMPANY SECRETARY	: Shri P. Kodanda Rami Reddy
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STATUTORY AUDITORS	: M/s. Kishore & Venkat Associates Chartered Accountants, Hyderabad
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INTERNAL AUDITORS	M/s. Vennapusa & Sunkara Chartered Accountants, Hyderabad
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## AHLADA ENGINEERS LIMITED

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
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
<b>WORKS</b>	
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

#### Performance overview

Your Company reported profit during the year 2019-20, which is a creditable performance at a time when the Indian economy slowed from a peak of 10.06% growth in FY 2006-07 to 4.2% in FY 2019-20, the slowest quarterly growth in 11 quarters. Against this landscape, your Company performed creditably, revenues stood at Rs. 110.46 cr in the year as against Rs. 207.43 cr during the previous year. We have lost nearly seven days of productive revenues on account the lockdown declared by the Government due to Covid-19 during March 2020. Your company reported profit even as revenues decreased when compared with the previous year. The net profit achieved during the year 2019-20 is Rs. 6.46 cr as against Rs.11.37 cr during the previous year in spite of challenges faced during the year due to subdued business environment in the country.

#### Growth strategy

During the last annual report, the management of your Company had indicated that the time had come to extend its presence in existing geographies and emerge as a pan-Indian player in view of a ground shift arising out of GST introduction and the narrowing price differential between products offered by organised companies like ours and unorganised Competition.

#### Optimism

Even as India is passing through a slowdown, there are good reasons to be optimistic about the country's prospects across the medium-term.

The Indian government intends to invest deeper in national infrastructure building. That provides me hope extends beyond the quantum of infrastructure; there is a corresponding premium on infrastructure quality as well, manifested in asset health, protection and low maintenance costs. Besides, there is a greater public accountability related to the employment of credible vendors, materials and practices.

This indicates that public infrastructure does not just need to be built well; it needs to be built to last. This endurance is derived not just from credible construction practices but also from a forward-looking protective mindset. This protective approach has created a compelling case for construction of housing sectors.

What makes your Company's role visible is that it is organised, research-led and listed, enhancing the confidence of large construction institutions. Besides, we do not just provide a product; we are engaged in providing a solution that enhances assuredness and a customer's peace of mind.

#### Outlook

During the current financial year, your Company will focus on cost rationalisation, leverage existing institutional relationships and protect the integrity of the Balance Sheet with the objective to widen its geographic footprint across the foreseeable future through stronger brand promotion on the one hand and deeper distribution presence on the other. When demand accelerates, as we are confident, the Company will be attractively placed to commence production in all shifts that doubles this capacity with no increase in capex.

I assure our shareholders that we address a multi-year growth journey, which should translate into superior value in the hands of those who own shares in our Company.

Wishing you all a successful year ahead.

Best Wishes

**Ch. Suresh Mohan Reddy**  
Managing Director

**BOARD OF DIRECTORS & KMP**



**Dr. K.I. 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



**Shri K. Srinivas**  
Non Executive Director



**Shri J.Abhinav**  
Whole Time Director



**Ms. Ch. Kinnera**  
Whole Time Director



**Shri A. Narasimha Rao**  
Chief Financial Officer



**Shri M. Kotaiah**  
Sr. V P Operations



**Shri P. Kodanda Rami Reddy**  
Company Secretary &  
Compliance Officer

## NOTICE TO THE MEMBERS

Notice is hereby given that the 15th Annual General Meeting of the Members of M/s. AHLADA ENGINEERS LIMITED will be held on Wednesday the 30th day of September, 2020 at 11.00 A.M through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Door No. 4-56, Sy.No. 62/1/A & 67, Tech Mahindra Road, Bahadurpally, Outhbullapur Mandal, Medchal Dist, Hyderabad, Telangana- 500 043.

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the standalone audited financial statements of the Company for the year ended 31st March 2020, including the Audited Balance Sheet as at 31st March, 2020, 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.1.20 for every Equity Share of Rs. 10/- each i.e., @12% for every Equity Share for the Financial Year 2019-20.
3. To appoint a director in place of Mr. J. Abhinav Kumar Reddy (DIN: 08002510) who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

4. **To ratify the remuneration of the Cost Auditors for the financial year, 2020-21 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/- (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 & Associates (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, 2021."

"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

Sd/-

**Pusuluru Kodanda Rami Reddy**  
Company Secretary and Compliance Officer

Place: Hyderabad  
Date: 05.09.2020

### NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 4 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 15th AGM of the Company shall be conducted through VC / OAVM. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and

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e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 9 below and is also available on the website of the Company at [www.ahlada.com](http://www.ahlada.com).

3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [kodanda.cs@ahlada.com](mailto:kodanda.cs@ahlada.com).
5. The Register of Members and Share Transfer Books of the Company will remain closed on Thursday, 24th September, 2020 (One day only).

### **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

6. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [kodanda.cs@ahlada.com](mailto:kodanda.cs@ahlada.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [kodanda.cs@ahlada.com](mailto:kodanda.cs@ahlada.com).
8. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.ahlada.com](http://www.ahlada.com), on the website of Stock Exchange i.e National Stock Exchange of India Limited and on the website of Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).

### **9. PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:**

#### **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.ahlada.com](http://www.ahlada.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited (Emerge) at [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- i) The Remote e-voting facility will be available during the following voting period:

Commencing of e-voting	End of e-voting
26-09-2020 (9.00 a.m.)	29-09-2020 (5.00 p.m.)

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on "Shareholders" module.
- v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>❖ Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>



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Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	❖ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the **EVSN 200902102** for <**AHLADA ENGINEERS LIMITED**> on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 72 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at RTA email id: agmparticipant@bigshareonline.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 72 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at RTA email id: agmparticipant@bigshareonline.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Shareholder should send a mail mentioning the Company name and AGM date in subject line.
8. On receipt of request from share holder, Company's RTA shall share a link with shareholder for joining the meeting before 48 hrs of the date of AGM.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **xx) Note for Non – Individual Shareholders and Custodians**

- ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ❖ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- ❖ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ❖ If you have any queries or issues regarding attending AGM & e-voting Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [Kodanda.cs@ahlada.com](mailto:Kodanda.cs@ahlada.com), if they have voted

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from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### GENERAL INFORMATION:

10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot User Details/Password?’ or ‘Physical User Reset Password?’ option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
11. The voting rights shall be as per the number of equity shares held by the Member(s) as on Wednesday, 23rd September, 2020, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
12. The Company has appointed Mr. Ch. Veeranjanyulu, Practising Company Secretary (FCS No. 6121 and CP No. 6392), Partner of VCSR & Associates to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter
13. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the Company at [www.ahlada.com](http://www.ahlada.com)

### PROCEDURE FOR INSPECTION OF DOCUMENTS:

14. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on [kodanda.cs@ahlada.com](mailto:kodanda.cs@ahlada.com)
15. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection.

### DIVIDEND RELATED INFORMATION:

16. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 23rd September, 2020, being the cut-off date will be paid the Dividend for the financial year ended 31st March, 2020, as recommended by the Board, if approved at the AGM to those Shareholders whose names are registered as such in the Register of Members of the Company as on Wednesday, 23rd September, 2020 and to the beneficiary holders as per the beneficiary list as on Wednesday, 23rd September, 2020 provided by the NSDL and CDSL, subject to deduction of tax at source where applicable.
17. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
18. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company or Investor Service Department of the Company immediately by sending a request on email at [kodanda.cs@ahlada.com](mailto:kodanda.cs@ahlada.com) or contact Bigshare Services Private Limited at [prabhakar@bigshareonline.com](mailto:prabhakar@bigshareonline.com). In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of the postal services, dispatch the dividend warrant to such shareholder by post.

19. The Company provides the facility to the Shareholders for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). In view of the outbreak of the COVID-19 pandemic and resultant difficulties involved in dispatching of physical dividend warrants, Shareholders holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number, to the Company. Shareholders holding shares in dematerialized form are requested to provide the said details to their respective Depository Participants.
20. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to the Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and their respective Depository Participants (in case of shares held in dematerialized form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by Email to Kodanda.cs@ahlada.com by 19th September, 2020. Effective April 1, 2020, as per the Income Tax Act, 1961, the dividend income is taxable in the hands of shareholders. Accordingly, if any resident individual shareholder is in receipt of dividend exceeding Rs.5,000 in a fiscal year, entire dividend will be subject to TDS @ 7.5%. The rate of 7.5% is applicable provided the shareholder has updated his/her Permanent Account Number (PAN) with the depository/ Registrar and Transfer Agent (RTA). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Resident shareholders who are eligible for deduction of TDS at a concessional or NIL rate as per Section 197 of the Income tax Act, 1961, can submit the certificate/letter issued by the Assessing Officer, to avail the benefit of lower rate of deduction or non-deduction of tax at source by Email to kodanda.cs@ahlada.com by 25th September, 2020. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an Email to kodanda.cs@ahlada.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 25th September, 2020.
21. In terms of the provisions of Sections 124 and 125 of the Act, dividend which remains unpaid/ unclaimed for a period of 7 (seven) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, in terms of the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), Equity Shares, in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration, are also required to be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. All equity shares of the Company on which dividend has not been paid or claimed for 7 (seven) consecutive years or more, shall be transferred by the Company to the IEPF from time to time. Details of unpaid / unclaimed dividend and equity shares transferred to IEPF are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ("MCA"), if any. No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF and IEPF Suspense Account, respectively, pursuant to the IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making an online application in web Form No. IEPF-5, the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).
22. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Shareholders holding shares in dematerialized form are requested to submit the said details to their Depository Participant(s) and the Shareholders holding shares in physical form, are requested to submit the said details to the Company or RTA.
23. Shareholders are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the RTA.
24. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. 33 The Securities and Exchange Board of India (SEBI) vide its circular dated

## AHLADA ENGINEERS LIMITED

20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Bigshare Services Private Limited / Investor Services Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at [kodanda.cs@ahlada.com](mailto:kodanda.cs@ahlada.com). The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

25. Those persons, who have acquired shares and have become members of the Company after the dispatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on the cut-off date i.e. Wednesday, 23rd September, 2020 shall view the Notice of the 15th AGM on the Company's website or on the website of CDSL. Such persons may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/ she is already registered with CDSL for remote e-voting then he/ she can cast his/her vote by using existing User ID and password and by following the procedure as mentioned above or by voting at the AGM.
26. Voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, 23rd September, 2020. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
27. Every Client ID No./ Folio No. will have one vote, irrespective of number of joint holders.
28. Since the AGM will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the AGM and admission slip is not attached to this Notice.

### **SCRUTINIZER'S REPORT AND DECLARATION OF RESULTS:**

29. The Company has appointed Mr. Ch. Veeranjanyulu, Membership No. F6121 & Certificate of Practice No. 6392, Company Secretaries in practice, as the Scrutinizer to scrutinize the remote e-voting and the e-voting at the AGM in a fair and transparent manner.
30. The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
31. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ahlada.com](http://www.ahlada.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com). The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the shares of the Company are listed.

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

**Item No. 4**

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 & Associates (Membership No. 17143), Cost Accountants in practice, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 is Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

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 resolution set out at item no. 4 of this Notice for your approval

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

Place: Hyderabad  
 Date: 05.09.2020

Sd/-  
**Pusuluru Kodanda Rami Reddy**  
 Company Secretary and Compliance Officer

**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 ITEM No. 3 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	J. Abhinav Kumar Reddy
Director Identification Number (DIN)	08002510
Date of Birth	13.05.1994
Nationality	Indian
Date of appointment on Board	14.11.2018
Qualification	Masters degree in Industrial Engineering from Wayne State University, Detroit
Shareholding in the company	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	1. Audit Committee: Nil 2. Stakeholders' Relationship Committees: Nil
Relationship	Nil

**DIRECTORS' REPORT**

To

The Members,

**M/s. AHLADA ENGINEERS LIMITED**

Your Directors have pleasure in presenting the 15th Annual Report of your company along with the Audited Financial Statements for the Financial Year ended on 31st March, 2020. 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. (Amt. in Rs.)

Particulars	2019-20	2018-19
Revenue from Operations	<b>110,46,16,799</b>	207,43,26,881
Other Income	<b>17,91,373</b>	26,62,992
Total Income	<b>110,64,08,172</b>	207,69,89,873
Profit Before Interest and Depreciation	<b>24,01,05,185</b>	34,03,53,837
Finance Charges	<b>5,18,66,651</b>	8,88,67,461
Depreciation	<b>9,84,43,500</b>	7,02,40,698
Net Profit after Interest and Depreciation But before tax	<b>8,97,95,034</b>	18,12,45,678
Net Profit Before Tax	<b>8,97,95,034</b>	18,12,45,678
Provision for Tax	<b>2,52,18,509</b>	6,75,65,866
Net Profit After Tax	<b>6,45,76,525</b>	11,36,79,812

**2. OPERATIONAL REVIEW:**

Gross revenues decreased to Rs. 110,46,16,799/- against Rs. 207,43,26,881/- in the previous year. Profit before Depreciation and Interest was Rs. 24,01,05,185/- as against Rs. 34,03,53,837/- 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. 6,45,76,525/- as against Rs. 11,36,79,812/- 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 clean room equipment for our customers in the pharmaceutical, biotechnology and food industries.

The revenue may have affect in the current financial year 2020-21 owing to the challenges rising from the COVID-19 crisis coupled with lockdown during April 2020 partial operations at the plant from 6th May, 2020. Some opportunities have also been observed due to Covid-19 to manufacture and supply of isolation and quarantine wards to reputed customers during the current financial year.

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. 6,45,76,525/- 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 Final Dividend of Rs. 1.20 per share on paid up equity share capital for the year ended 31st March, 2020, 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. 101,07,48,886 /- (Rupees One Hundred one Crore Seven Lakhs Forty Eight Thousand Eight Hundred Eighty Six) as Reserves and Surplus as on 31-03-2020.

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

S.No.	Particulars	Amount in Rs.
1.	Balance at the beginning of year	31,29,72,231
2.	Current Year's Profit	6,45,76,525
3.	Amount of Securities Premium	63,11,36,500
4.	Capital Reserve	20,63,630
	<b>TOTAL</b>	<b>101,07,48,886</b>

## 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.

The COVID-19 pandemic is an evolving human tragedy declared as global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 24th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in manufacturing centres, warehouses and extended supply chain partner locations got temporarily disrupted.

On occurrence of COVID-19, there was a complete nationwide lock down since 24th March, 2020 and the operation of the Company was jeopardize since then till 5th May, 2020. However, partial operation was resumed since 6th May, 2020 with the approval of Government.

As the COVID-19 crisis continues on products are facing challenging times including production stoppages, due to supply chain disruption, cost escalation and workforce dislocation and has been largely disruptive and was occurred which has also impacted the revenue of the Company.

## 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

The paid up equity share capital as on March 31, 2020 stood at 12,92,10,000/- comprising of 1,29,21,000 equity shares of Rs. 10/- each fully paid shares.

Your Company has not issued any equity shares, equity shares with differential rights, Sweat equity shares, Employees' Stock Options and did not purchase its own shares. Hence there is no information to be provided as required under Rule 4(4), Rule 8(13), Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 62 of the Companies act 2013, respectively.

## 11. MATERIAL CHANGES DURING THE YEAR

There is no material changes during the year 2019-20.

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

As on 31st March, 2020, 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 have been allotted on 25th September, 2018. The IPO was a huge success, the resulting shares have been listed on the 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 2019-20 the following changes in the Board of 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 J.Abhinav Kumar Reddy, Whole Time 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.

### Cessation of Directors:

During the year, Smt. Sravanthi Koduru resigned from the Board as Non-Executive Director of the Company due to pre-occupations with effect from 27.06.2020. The Board placed on record its sincere appreciation and thanks to Smt. Sravanthi Koduru for her support and guidance provided from time to time during her tenure as Non-Executive Director of the Company.

### Key Managerial Personnel:

During the year under review there were no changes in the Key Managerial Personnel of the Company. The present Whole time Key Managerial Personnel of the Company are as follows.

- Mr. Ch. Suresh Mohan Reddy - Managing Director
- Mr. J. Abhinav Kumar Reddy - Whole Time Director
- Ms. Ch. Kinnera - Whole Time Director
- Mr. A. Narasimha Rao - Chief Financial Officer
- Mr. M. Kotaiah - Sr. Vice President (Operations)
- Mr. P. Kodanda Rami Reddy - Company Secretary & Compliance Officer

## 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 4 times during the financial year ended March 31, 2020 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) 30.05.2019
- 2) 29.08.2019
- 3) 14.11.2019
- 4) 25.02.2020

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	4	3
2.	Mr. Ch. Suresh Mohan Reddy	4	4
3.	Ms. Ch. Kinnera	4	4
4.	Mr. Abhinav Kumar Reddy	4	4
5.	Mr. M. Ravindra Vikram	4	4
6.	Mr. B.K. Sarma	4	3
7.	Mr. N.Bhaskara Reddy	4	4
8.	Mr. G.V. Krishna Giri	4	4
9.	Smt. K. Sravanthi (resigned from the Board w.e.f 27.06.2020)	4	2
10.	Mr. K. Srinivas	4	2

Additionally during the financial year ended March31, 2020 the Independent Directors held a separate meeting on 15th February, 2020 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 have 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 30th May, 2019 and 14th November, 2019, 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. M. Ravindra Vikram (Independent Director)	Chairman	2	2
2	B.K. Sarma (Independent Director)	Member	2	1
3	N. Bhaskara Reddy (Independent Director)	Member	2	2
4	Ch. Suresh Mohan Reddy (Managing Director)	Member	2	2

All the recommendations made by the Audit Committee in the financial Year 2019-20 were approved by the Board.

### II. Composition of Nomination & Remuneration Committee

The Board of Directors 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 29.08.2019 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. Ravindra Vikram	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](http://www.ahlada.com).

The policy of Nomination & Remuneration Committee has been placed on the website of Company at [www.ahlada.com](http://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 constituted Stakeholder Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013.

During the year under review, meeting of Stakeholder Relationship Committee was held on 29.08.2019 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	1	1
2	Mr. B.K.Sarma (Independent Director)	Member	1	1
3	Mr. M. Ravindra Vikram (Independent Director)	Member	1	1

## IV. Corporate Social Responsibility (CSR) Committee:

The Board of Directors 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.

During the year under review, meeting of Corporate Social Responsibility (CSR) was held on 29.08.2019 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. M. Ravindra Vikram (Independent Director)	Chairman	1	1
2	Mr. B.K.Sarma (Independent Director)	Member	1	1
3	Mr. Ch.Suresh Mohan Reddy (Managing Director)	Member	1	1

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 constituted Risk Management 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.

During the year under review, meeting of Risk Management Committee) was held on 29.08.2019 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	1	1
2	Mr. B.K. Sarma (Independent Director)	Member	1	1
3	Mr. M. Ravindra Vikram (Independent Director)	Member	1	1

## 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.

S.No.	Name	Designation
1	Mr. Ch. Suresh Mohan Reddy	Chairman
2	Mr. B.K. Sarma	Member
3	Ms. Ch. Kinnera	Member

No meetings of the Committee took place during the year 2019-20.

## VII. Management Committee:

During the year under review the Management Committee of Board of Directors met 9 times during the

financial year ended March 31, 2020 in accordance with provisions of the Companies Act, 2013, rules made there under and as delegated by Board from time to time.

The Management Committee comprising the following Directors:

S.No.	Name	Designation
1	Mr. Ch. Suresh Mohan Reddy	Chairman
2	Mr. J. Abhinav Kumar Reddy	Member
3	Ms. Ch. Kinnera	Member

## 18. DECLARATION BY INDEPENDENT DIRECTORS:

In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company conforming that he/she meets the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 19. 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.

## 20. 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](http://www.ahlada.com)

## 21. 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.

## 22. AUDITORS

### Statutory Auditors:

The Shareholders of the Company had appointed M/s. Kishore & Venkat Associates, (FRN:001807), Chartered 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, 2020 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, 2020 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 2019-20 and takes their suggestions and recommendations to improve and strengthen the internal control systems.

### **Cost Auditors:**

M/s. N S V Krishna Rao & Associates (Membership No. 17143), Hyderabad has been appointed as Cost Auditors of the Company for the Financial Year 2019-20 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.

## **23. COMPLIANCE WITH SECRETARIAL STANDARDS**

Secretarial Standards, i.e. SS-1, SS-2 and SS-3, relating to 'Meetings of the Board of Directors', 'General Meetings' and 'Dividend' respectively, to the extent as applicable have been duly followed by the Company.

## **24. INDIAN ACCOUNTING STANDARDS**

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (IND AS) applicable to certain classes of companies. IND AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. However, the Company is exempted from applicability of IND AS and accordingly the accounts have been prepared as per IGAAP.

## **25. SECRETARIAL AUDIT REPORT**

The Company has undertaken Secretarial Audit for the financial year 2019-20 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

## **26. ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

## **27. 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.

### **Internal Complaint Committee**

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.

## **28. 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.

The Company has not entered into any Material Related Party Transaction during the year. In line with requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on the website of the Company at <https://www.ahlada.com>.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions entered during the year were in ordinary course of business and on arm's length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

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.

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.

### **29. 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.

### **30. 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.

### **31. 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

### **32. 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.

### **33. 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.

### **34. 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.

### 35. INDUSTRIAL RELATIONS

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

### 36. 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.

### 37. 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.

### 38. 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](http://www.ahlada.com). All the Board Members and senior management personnel have affirmed compliance with this code.

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](http://www.ahlada.com).

### 39. 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.

### 40. 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](http://www.ahlada.com).

### 41. 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, 2020 and of the profit of the Company for the financial year ended 31st March, 2020.
- 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.

**42. COMPANY'S WEBSITE:**

The website of your Company [www.ahlada.com](http://www.ahlada.com) displays the Company's businesses up-front on the home page. The site carries a comprehensive database of information of all the Doors and Windows products including the Financial Results of your Company, Shareholding Pattern, Directors' & Corporate profile, details of Board Committees, Corporate Policies and business activities of your Company.

All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the SEBI (LODR) Regulations, 2015 has been uploaded.

**43. 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 to 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**

Sd/-

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

Sd/-

**Ch. Kinnera**  
Whole Time Director  
(DIN : 08272661)

Date: 05.09.2020  
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)

1. Details of contracts or arrangements or transactions not at arm's length basis: No transactions.
2. 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 transaction	Salient terms of transactions if any.	Date(s) of approval by the Board/Audit committee, if any:	Amount paid as advances, if any:
Decomet Marketing Private Limited (formerly known as Ahlada Marketing Private Limited)	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis	30.05.2019	Nil
Akarsh Marketing Private Limited	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis	30.05.2019	Nil
Bluefence Systems Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis	30.05.2019	Nil
Decomet Industries Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis	30.05.2019	Nil
Elegant Products	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis	30.05.2019	Nil
Magnizest Elevators LLP	Associate	Sales & Purchases of materials	Ongoing	Arms Length basis	30.05.2019	Nil
Saffron Equity Advisors Pvt Ltd	Associate	Service	Ongoing	Arms Length basis	30.05.2019	Nil

## 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.

Corporate Social Responsibility (CSR) is the contribution from the Corporate towards Social and Economic development of Society. CSR integrates Organization, Society and Planet. CSR policy should ensure activities which may include sustainable development by skill enhancement, sustainable environment, promotion to gender equality, prevention of health care and sanitation, care for senior citizens and differently able persons, promoting education, rural development and more of the activities as prescribed under schedule VII of the Companies Act, 2013, as amended from time to time.

The policy lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large along with the Company's philosophy for delineating its responsibility as a corporate citizen. The Company had proposed to undertake the activities relating to social welfare, which includes activities eradicating poverty and malnutrition, providing safe drinking water and other social welfare. Our Corporate Social Responsibility (CSR) initiatives insure we never lose sight of what we are and what our obligations are to the communities where we operate.

The CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms.

**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 1310.52 lakhs**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.26.21 Lakhs**

**5. The Company is required to spend: Rs.26.21 Lakhs**

**6. Details of CSR spent during the financial year: Rs.1.92 Lakhs**

**a. Total amount spent for the financial year: Rs. 1.92 Lakhs**

**b. Amount unspent, if any:**

Particulars	Rs. In Lakhs
CSR expenditure of 2019-20 (2% of the average net profits as computed above)	26.21
Unspent amount of 2017-18 & 2018-19	38.60
Total amount to be spent	64.81
Amount spent during 2019-20	1.92
Balance amount to be spent	62.89

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Rural Development	Rural Development	Local area, Bahadurpally, Telangana	2.00 Lakhs	1.92 Lakhs	1.92 Lakhs	Direct

**7. Reasons for not spending two percent of the average net profit of the last three financial years on CSR**

The Company has identified above mentioned CSR activities and projects during the year under review and accordingly budget has been prepared. The Committee has also assessed and quantified the amount to be contributed for CSR expenditure for the financial years 2017-18 & 2018-19. However, the Company did not spend the entire amount during the financial year as management decided to diversify the area and operations of its CSR activities and the same will be spent in the Financial Year 2020-21.

**8. 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.**

By Order of the Board

**For M/s. AHLADA ENGINEERS LIMITED**

Sd/-  
**Ch. Suresh Mohan Reddy**  
Managing Director  
(DIN : 00090543)

Sd/-  
**Ch. Kinnara**  
Whole Time Director  
(DIN : 08272661)

Date: 05.09.2020  
Place: Hyderabad

**Annexure - III****MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[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 2019-20. 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, 2020 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, 2020 ("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 spend its CSR Budget of Rs. 62.89 Lakhs allocated for the FY 2019-20 (including unspent amount of previous years 2017-18 and 2018-19).

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 2020-21.

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.

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**Ch. Veeranjanyulu**  
Partner

CP No. 6392, FCS No. 6121  
UDIN : F006121B000666572

Place: Hyderabad  
Date: 05.09.2020

**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

Sd/-  
**Ch. Veeranjanyulu**  
Partner

CP No. 6392, FCS No. 6121

Place: Hyderabad  
Date: 05.09.2020

**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, 2020 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.	Srinivas Kanakagiri	00443793	Director
6.	Bhaskara Reddy Nallapureddy	00846073	Director
7.	*Sравanthe Koduru	01593189	Director
8.	Krishna G V Giri	07289689	Director
9.	**Abhinav Kumar Reddy Jambhapuram	08002510	Wholetime Director
10.	***Kinnera Cheedepudi	08272661	Wholetime Director

\*Mrs. Sравanthe Koduru resigned as Director on 27.06.2020

\*\*Mr. Abhinav Kumar Reddy Jambhapuram has been appointed as Wholetime Director on 27.09.2019

\*\*\*Ms. Kinnera Cheedepudi has been appointed as Wholetime Director on 27.09.2019

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

Sd/-  
**Ch. Veeranjanyulu**  
Partner

Place: Hyderabad  
Date: 05.09.2020

CP No. 6392, FCS No. 6121  
UDIN : F006121B000666594

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

as on the financial year ended 31.03.2020

[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, Outbullapur 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	65,07,096	65,07,096	50.36	65,07,096	-	65,07,096	50.36	0.00
b) Central Govt	-	-	-	0.00	-	-	-	0.00	0.00
c) State Govt(s)	-	-	-	0.00	-	-	-	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
<b>Sub Total (A) (1)</b>	<b>-</b>	<b>65,07,096</b>	<b>65,07,096</b>	<b>50.36</b>	<b>65,07,096</b>	<b>-</b>	<b>65,07,096</b>	<b>50.36</b>	<b>0.00</b>



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<b>(2) Foreign</b>									
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
<b>Sub Total (A) (2)</b>	-	-	-	<b>0.00</b>	-	-	-	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (A)</b>	-	<b>65,07,096</b>	<b>65,07,096</b>	<b>50.36</b>	<b>65,07,096</b>	-	<b>65,07,096</b>	<b>50.36</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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	-	1,30,000	1,30,000	1.01	1,30,000	-	1,30,000	1.01	0.00
g) FII's	-	12,37,000	12,37,000	9.57	12,37,000	-	12,37,000	9.57	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Others (specify)	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub-total (B)(1):-</b>	-	<b>13,67,000</b>	<b>13,67,000</b>	<b>10.58</b>	<b>13,67,000</b>	-	<b>13,67,000</b>	<b>10.58</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian		13,15,407	13,15,407	10.18	15,47,268		15,47,268	11.97	1.79
ii) Overseas	-	-	-	0.00	0.00	0.00	-	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh		6,72,193	6,72,193	5.20	6,34,332	-	6,34,332	4.91	-0.29
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		28,92,304	28,92,304	22.38	26,96,304	-	26,96,304	20.87	
<b>c) Others (specify)</b>									
HUF	-	-	-	0.00	1,10,000	0.00	1,10,000	0.85	0.85
Overseas Corporate Bodies	-	-	-	0.00	-	-	-	0.00	0.00
Non Resident Indians	-	4,000	4,000	0.03	5,000	0.00	5,000	0.04	0.01
Clearing Members		1,63,000	1,63,000	1.26	54,000	0.00	54,000	0.42	-0.84
Trusts	-	-	-	0.00	-	-	-	0.00	0.00
Foreign Bodies - D R	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub-total (B)(2):-</b>	-	<b>50,46,904</b>	<b>50,46,904</b>	<b>39.06</b>	<b>50,46,904</b>	-	<b>50,46,904</b>	<b>39.06</b>	<b>0.00</b>
<b>Total Public (B)</b>	-	<b>64,13,904</b>	<b>64,13,904</b>	<b>49.64</b>	<b>64,13,904</b>	-	<b>64,13,904</b>	<b>49.64</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>1,29,21,000</b>	<b>1,29,21,000</b>	<b>100</b>	<b>1,29,21,000</b>	-	<b>1,29,21,000</b>	<b>100.00</b>	<b>0.00</b>

**(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	65,07,096	50.36	0.00	65,07,096	50.36	0.00	0.00
	<b>Total</b>	<b>65,07,096</b>	<b>50.36</b>	<b>0.00</b>	<b>65,07,096</b>	<b>50.36</b>	<b>0.00</b>	<b>0.00</b>

**(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	01-04-2019	-	65,07,096	50.36	65,07,096	50.36
	Changes during the year			0.00	0.00	-	0.00
	At the end of the year	31-03-2020		-	-	65,07,096	50.36

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

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

Sl. No.	For each of the Top 10 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	4/1/2019		12,00,000	9.29	12,00,000	
	Changes during the year					0	
	At the end of the year	3/31/2020		12,00,000		12,00,000	9.29
2	JAGDISH N MASTER						
	At the beginning of the year	4/1/2019		4,75,000	3.68%	4,75,000	
	Changes during the year		Transfer			4,000	
	At the end of the year	3/31/2020				4,79,000	3.71
3	PIVOTAL ENTERPRISES PRIVATE LIMITED						
	At the beginning of the year	4/1/2019		4,45,000	3.44%	4,45,000	
	Changes during the year					0	
	At the end of the year	3/31/2020				4,45,000	3.44
4	BADDIGAM VENKATA REDDY						
	At the beginning of the year	4/1/2019		3,60,640	2.79%	3,60,640	
	Changes during the year					0	
	At the end of the year	3/31/2020				3,60,640	2.79
5	SVAS INVESTMENTS PVT LTD						
	At the beginning of the year	4/1/2019		3,08,000	2.38%	3,08,000	
	Changes during the year					0	
	At the end of the year	3/31/2020				3,08,000	2.38
6	GAGANDEEP CONSULTANCY PRIVATE LIMITED						
	At the beginning of the year	4/1/2019		2,41,000	1.87%	2,41,000	
	Changes during the year					0	
	At the end of the year	3/31/2020				2,41,000	1.87

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7	SAFFRON CAPITAL ADVISORS PRIVATE LIMITED					
	At the beginning of the year	4/1/2019		1,53,000		1,53,000
	Changes during the year					84,000
	At the end of the year	3/31/2020				2,37,000
						1.83
8	SHANKAR GROWTH FUND LIMITED					
	At the beginning of the year	4/1/2019		0		0
	Changes during the year					2,00,000
	At the end of the year	3/31/2020				2,00,000
						1.55
9	SADASIVA REDDY BONTU					
	At the beginning of the year	4/1/2019		1,69,500	1.31%	1,69,500
	Changes during the year					0
	At the end of the year	3/31/2020				1,69,500
						1.31
10	KONDA CHANDRAHAS					
	At the beginning of the year	4/1/2019		1,58,500	1.23%	1,58,500
	Changes during the year					0
	At the end of the year	3/31/2020				1,58,500
						1.23

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

Sl. 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	4/1/2019		65,07,096	50.36	65,07,096	
	Changes during the year					0	
	At the end of the year	3/31/2020				65,07,096	50.36
2	Dr. K.I.Varaprasad Reddy-Non Executive Chairman						
	At the beginning of the year	4/1/2019		4,47,824	3.47	4,47,824	
	Changes during the year					0	
	At the end of the year	3/31/2020		-		4,47,824	3.47
3	Smt. K.Sravanthi- Non Executive Director (Resigned w.e.f 27.06.2020)						
	At the beginning of the year	4/1/2019		60,000	0.46	60,000	
	Changes during the year					0	
	At the end of the year	3/31/2020				60,000	0.46
4	Ch.Kinnera- Whole Time Director						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	0.00
	Changes during the year						
	at the end of the year	3/31/2020				Nil	0.00
5	J.Abhinav Kumar Reddy						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	at the end of the year	3/31/2020				Nil	0.00
6	M.Vikram Ravindra-Independent Director						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				Nil	0.00

7	B.K.Sarma-Independent Director						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020			0.00	Nil	0.00
8	N.Bhaskara Reddy-Independent Director						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				Nil	0.00
9	G.V.Krishna Giri-Independent Director						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				Nil	0.00
10	K.Srinivas-Non-Executive Director						
	At the beginning of the year	4/1/2019		2,000	0.02	2,000	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				2,000	0.02
11	A.Narasimha Rao-CFO						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				Nil	0.00
12	P.Kodanda Rami Reddy-CS						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				Nil	0.00
13	M. Kotaiah-VP Operations						
	At the beginning of the year	4/1/2019		Nil	0.00	Nil	
	Changes during the year					0.00	
	At the end of the year	3/31/2020				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 01-04-2019				
i) Principal Amount	46,42,19,237.63	7,04,61,543.00	-	53,46,80,780.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	46,42,19,237.63	7,04,61,543.00	-	53,46,80,780.63
Change in Indebtedness during the financial year				
i) Addition	1,32,99,87,340	1,31,58,85,645	-	2,64,58,72,985.25
ii) Reduction	1,49,22,09,930	1,33,72,19,171	-	2,82,94,29,100.72
iii) Net Change	(16,22,22,590)	(2,13,33,526)	-	(18,35,56,115.47)
Indebtedness at the end of the financial year 31-03-2020	30,19,96,648	4,91,28,017		35,11,24,665.17
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	30,19,96,648	4,91,28,017	-	35,11,24,665.17

# AHLADA ENGINEERS LIMITED

## 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	Ms. 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	81.00	18.00	18.00
	(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)	81.00	18.00	18.00
	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

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

(Rs. in Lakhs)

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	36.95	11.05	40.28
	(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)	36.95	11.05	40.28
	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					
	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		2019-20	2018-19
a	Foreign exchange earnings	2.58	0.00
b	CIF value of imports	984.59	1828.48

## 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.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2019-20.

S. No.	Name of KMP (Designation)	Remuneration for FY 2019-20 (Rs. in lacs)	Ratio of remuneration to the median remuneration of the employees %	% increase in remuneration in the FY 2019-20
01	Mr. Ch.Suresh Mohan Reddy (Managing Director)	81.00	3151.75	92.86
02	Ms. Ch. Kinnera (Whole Time Director)	18.00	700.39	0.00
03	Mr. J. Abhinav Kumar Reddy (Whole Time Director)	18.00	700.39	0.00
04	Mr. A. Narasimha Rao (Chief Financial Officer)	36.95	1437.74	0.00
05	Mr. M. Kotaiah (Sr. Vice President)	40.28	1567.32	0.00
06	Mr. P.Kodanda Rami Reddy (Company Secretary)	11.05	429.96	0.00

#### Notes:

- a. The median remuneration of employees of the Company during the financial year 2019-20 was Rs.2.57 lakhs against the median remuneration of Rs. Rs.2.45 lakhs of the previous year.
- b. The number of permanent employees on the rolls of Company as on 31st March 2020 is 227.
2. **The relationship between average increase in remuneration and company performance:**  
The average decrease in remuneration during the financial year 2019-20 is (18.49%). The total employees cost for the financial year ended 31st March, 2020 is Rs. 1079.88 lakhs against Rs. 1324.89 lakhs for the financial year ended 31st March 2019. The total net revenue of the company for financial year ended 31st March 2020 is Rs. 11064.08 lakhs as against Rs. 20769.90 lakhs for the financial year ended 31st March 2019. The total employees cost as a percentage of net total revenue was 9.76 % (last year 6.38%). The performance was under pressure due to the challenges faced during the financial year.

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

Particulars	2019-20	2018-19
Aggregate Remuneration of KMP in Financial Year	205.28	203.93
Revenue	11064.08	20769.90
Remuneration of KMP (as % of revenue)	1.86	0.98

4. **Average percentage Increase made in the salaries of employees other than the managerial personnel in the last financial year:** Nil

5. **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	Ms. Ch. Kinnera	Mr. J. Abhinav Kumar Reddy	Mr. A.Narasimha Rao	Mr. M. Kotaiah	Mr. P. Kodanda Rami Reddy
		Managing Director	Whole Time Director	Whole Time Director	Chief Financial Officer	Sr. Vice President (Operations)	Company Secretary
1	Remuneration in FY 2020	81.00	18.00	18.00	36.95	40.28	11.05
2	Revenue in FY 2020	11064.08					
3	Remuneration as % of revenue	0.73	0.16	0.16	0.32	0.36	0.10

6. **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 based on the attendance and contribution towards governance practices and discharging fiduciary duties.

7. **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:** Nil

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).

8. **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:**

#### Overview

The objective of this report is to convey the Management's perspective on the external environment and engineering industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2019-20. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Report. The Company's financial statements have been prepared in accordance with applicable Accounting Standards complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

#### II. External Environment

Macroeconomic Condition With continued weakness in global trade and investment, global growth slumped to 2.9% in 2019, leading to varying degrees of deceleration in economies around the globe. Rising geopolitical tensions, worsening trade relations among some nations, trade policy uncertainties, and stress in key emerging market economies continued to impact global economic activity. Intensifying social unrest in several countries and weather-related disasters also contributed to declining global economic activity.

Growth in the advanced economies slowed down to 1.7% in 2019 as compared to 2.2% in 2018. The US economy slowed to 2.3% in 2019 on account of rising geopolitical tensions and policy uncertainty. Growth in the European region also slowed to 1.2% in 2019. The industrial sector in Germany struggled with lower demand from Asia and disruptions to car production. Uncertainty related to Brexit also weighed on growth in the European region. Growth in Japan was at 0.7% owing to the impact of Typhoon Hagibis, increase in value-added tax, and overall slowdown in manufacturing and exports – particularly those to China. Growth in China dropped to 6.1% in 2019 owing to lower investor sentiment and cooling domestic demand.

In India, growth slowed down to 4.2% in 2019. This economic slowdown can be attributed to weak investments and declining consumer demand. Further, several sectors such as real estate, aviation, automobile, and construction sectors suffered a consistent decline in demand. The banking sector and financial services also witnessed significant pressure of non-performing assets.

Overall, increasing trade tensions, worsening financial market sentiments, intense social unrest across many countries, and sluggish economic growth led to slowdown in global economy.

#### 2. Economic Outlook

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength.

Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021, however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound.

India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth.

#### Industry Structure and Developments

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,



## AHLADA ENGINEERS LIMITED

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 30,000 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 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. 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 steel doors and windows to other infra developers and industrial customers (other than Tata Steel Limited and the products manufactured and supplied to TSL) as well.

### **IMPACT OF COVID-19 PANDEMIC ON THE COMPANY**

The COVID-19 pandemic has posed unprecedented disruptions in business operations of companies all over the globe. At "Ahlada", the first and foremost priority is the health and safety of the employees and the communities in which the Company operates. The Company has been operating its facilities in accordance with the advisories issued from time to time, by the Central, State and local Governments, including the prescribed hygiene and safety standards and social distancing norms.

#### **a. Impact on the operations:**

In view of the nationwide lockdown imposed to combat the COVID-19 pandemic and the slowdown in economic activity, there has been a significant reduction in demand in key housing consuming segments such as infrastructure, construction, real estate, capital goods, amongst others. Our company have reduced production amidst weakening economic activities, shortage of manpower, working capital constraints, and logistical issues, thereby impacting product demand adversely.

The Company's production levels decreased on account of lack of demand from customers. Production at downstream facilities was temporarily suspended. Supply chain activities were affected and all despatches were stopped.

At locations where operations were re-opened, the Company adopted safety & hygiene standards at shop floor and offices and implemented social distancing norms, work from home, workforce deployment plan, and staggered shift timing for safety of the employees.

With the phased removal of the lockdown restrictions in India, the Company's upstream making operations have been ramped up and are currently operating at about 50% utilisation levels. The downstream units have reopened and are steadily ramping up.

#### **b. Impact on the profitability, cash flow, liquidity and financials:**

The impact on the operations of the Company on account of the COVID-19 pandemic, led to decline in finished product deliveries which resulted in decline in earnings and increase in inventories. Post relaxation of the lockdown, the plant production is gradually ramping up and the inventory is being liquidated based on market demand and

offtake. The Company's digital initiatives have enabled compliance of the internal financial controls and reporting of the Company. The Company has been fulfilling its legal obligations as required for execution of the existing contracts/agreements.

The Company has always strived to have a balanced maturity profile and a judicious mix of funding instruments which help in minimising costs while providing flexibility in managing cashflows. Taking its cashflows and liquidity position into account, the Company is in a position to service its debt and other financing arrangements. The Company has chosen not to avail the moratorium offered by RBI on interest and principal payments, demonstrating its ability to service its debt obligations.

### 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.

#### 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. 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.

### Strategy

During the year under review, the Company continued to focus on operational and marketing excellence to counter adverse business conditions. The Company aspires to be the most valuable and respected Company in the Country for which it has taken steps to be structurally, financially, and culturally future-ready. The Company continues to place special emphasis on strengthening its financial profile to enable future growth and to achieve volume growth while remaining cost competitive.

The Company aspires to further strengthen its leadership position in the industry and is pursuing the following priorities in the medium term.

#### Strategic enablers:

In order to be future-ready, the Company is focussed on creating an organisation culture which is built on a strong foundation of agility and innovation. People are the key asset for any organisation and hence, the Company continues to direct its efforts towards building a future-ready, engaged, and diverse workforce. The Company is also focussed on investing in various new business models, and enhancing the maturity of the organisation.

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## 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.

## Growth of India's GDP in FY2019-20

Particulars	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

## Road Ahead:

### 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.

## Key Government Initiatives

### National infrastructure pipeline:

To achieve a GDP of USD 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth H102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.

### Corporate tax relief:

Indian companies were unable to compete globally, with the cost of capital and corporate income tax (CIT) being significantly higher than overseas competitors. In view of this, the government reduced corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

## Growth drivers

### Demographics

**Urbanisation:** India's urbanization rate was pegged at 34% in 2019 and is projected to reach 40% by 2030, creating an additional demand for 25 million affordable housing units, which will, in turn boost the demand for construction industry in the country.

**Growing nuclear families:** 74% households have five or fewer members according to the 2011 Census. The fall in the average household size with higher disposable incomes is expected to catalyse growth of the construction industry in the country.

**Rising population:** India is the second-most populous country with a population of around 1.36 billion in 2019 and growing at >1% per year, the largest population increment anywhere. This population growth would drive the real estate and infrastructure industry, which will, in turn boost the growth of the construction industry.

## Financial

**Increasing incomes:** The nominal per-capita net national income during 2019-20 is estimated at H1,34,226, a rise of 6.1% compared to H126,521 during 2018-19, in turn, driving consumption in the country.

### Real estate Housing sector

**Housing shortage:** The Ministry of Housing and Urban Affairs evaluated an affordable housing shortfall of approximately 10 million, and with the Government addressing this shortage, the demand of the construction of housing sector is expected to grow exponentially.

**Home extension and home improvement needs:** In 2011, 41% of households were living in less than one-room homes and only 53% households were in a good condition, implying a need for home repair and extension. This is also expected to drive the demand for construction chemicals across the country.

### Commercial sector

**Office space growth:** According to a Knight Frank India report, the country's office leasing volume rose by 27% y-o-y to an all time high of 60.6 million square feet in 2019 on the back of a surge in leasing activity by information technology companies. This has helped boost the construction chemicals market in the country in the years to come.

**Shopping malls growth:** India is set to embark on a journey comprising >65 million sq ft of new mall spaces by the end of 2022, of which the top 7 cities could comprise a 72% share and the remaining 28% or 18.2 million sq ft is slated to come up in Tier 2 and 3 cities. This could further boost the demand of construction chemicals.

### Pradhan Mantri Awas Yojana (PMAY) (U):

# As of 27<sup>th</sup> December 2019, a total of 1.12 Crore houses have been sanctioned in the 50<sup>th</sup> meeting of Central Sanctioning and Monitoring Committee (CSMC) held on 27<sup>th</sup> December, 2019 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 more than one crore affordable houses for urban poor in states/UT'S.

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

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

### Smart City Project:

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:

### 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.

### SWOT analysis

Strengths	Weaknesses	Opportunities	Threats
The agreement with Tata is a testimony of our work ethic and quality, endorsed by a leading Corporate.	We are dependent on Tata for distribution and marketing of the products supplied to Tata and we do not have our own distribution or marketing network for such products.	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.	Threats from Chinese imports and the unorganised nature of the business makes the playing field uneven for organised players.

### 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

## AHLADA ENGINEERS LIMITED

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	2019-20	2018-2019
Revenue from Operations	<b>110,46,16,799</b>	207,43,26,881
Other Income	<b>17,91,373</b>	26,62,992
Total Income	<b>110,64,08172</b>	207,69,89,873
Profit Before Interest and Depreciation	<b>8,97,95,034</b>	34,03,53,837
Finance Charges	<b>5,18,66,651</b>	8,88,67,461
Depreciation	<b>9,84,43,500</b>	7,02,40,698
Net Profit after Interest and Depreciation but before tax	<b>8,97,95,034</b>	18,12,45,678
Net Profit before Tax	<b>8,97,95,034</b>	18,12,45,678
Provision for Tax	<b>2,52,18,509</b>	6,75,65,866
Net Profit after Tax	<b>6,45,76,525</b>	11,36,79,812

#### 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.

**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.

Sd/-  
**Ch. Suresh Mohan Reddy**  
Managing Director

Sd/-  
**A. Narasimha Rao**  
Chief Financial Officer

Place: Hyderabad  
Date: 05.09.2020

## 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 2020, and the statement of Profit and Loss, 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 2020, 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.



## 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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

Sd/-  
**M.V. RAMANA REDDY**  
 Partner  
 M.No.026845  
 UDIN: 20026845AAAAAP7534

Place: Hyderabad  
 Date: 27-06-2020

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## 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 form State Bank of India, Commercial Branch, Secunderabad, HDFC Bank Ltd, Hyderabad. Plant & Machinery, Stock and other assets hypothecated to State Bank of India, Commercial Branch, Secunderabad, Tata Capital Financial Services Ltd, Hero Fincorp Limited.
- 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.

## AHLADA ENGINEERS LIMITED

- 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 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, 2020 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 company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- 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. The company has not made any preferential allotment of shares during the year under review and requirement of section 42 of the Companies Act, 2013.
- 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.

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

Sd/-  
**M.V. RAMANA REDDY**  
Partner  
M.No.026845  
UDIN: 20026845AAAAAP7534

Place: Hyderabad  
Date: 27-06-2020

## 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, 2020, 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, 2020, 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

Sd/-

**M.V. RAMANA REDDY**

Partner

M.No.026845

UDIN: 20026845AAAAAP7534

Place: Hyderabad

Date: 27-06-2020

# AHLADA ENGINEERS LIMITED

## BALANCE SHEET AS AT 31st MARCH 2020

Particulars		Note No.	As at 31-03-2020 Rs.	As at 31-03-2019 Rs.
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1. Share Holders' Funds</b>			
	(a) Share Capital	2	<b>12,92,10,000</b>	12,92,10,000
	(b) Reserves and Surplus	3	<b>101,07,48,886</b>	96,18,28,866
	<b>2. Non-Current Liabilities</b>			
	(a) Long Term Borrowings	4	<b>11,12,66,995</b>	16,47,76,201
	(b) Deferred Tax Liabilities (Net)	5	<b>4,27,49,021</b>	3,63,44,182
	(c) Long Term Provisions	6	<b>75,23,112</b>	74,92,179
	<b>3. Current Liabilities</b>			
	(a) Short Term Borrowings	7	<b>18,38,63,076</b>	27,63,98,522
	(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	<b>16,19,12,746</b>	18,03,62,384
	(c) Other Current Liabilities	9	<b>8,07,81,111</b>	28,36,94,307
	(d) Short Term Provisions	10	<b>1,64,86,423</b>	4,15,99,006
	<b>TOTAL</b>		<b>174,45,41,370</b>	208,17,05,648
<b>II</b>	<b>ASSETS</b>			
	<b>1. Non Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	<b>107,32,85,507</b>	78,80,93,722
	(b) Other Non- Current Assets	12		
	(i) Preliminary Expenses		<b>3,78,000</b>	5,67,000
	(ii) IPO Expenses		<b>3,38,91,572</b>	4,51,88,757
	<b>2. Current Assets</b>			
	(a) Inventories	13	<b>23,82,43,836</b>	24,33,38,702
	(b) Trade Receivables	14	<b>30,69,37,691</b>	82,84,45,597
	(c) Cash and Cash Equivalents	15	<b>1,57,60,341</b>	1,42,06,448
	(d) Short-Term Loans and Advances	16	<b>7,60,44,423</b>	16,18,65,422
	<b>TOTAL</b>		<b>174,45,41,370</b>	208,17,05,648
	Significant Accounting Policies and Notes on Accounts	1 to 39		

As per our report of even date attached

For and on behalf of the Board

**For KISHORE & VENKAT ASSOCIATES**

Chartered Accountants  
Firm Regd. No: 001807S

Sd/-  
**(M V RAMANA REDDY)**

Partner  
M No: 026845

Place: Hyderabad  
Date: 27.06.2020

Sd/-

**CH. SURESH MOHAN REDDY**

Managing Director  
DIN: 00090543

Sd/-  
**A. NARASIMHA RAO**

Chief Financial Officer

Sd/-

**KINNERA CHEEDEPUDI**

Wholesale Director  
DIN: 08272661

Sd/-  
**P. KODANDA RAMI REDDY**

Company Secretary &  
Compliance Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020**

Particulars		Note No.	For the Year Ended 31-03-2020 Rs.	For the Year Ended 31-03-2019 Rs.
<b>I</b>	Revenue from Operations	17	<b>110,46,16,799</b>	207,43,26,881
<b>II</b>	Other Income	18	<b>17,91,373</b>	26,62,992
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>110,64,08,172</b>	207,69,89,873
<b>IV</b>	<b>Expenses</b>			
	Cost of Materials Consumed	19	<b>51,42,88,247</b>	124,38,60,252
	Change in Inventories of FG and WIP	20	<b>1,95,09,505</b>	7,81,47,078
	Employee Benefit Expenses	21	<b>10,79,87,798</b>	13,24,89,192
	Finance Cost	22	<b>5,18,66,651</b>	8,88,67,461
	Depreciation	12	<b>9,84,43,500</b>	7,02,40,698
	Other Expenses	23	<b>22,45,17,437</b>	28,21,39,514
	<b>TOTAL</b>		<b>101,66,13,138</b>	189,57,44,195
<b>V</b>	<b>Profit Before Exceptional Item and Tax (III - IV)</b>		<b>8,97,95,034</b>	18,12,45,678
<b>VI</b>	Exceptional and Extraordinary Items		-	-
<b>VII</b>	<b>Profit Before Tax (V - VI)\(V+VI)</b>		<b>8,97,95,034</b>	18,12,45,678
<b>VIII</b>	<b>Less: Tax Expenses</b>		-	-
	1) Current Tax		<b>1,79,71,666</b>	3,90,56,269
	2) Prior Year Taxes		<b>35,92,901</b>	-
	3) Mat Credit Entitlement		<b>(27,50,897)</b>	-
	4) Deferred Tax liability		<b>64,04,839</b>	2,85,09,597
<b>IX</b>	<b>Profit After Tax (VII - VIII)</b>		<b>6,45,76,525</b>	11,36,79,812
<b>X</b>	<b>Earnings per Share (of Rs. 10/- each)</b>			
	(a) Basic	33	<b>5.00</b>	8.80
	(b) Diluted		<b>5.00</b>	10.17
Significant Accounting Policies and Notes on Accounts		1 to 39		

As per our report of even date attached

For and on behalf of the Board

**For KISHORE & VENKAT ASSOCIATES**Chartered Accountants  
Firm Regd. No: 001807S

Sd/-

**(M V RAMANA REDDY)**

Partner

M No: 026845

Place: Hyderabad

Date: 27.06.2020

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

(Rs.)

Particulars	31-3-2020	31-3-2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	<b>8,97,95,034</b>	18,12,45,678
Adjustments for:	-	-
Depreciation	<b>9,84,43,500</b>	7,02,40,698
Financial Charges	<b>5,18,66,651</b>	8,88,67,461
Interest Income	<b>(14,51,970)</b>	(20,00,100)
Preliminary / IPO expenses writtenoff	<b>1,14,86,184</b>	1,89,000
Income from mutual funds	-	(6,725)
Profit on Sale of Fixed Assets	<b>(6,68,047)</b>	(6,56,167)
<b>Operating profit before working capital changes</b>	<b>24,94,71,352</b>	33,78,79,845
<b>Changes in working capital:</b>		
(Increase) / Decrease in Inventories	<b>50,94,866</b>	18,73,91,032
(Increase) / Decrease in Receivables	<b>52,15,07,906</b>	(47,27,96,949)
(Increase) / Decrease in Short term loans & advances	<b>8,58,20,999</b>	(5,41,10,473)
Increase / (Decrease) in Trade payables	<b>(1,84,49,638)</b>	(8,72,67,541)
Increase / (Decrease) in Long term provisions	<b>30,933</b>	23,26,963
Increase / (Decrease) in Short term provisions	<b>(12,77,083)</b>	19,17,013
Increase / (Decrease) in other Current Liabilities	<b>(20,29,13,196)</b>	(1,83,80,928)
<b>Cash generated from operations</b>	<b>63,92,86,138</b>	(10,30,41,038)
Income tax paid	<b>(4,26,49,170)</b>	(3,66,36,849)
<b>Net cash generated from/(used in) operating activities</b>	<b>59,66,36,969</b>	(13,96,77,887)
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets including Capital WIP	<b>(38,61,75,528)</b>	(32,25,33,415)
Decrease / (Increase) in Other non current assets	<b>1,14,86,185</b>	(4,49,99,757)
Sale of Fixed Assets	<b>32,08,292</b>	36,99,813
Other Income and income from mutual funds	<b>14,51,970</b>	20,06,825
Preliminary expenses writtenoff	<b>(1,14,86,184)</b>	(1,89,000)
<b>Net cash generated from/(used in) investing activities</b>	<b>(38,15,15,265)</b>	(36,20,15,534)
<b>C. Cash Flow from Financing Activity</b>		
Increase / (decrease) in Long Term Borrowings	<b>(5,35,09,206)</b>	(7,82,37,944)
Increase / (decrease) in Short Term Borrowings	<b>(9,25,35,447)</b>	4,79,02,280
Interest paid	<b>(5,18,66,651)</b>	(8,88,67,461)
Corporate Dividend	<b>(1,56,56,505)</b>	-
Increase in Share capital	-	4,16,50,000
Increase in Share Premium	-	57,09,40,000
<b>Net cash generated from/(used in) financing activities</b>	<b>(21,35,67,809)</b>	49,33,86,876
<b>D. Net Increase/( Decrease) in Cash and Cash Equivalents</b>	<b>15,53,895</b>	(83,06,545)
Cash and Cash Equivalents at the beginning of the year	<b>1,42,06,446</b>	2,25,12,993
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,57,60,341</b>	1,42,06,446
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	<b>69,466</b>	2,65,867
Bank balances		
- in current accounts	<b>3,21,314</b>	8,72,884
- in deposit accounts	<b>1,53,69,560</b>	1,30,67,697
<b>TOTAL</b>	<b>1,57,60,341</b>	1,42,06,446

As per our report of even date attached

For and on behalf of the Board

**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/-  
**(M V RAMANA REDDY)**

 Sd/-  
**A. NARASIMHA RAO**

 Sd/-  
**P. KODANDA RAMI REDDY**

 Partner  
 M No: 026845

Chief Financial Officer

 Company Secretary &  
 Compliance Officer

 Place: Hyderabad  
 Date: 27.06.2020

## 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
Buildings - Lease Hold	Over the Period of Lease	Computers	3 years
Plant & Machinery	20 years	Vehicles	8 years
Electrical Equipment	12 years	Cellphones	3 years
Furniture & Fittings	10 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



## AHLADA ENGINEERS LIMITED

impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. 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 per share and weighted average number of shares has been used as denominator for calculating 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 OCCURRING 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	2019-20	2018-19
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.

# AHLADA ENGINEERS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS		As at 31-03-2020	As at 31-03-2019		
<b>2</b>	<b>Share Capital</b>				
	AUTHORISED				
	1,50,00,000 Equity Shares of Rs. 10/- each	<b>15,00,00,000</b>	15,00,00,000		
		<b>15,00,00,000</b>	15,00,00,000		
	<b>ISSUED, SUBSCRIBED:</b>				
	1,29,21,000 Equity Shares of Rs. 10/- each	<b>12,92,10,000</b>	12,92,10,000		
	TOTAL	<b>12,92,10,000</b>	12,92,10,000		
	<b>PAID-UP:</b>				
	1,29,21,000 Equity Shares of Rs. 10/- each	<b>12,92,10,000</b>	12,92,10,000		
	TOTAL	<b>12,92,10,000</b>	12,92,10,000		
<b>(a)</b>	<b>Reconciliation of Number of Shares</b>				
	Opening Balance at the beginning of the year	<b>1,29,21,000</b>	87,56,000		
	Add: Shares issued during the year 2018-19 (issue price of Rs. 134/- including premium of Rs. 124/- per share)	7,60,000 @ 10/-	-		
			7,60,000		
	Add: Shares issued during the year 2018-19 through IPO (issue price of Rs. 150/- including premium of Rs. 140/- per share)	34,05,000 @ 10/-	-		
			34,05,000		
	Balance at the end of the year	<b>1,29,21,000</b>	1,29,21,000		
<b>(b)</b>	<b>Equity Shares:</b> The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>(c)</b>	<b>List of Shareholders holding more than 5% of the total number of shares issued by the Company:</b>				
	Year	2019-20		2018-19	
	Name of the Share Holder	No. of Shares	% of Shares	No. of Shares	% of Shares
	Ch. Suresh Mohan Reddy	<b>65,07,096</b>	<b>50.36%</b>	65,07,096	50.36%
	Massachusetts Institute of Technology	<b>12,00,000</b>	<b>9.29%</b>	12,00,000	9.29%
	PARTICULARS	As at 31-03-2020	As at 31-03-2019		
<b>3</b>	<b>Reserves and Surplus</b>				
	(a) Capital Reserve				
	State Subsidy received from the District Industries Centre, Ranga Reddy District.	<b>20,63,630</b>	20,63,630		
	TOTAL	<b>20,63,630</b>	20,63,630		
	(b) Share Premium Account				
	Opening Balance of Share Premium	<b>63,11,36,500</b>	6,01,96,500		
	Additions During the year	-	57,09,40,000		
	TOTAL	<b>63,11,36,500</b>	63,11,36,500		
	(c) Surplus in Statement of Profit and Loss				
	Opening Balance	<b>32,86,28,736</b>	21,49,48,924		
	Less Dividend	<b>(1,56,56,505)</b>	-		
		<b>31,29,72,231</b>	21,49,48,924		
	Add: Profit for the year	<b>6,45,76,525</b>	11,36,79,812		
	TOTAL	<b>37,75,48,756</b>	32,86,28,736		
	TOTAL	<b>101,07,48,886</b>	96,18,28,866		

(Amount in Rs.)

PARTICULARS		As at 31-03-2020	As at 31-03-2019
<b>4</b>	<b>Long-Term Borrowings</b>		
	<b>Secured:</b>		
	<b>Term loans from Banking and Non Banking Financial Institutions</b> (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)	<b>11,07,64,419</b>	16,26,16,151
	<b>Hire Purchase Loans</b> (Hypothecation of vehicles purchased against the loan taken from Banks & financial institutions) (Ref. Note No. 25)	<b>5,02,576</b>	21,60,050
	TOTAL	<b>11,12,66,995</b>	16,47,76,201
<b>5</b>	<b>Deferred Tax Liability (Net)</b>		
	a. Deferred Tax Liabilities		
	- Depreciation on Fixed Assets	<b>4,51,94,056</b>	3,91,35,896
	b. Deferred Tax Asset on Employee Benefits	<b>24,45,035</b>	27,91,714
	Net Deferred Tax Liability	<b>4,27,49,021</b>	3,63,44,182
<b>6</b>	<b>Long Term Provisions</b>		
	Provision for Employee Benefits		
	- Provision for Gratuity	<b>62,62,199</b>	56,30,468
	- Provision for Leave encashment	<b>12,60,913</b>	18,61,711
	TOTAL	<b>75,23,112</b>	74,92,179
<b>7</b>	<b>Short Term Borrowings</b>		
	<b>Secured:</b>		
	Working Capital Loan from SBI (Refer Note No. 26)	<b>13,47,35,501</b>	18,19,32,116
	Working Capital Loan from Axis Bank Ltd (Refer Note No.26)	-	1,26,55,654
	Working Capital Loan from Tata Capital Finance Ltd (Refer Note No. 26)	<b>2,09,32,656</b>	2,08,99,674
	Working Capital Loan from Tata Capital Finance Ltd (Bill Discounting) (Refer Note No. 26)	<b>2,81,94,919</b>	1,19,81,093
	Working Capital Loan from HDFC Bank Ltd (Refer Note No. 26)	-	4,89,29,985
	TOTAL	<b>18,38,63,076</b>	27,63,98,522
<b>8</b>	<b>Trade Payables for Supplies &amp; Services</b>		
	Creditors for Purchases	<b>15,06,68,553</b>	15,63,61,414
	Creditors for Others	<b>1,12,44,196</b>	2,40,00,970
	TOTAL	<b>16,19,12,746</b>	18,03,62,384
<b>9</b>	<b>Other Current Liabilities</b>		
	Outstanding Liabilities	<b>83,30,543</b>	10,54,50,239
	Creditors for Capital Goods	<b>61,29,364</b>	7,06,97,189
	Advance from Customers	<b>94,29,112</b>	1,15,23,516
	Dealers Deposits	<b>8,97,498</b>	25,17,304
	Current Maturities of Term Loans	<b>5,59,94,594</b>	9,35,06,059
	TOTAL	<b>8,07,81,111</b>	28,36,94,307
<b>10</b>	<b>Short - Term Provisions</b>		
	Provision for Gratuity	<b>8,58,317</b>	16,32,756
	Provision for Leave encashment	<b>4,07,337</b>	9,09,981
	Provision for Taxation	<b>1,52,20,769</b>	3,90,56,269
	TOTAL	<b>1,64,86,423</b>	4,15,99,006

(Amount in Rs.)

**11. FIXED ASSETS**

Tangible Assets											
Description of Assets	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As at 01-04-2019	Additions During the year	Deletions During the year	As at 31-03-2020	As at 01-04-2019	For the year	Deletions during the year	As at 31-03-2020	As at 31-03-2020	As at 01-04-2019	
Land	3,82,70,297	2,25,000	-	<b>3,84,95,297</b>	-	-	-	-	<b>3,84,95,297</b>	3,82,70,297	
Buildings	9,51,07,301	61,99,037	-	<b>10,13,06,338</b>	3,39,89,813	61,16,111	-	<b>4,01,05,924</b>	<b>6,12,00,414</b>	6,11,17,488	
Plant & Machinery	67,57,05,851	21,26,88,339	66,12,490	<b>88,17,81,700</b>	14,24,38,329	7,60,89,905	48,27,248	<b>21,37,00,987</b>	<b>66,80,80,713</b>	53,32,67,522	
Internal Accessories	6,07,81,563	5,79,815	-	<b>6,13,61,378</b>	1,00,87,082	70,62,358	-	<b>1,71,49,440</b>	<b>4,42,11,938</b>	5,06,94,481	
Electricals & Fittings	2,20,00,499	22,10,000	-	<b>2,42,10,499</b>	89,27,145	31,55,502	-	<b>1,20,82,647</b>	<b>1,21,27,852</b>	1,30,73,354	
Cell Phones	2,16,240	55,870	-	<b>2,72,110</b>	2,00,873	24,277	-	<b>2,25,150</b>	<b>46,960</b>	15,367	
Furniture & Fittings	48,44,797	-	-	<b>48,44,797</b>	35,01,276	3,39,140	-	<b>38,40,416</b>	<b>10,04,381</b>	13,43,521	
Office Equipment	85,72,301	6,14,258	-	<b>91,86,559</b>	53,41,365	12,05,592	-	<b>65,46,957</b>	<b>26,39,602</b>	32,30,936	
Computers	1,59,08,813	6,62,098	8,07,550	<b>1,57,63,361</b>	1,35,93,705	12,83,662	7,63,409	<b>1,41,13,958</b>	<b>16,49,403</b>	23,15,108	
Vehicles	3,01,90,540	2,40,000	35,59,789	<b>2,68,70,751</b>	2,11,51,684	25,51,604	28,48,929	<b>2,08,54,359</b>	<b>60,16,392</b>	90,38,856	
R & D Expenditure	30,76,743	-	-	<b>30,76,743</b>	6,15,349	6,15,349	-	<b>12,30,698</b>	<b>18,46,045</b>	24,61,394	
Capital Work in Process	7,32,65,399	38,75,00,799	22,47,99,687	<b>23,59,66,511</b>	-	-	-	-	<b>23,59,66,511</b>	7,32,65,399	
<b>TOTAL</b>	<b>1,02,79,40,344</b>	<b>61,09,75,215</b>	<b>23,57,79,516</b>	<b>1,40,31,36,043</b>	<b>23,98,46,621</b>	<b>9,84,43,500</b>	<b>84,39,585</b>	<b>32,98,50,536</b>	<b>1,07,32,85,507</b>	<b>78,80,93,723</b>	
Previous Year	71,84,93,877	82,70,20,374	51,75,73,908	<b>1,02,79,40,344</b>	17,96,49,224	7,02,40,698	1,00,43,301	<b>23,98,46,621</b>	<b>78,80,93,722</b>	53,88,44,653	

(Amount in Rs.)

PARTICULARS		As at 31-03-2020	As at 31-03-2019
<b>12</b>	<b>Other Non Current Assets</b>		
(i)	Preliminary Expenses		
	Opening Balance	<b>5,67,000</b>	7,56,000
	Less Written off during the year	<b>1,89,000</b>	1,89,000
	TOTAL	<b>3,78,000</b>	5,67,000
(ii)	IPO Expenses	<b>4,51,88,757</b>	5,64,85,946
	Less Written Off during the year	<b>1,12,97,184</b>	1,12,97,189
	TOTAL	<b>3,38,91,572</b>	4,51,88,757
<b>13</b>	<b>Inventories (at Lower of cost or Net realisable value)</b>		
	Raw Materials, Hardware & Consumables	<b>10,31,25,982</b>	8,87,11,343
	Work in Process	<b>6,86,33,872</b>	11,92,23,956
	Finished Goods	<b>6,64,83,982</b>	3,54,03,403
	TOTAL	<b>23,82,43,836</b>	24,33,38,702
<b>14</b>	<b>Trade Receivables</b>		
	<b>Unsecured, Considered Good</b>		
-	Less than six months from the due date	<b>27,82,62,636</b>	76,92,03,092
-	Exceeding six months from the due date	<b>2,86,75,055</b>	5,92,42,505
	TOTAL	<b>30,69,37,691</b>	82,84,45,597
<b>15</b>	<b>Cash and Cash Equivalents</b>		
	Cash on Hand	<b>69,466</b>	2,65,867
	Balance with Banks		
-	Current Accounts	<b>3,21,314</b>	8,72,884
	Other Bank Balances		
-	Fixed deposit with Bank	<b>22,30,995</b>	22,30,995
-	Margin Money Accounts for bank guarantees and Letter of Credits	<b>1,31,38,565</b>	1,08,36,702
	TOTAL	<b>1,57,60,341</b>	1,42,06,448
<b>16</b>	<b>Short Term Loans and Advances</b>		
	Advances recoverable in cash	<b>11,32,375</b>	14,81,506
	Advances Paid to Suppliers	<b>3,99,02,697</b>	11,64,85,583
	Deposits	<b>1,51,60,193</b>	2,43,01,283
	GST, Advance Income Tax and Tax Deducted at Source	<b>1,45,21,069</b>	1,26,41,669
	LIC Gratuity Fund	<b>4,46,669</b>	4,16,045
	Prepaid Expenses	<b>17,59,740</b>	25,12,134
	Retention Amount & Security Deposit	<b>20,15,859</b>	22,28,321
	Interest receivable	<b>11,05,820</b>	17,98,882
	TOTAL	<b>7,60,44,423</b>	16,18,65,422

# AHLADA ENGINEERS LIMITED

(Amount in Rs.)

PARTICULARS		For the Year ended 31-03-2020	For the Year ended 31-03-2019
<b>17</b>	<b>Revenue from Operations</b>		
	Domestic Sales	<b>62,88,66,398</b>	1,45,16,27,429
	Export Sales	<b>2,57,719</b>	13,56,000
	Scrap Sales	<b>84,05,441</b>	37,48,250
	Service Charges	<b>38,87,240</b>	2,02,95,202
	Processing Charges & Facility Charges	<b>46,32,00,000</b>	59,73,00,000
	TOTAL	<b>110,46,16,799</b>	207,43,26,881
<b>18</b>	<b>Other Income</b>		
	Interest on Fixed Deposits	<b>13,87,197</b>	20,00,100
	Profit on sale of Asset	<b>6,68,047</b>	6,56,167
	Gain / ( Loss ) on Exchange Fluctuations	<b>-3,28,644</b>	-
	Interest on delayed payments	<b>64,773</b>	-
	Income from Mutual funds	-	6,725
	TOTAL	<b>17,91,373</b>	26,62,992
<b>19</b>	<b>Cost of Materials Consumed</b>		
	Materials Consumed Comprises of:		
	Opening Stock	<b>8,87,11,343</b>	19,79,55,297
	Add: Purchases	<b>52,34,09,426</b>	1,13,19,16,362
	Carriage Inward	<b>52,93,461</b>	26,99,936
		<b>61,74,14,230</b>	1,33,25,71,595
	Less: Closing Stock	<b>10,31,25,982</b>	8,87,11,343
	TOTAL	<b>51,42,88,247</b>	1,24,38,60,252
<b>20</b>	<b>Change in Inventories of Finished Goods and WIP</b>		
	Opening Stock		
	Work in Progress	<b>11,92,23,956</b>	15,85,84,974
	Finished Goods	<b>3,54,03,403</b>	7,41,89,463
		<b>15,46,27,359</b>	23,27,74,437
	Closing Stock		
	Work in Progress	<b>6,86,33,872</b>	11,92,23,956
	Finished Goods	<b>6,64,83,982</b>	3,54,03,403
		<b>13,51,17,854</b>	15,46,27,359
	(Increase)/ Decrease in Inventories of F.G. and W.I.P.	<b>1,95,09,505</b>	7,81,47,078
<b>21</b>	<b>Employee Benefits Expenses</b>		
	Salaries, Wages	<b>8,39,05,008</b>	9,69,51,426
	Gratuity	<b>13,16,266</b>	43,96,649
	Earned Leave	-	35,69,479
	Sales Incentives	-	5,32,119
	Directors Remuneration	<b>1,17,00,000</b>	1,35,75,000
	Contribution to Provident Fund	<b>48,86,121</b>	46,39,041
	Contribution to ESI	<b>8,19,872</b>	14,88,302
	Staff Welfare Expenses	<b>53,60,531</b>	73,37,176
	TOTAL	<b>10,79,87,798</b>	13,24,89,192

(Amount in Rs.)

PARTICULARS	For the Year ended 31-03-2020	For the Year ended 31-03-2019
<b>22 Finance Cost</b>		
Interest on Term Loans	<b>2,35,04,992</b>	3,28,54,164
Interest on Working Capital Loan	<b>2,11,32,286</b>	3,18,51,750
Interest on Vehicle Loans	<b>3,08,147</b>	6,32,271
Interest on Unsecured Loans	<b>6,68,561</b>	1,45,28,669
Interest Others	<b>9,10,867</b>	12,53,626
Interest on Delay payment of Duties & Taxes	<b>1,18,751</b>	-
Bank Charges	<b>52,23,048</b>	77,46,981
TOTAL	<b>5,18,66,651</b>	8,88,67,461
<b>23 Other Expenses</b>		
<b>Direct Manufacturing Expenses:</b>		
Power, Fuel and Gas	<b>3,84,64,623</b>	3,58,14,719
Jobwork & Erection charges	<b>47,42,619</b>	1,51,57,236
Repairs & Maintenance (Machinery)	<b>11,37,218</b>	47,89,222
Factory Maintenance	<b>59,77,474</b>	56,82,477
Delay Delivery Charges	-	22,00,000
Labour Charges	<b>8,59,55,286</b>	10,88,46,992
Loading & Unloading Charges	<b>2,41,623</b>	7,08,434
Testing Charges	<b>1,63,200</b>	5,61,445
<b>Administrative &amp; Selling Expenses:</b>		
Audit Fee	<b>4,00,000</b>	4,00,000
Business Promotion	<b>14,47,543</b>	13,64,145
Computer Maintenance	<b>1,46,547</b>	2,03,790
Commission Charges	<b>5,00,000</b>	10,95,042
Conveyance Charges	<b>58,15,115</b>	76,88,560
Discount Allowed	<b>12,64,900</b>	47,79,991
IPO Expenses Written off	<b>1,12,97,184</b>	1,12,97,189
Insurance	<b>11,30,546</b>	5,15,120
Licence and Renewals	<b>3,80,334</b>	3,87,019
Late Filing Fee	<b>7,684</b>	5,81,021
Miscellaneous Expenses	<b>86,965</b>	3,19,008
Office Maintenance	<b>26,90,435</b>	21,30,678
Postage & Courier Charges	<b>64,969</b>	2,09,032
Printing & Stationery	<b>5,42,008</b>	9,13,798
Professional Charges	<b>30,15,136</b>	73,82,429
Prior Period Expenses	<b>9,72,854</b>	11,77,222
Preliminary Expenses Written Off	<b>1,89,000</b>	1,89,000
Duties & Taxes	<b>8,36,298</b>	76,47,718
Repairs & Maintenance (General)	<b>3,44,341</b>	4,16,054
Rent	<b>2,64,00,656</b>	3,03,80,195
Telephone Charges	<b>6,68,166</b>	9,97,655
Tour Expenses	<b>41,93,776</b>	41,04,373
Transport Outward	<b>2,36,75,493</b>	2,10,15,035
Vehicle Maintenance	<b>9,54,021</b>	28,30,222
Web Maintenance	<b>8,11,423</b>	3,54,694
TOTAL	<b>22,45,17,437</b>	28,21,39,514



(Amount in Rs.)

PARTICULARS	For the Year ended <b>31-03-2020</b>	For the Year ended 31-03-2019
<b>24 Contingent Liabilities in respect of</b>		
(a) Unexpired Bank Guarantee	<b>26,99,245</b>	26,99,245
(b) Letters of Credit	<b>8,63,195</b>	-
(c) Duty Payable against Import of Machinery Under EPCG Scheme	<b>9,21,70,439</b>	9,22,77,494
(d) Showcause cum Demand Notice from Central Excise Dept	<b>8,48,44,828</b>	8,48,44,828
(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.8,48,44,828/- towards Excise duty for the period from August 2008 to June 2017 on sale of Hardware items.		

**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, HDFC Bank Ltd, Tata Capital Financial Services Ltd, Siemens Financial Services Pvt Ltd and Hero Fincorp 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	Land, Building & Machinery	15,01,025	<b>24</b>
HDFC Bank Ltd	Land, Building & Machinery	23,07,241	<b>29</b>
Hero Fincorp Limited	Plant & Machinery	9,13,109	<b>15</b>
Tata Capital Financial Services Ltd	Plant & Machinery	1,17,800	<b>12</b>
Tata Capital Financial Services Ltd	Plant & Machinery	89,900	<b>12</b>
Tata Capital Financial Services Ltd	Plant & Machinery	5,66,800	<b>0</b>

**Hire Purchase Vehicle Loans**

(Hypothecation of vehicles purchased against the loan taken from Banks &amp; 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	<b>4</b>
HDFC Bank Ltd	Vehicle	1,07,370	<b>7</b>

- 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 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 Term Loan from HDFC Bank Ltd are secured by 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.)			
		31-03-2020		31-3-2019	
		Value	%	Value	%
<b>Raw Materials:</b>					
Imported		<b>1,19,73,967</b>	<b>2.35</b>	1,26,92,208	1.02
Indigenous		<b>37,73,36,111</b>	<b>74.13</b>	1,08,06,28,140	87.02
		<b>38,93,10,078</b>	<b>76.49</b>	1,09,33,20,348	88.04
<b>Stores and Spares:</b>					
Imported		<b>9,21,496</b>	<b>0.18</b>	38,15,012	0.31
Indigenous		<b>11,87,63,213</b>	<b>23.33</b>	14,46,83,042	11.65
	Sub Total	<b>11,96,84,709</b>	<b>23.51</b>	14,84,98,054	11.96
	Grand Total	<b>50,89,94,787</b>	<b>100.00</b>	1,24,18,18,402	100.00

(Amount in Rs.)

PARTICULARS		For the Year ended 31-03-2020	For the Year ended 31-03-2019
<b>28 Auditors Remuneration:</b>			
Audit fee		<b>300,000</b>	300,000
Tax Audit fee		<b>100,000</b>	100,000
	TOTAL	<b>400,000</b>	400,000
Managerial Remuneration			
<b>Directors Remuneration</b>			
Mr. Suresh Mohan Reddy Ch	Managing Director	<b>81,00,000</b>	42,00,000
Mr. Rajasekhar Reddy K (Resignation Dt. 14.11.18)	Whole Time Director	-	26,25,000
Mr. Vinod Kumar Reddy K (Resignation Dt. 14.11.18)	Whole Time Director	-	26,25,000
Mr. Bala Gangadhar Reddy K (Resignation Dt. 14.11.18)	Whole Time Director	-	26,25,000
Ms. Ch Kinnera (New Appointment Dt. 14.11.18)	Whole Time Director	<b>18,00,000</b>	7,50,000
Mr. J Abhinav Kumar (New Appointment Dt. 14.11.18)	Whole Time Director	<b>18,00,000</b>	7,50,000
	TOTAL	<b>1,17,00,000</b>	1,35,75,000

(Amount in Rs.)

PARTICULARS		2019-20	2018-19
<b>29 Value of Imports on CIF basis</b>			
Components, Stores and Spare Parts		<b>9,21,496</b>	10,69,510
Import of Hardware Items		-	27,45,502
Import of Raw Material		<b>1,19,73,967</b>	1,26,92,208
Import of Capital Goods		<b>8,55,63,331</b>	16,63,41,523
	TOTAL	<b>9,84,58,794</b>	18,28,48,743
<b>30 Expenditure in Foreign Currency :</b>			
Travelling Expenses		<b>24,19,653</b>	11,53,366
	TOTAL	<b>24,19,653</b>	11,53,366
<b>31 Earnings in foreign Exchange</b>			
FOB Value of Exports		<b>6,42,328</b>	32,58,027
	TOTAL	<b>6,42,328</b>	32,58,027

# AHLADA ENGINEERS LIMITED

## 32 a) PARTICULARS OF RAW MATERIALS:

(Amount in Rs.)

### Opening Stock

Item Description	Uom	2019 - 20			2018 - 19	
		Qty	Amount	Avg. Price	Qty	Amount
Cr Coil	Kgs	<b>1,37,780</b>	<b>70,62,104</b>	<b>51.26</b>	5,01,689	2,26,93,320
Gp Coil	Kgs	<b>3,82,986</b>	<b>2,35,96,277</b>	<b>61.61</b>	4,41,675	2,44,37,553
GPSP Coil	Kgs	<b>1,46,960</b>	<b>1,02,56,609</b>	<b>69.79</b>	7,68,898	5,47,18,850
Other Material	LS	-	<b>4,77,96,353</b>	-	-	9,61,05,574
			<b>8,87,11,343</b>			19,79,55,297

### Add: Purchases:

Item Description	Uom	2019 - 20			2018 - 19	
		Qty	Amount	Avg. Price	Qty	amount
Cr Coil	Kgs	-	-	-	23,04,515	12,11,42,554
Gp Coil	Kgs	<b>34,08,910</b>	<b>20,62,06,562</b>	<b>60.49</b>	64,66,868	39,72,79,049
GPSP Coil	Kgs	<b>3,56,974</b>	<b>2,19,61,157</b>	<b>61.52</b>	2,07,711	1,29,08,384
Others	LS	-	<b>29,52,41,707</b>	-	-	60,05,86,374
			<b>52,34,09,426</b>			1,13,19,16,361

### Less: Closing Stock

Item Description	Uom	2019 - 20			2018 - 19	
		Qty	Amount	Avg. Price	Qty	amount
Cr Coil	Kgs	<b>91,769</b>	<b>47,03,746</b>	<b>51.26</b>	1,37,780	70,62,104
Gp Coil	Kgs	<b>2,84,217</b>	<b>1,72,23,795</b>	<b>60.60</b>	3,82,986	2,35,96,277
GPSP Coil	Kgs	<b>5,14,992</b>	<b>3,25,52,675</b>	<b>63.21</b>	1,46,960	1,02,56,609
Others	LS	-	<b>4,86,45,766</b>	-	-	4,77,96,353
		<b>8,90,978</b>	<b>10,31,25,982</b>			8,87,11,343

PARTICULARS	For the Year ended 31-03-2020	For the Year ended 31-03-2019
<b>b) PARTICULARS OF MANUFACTURED GOODS (SALES):</b>		
- Steel Doors, Windows, Hardware, Shutters, Panels and HVAC etc,	<b>62,91,24,117</b>	1,45,29,83,429
- Scrap	<b>84,05,441</b>	37,48,250
TOTAL	<b>63,75,29,559</b>	1,45,67,31,679
<b>c) PARTICULARS OF WORK-IN- PROCESS:</b>		
- Steel Doors, Windows, Hardware, Shutters, Panels and HVAC etc,	<b>6,86,33,872</b>	11,92,23,956
TOTAL	<b>6,86,33,872</b>	11,92,23,956
<b>33 Earnings Per Equity Share</b>		
Face Value Per Share	<b>10.00</b>	10.00
Net Profit after Tax	<b>6,45,76,525</b>	11,36,79,812
Number of Shares	<b>1,29,21,000</b>	1,29,21,000
Basic Earnings per Share	<b>5.00</b>	8.80
Weighted Average Number of Shares	<b>1,29,21,000</b>	1,11,80,356
Diluted Earnings per Share	<b>5.00</b>	10.17

**34 Related Party Disclosures:****Associates in which the Directors and their relatives exercise significant influence:**

1. Decomet Marketing Pvt Ltd (Formerly known as Ahlada Marketing Pvt. Ltd)"	2. Ahlada HVAC Systems Pvt Ltd
3. Akarsh Marketing Pvt Ltd	4. Diabetomics Medical Pvt. Ltd.
5. Shanta Biotechnics Private Limited	6. M Annapurna
7. Radiant Engineers	8. Vibrant Technologies India Pvt Ltd
9. Evertogen Lifesciences Ltd.	10. Bluefence Systems Pvt Ltd
11. Decomet Industries Pvt Ltd	12. Elegant Products

**Key Managerial Personnel:**

Ch. Suresh Mohan Reddy	-	Managing Director
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. Kodanda Rami Reddy	-	Company Secretary & Compliance Officer

(Amount in Rs.)

Financial Year	Associates		Key Managerial Personnel	
	2019-20	2018-19	2019-20	2018 - 19
Transaction				
1. Purchases	<b>5,19,54,247</b>	4,34,29,855	-	-
2. Sales	<b>2,52,75,843</b>	8,76,01,662	-	-
3. Services rendered	<b>1,48,221</b>	-	-	-
- Remuneration	<b>1,19,12,400</b>	-	<b>2,05,27,334</b>	2,03,92,779
- Other services	-	87,18,754	-	-
4. Unsecured Loans taken	-	-	-	9,24,20,000
5. Unsecured Loans repaid	-	-	-	17,75,17,785

**Particulars**

Year End Balances	Associates		Key Managerial Personnel	
Financial Year end date	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Bluefence Systems Pvt. Ltd - Payable	<b>44,97,666</b>	84,47,643	-	-
Shanta Biotechnics Pvt. Ltd - Receivable	-	2,76,180	-	-
Ahlada Marketing Pvt. Ltd - Receivable	-	-	-	-
Vibrant Technologies India Pvt. Ltd. - Payable	-	7,25,315	-	-
Saffron Equity Advisors Pvt Ltd Payable	<b>32,400</b>	-	-	-
Magnizest Elevators LLP Receivable	<b>57,850</b>	-	-	-
Diabetomics Medical Pvt. Ltd. - Receivable	-	8,62,074	-	-
Akarsh Marketing Pvt Ltd - Receivables	<b>50,92,018</b>	-	-	-
Evertogen Lifesciences Ltd. - Receivable	-	1,239	-	-
Radiant Engineers - Payable	<b>16,992</b>	16,992	-	-
Ahlada HVAC Systems Pvt Ltd - Payable	-	11,37,758	-	-
Decomet Industries Pvt Ltd - Receivables	<b>31,42,159</b>	1,56,068	-	-
Elegant Products - Receivables	<b>2,20,694</b>	57,047	-	-
<b>Ch Suresh Mohan Reddy</b>				
'-Remuneration & Others	-	-	200	-

## AHLADA ENGINEERS LIMITED

<b>Ch Kinnera</b>				-	
'-Remuneration & Others	-	-	200		2,50,000
<b>J Abhinav Kumar Reddy</b>					
'-Remuneration & Others	-	-	15,99,749		1,50,000
<b>M Annapurna</b>					
'-Consultancy charges	-	5,40,000		-	-
<b>A Narasimha Rao</b>					
'-Remuneration & Others	-	-		-	3,07,922
<b>M Kotaiah</b>					
'-Remuneration & Others	-	-		-	3,35,632
<b>P Kodanda Rami Reddy</b>					
'-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** 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 2019-20	Rs.in lacs 2018-19
Average net profits of the company for last three financial years	<b>1310.52</b>	1,185.04
CSR expenditure (2% of the average net profits as computed above)	<b>26.21</b>	23.70
Unspent amount of 2017-18 & 2018-19	<b>38.60</b>	14.90
Total amount to be spent	<b>64.81</b>	38.60
Amount spent during 2019-20	<b>1.92</b>	-
Balance amount to be spent	<b>62.89</b>	38.60

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

As per our report of even date attached	For and on behalf of the Board	
<b>For KISHORE &amp; VENKAT ASSOCIATES</b> Chartered Accountants Firm Regd. No: 001807S	Sd/- <b>CH. SURESH MOHAN REDDY</b> Managing Director DIN: 00090543	Sd/- <b>KINNERA CHEEDEPUDI</b> Wholetime Director DIN: 08272661
Sd/- <b>(M V RAMANA REDDY)</b> Partner M No: 026845	Sd/- <b>A. NARASIMHA RAO</b> Chief Financial Officer	Sd/- <b>P. KODANDA RAMI REDDY</b> Company Secretary & Compliance Officer
Place: Hyderabad Date: 27.06.2020		



**ahlada**  
Engineering a better tomorrow!

## Ahlada Engineers Limited



Sy No: 62/A & 67, Tech Mahindra Road,  
Bahadoorpally (V), Gandimysamma-Dundigal (M),  
Medchal Dist., Hyderabad, Telangana, India-500043.



+91 98665 00811 / 822



engineers@ahlada.com



<https://www.ahlada.com>