

Date: 07<sup>th</sup> September, 2021

To  
The Manager, Listing Department  
National Stock Exchange of India Ltd,  
Exchange Plaza, C-1 Block G  
Bandra Kurla Complex, Bandra (E),  
MUMBAI - 400 051.

**Scrip Symbol: AHLADA**

Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial Year 2020-21 - Reg.**

This is to inform you that the 16<sup>th</sup> Annual General Meeting of the Members of the Company to be held on Thursday the 30<sup>th</sup> day of September, 2021 through Video Conference/Other Audio Visual Means at 11.00 A.M to transact the business as set out in the notice.

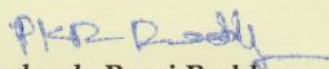
Please find enclosed herewith the Annual Report for the Financial Year 2020-21 as per Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

**For Ahlada Engineers Limited**

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



Encl: As above

**Ahlada Engineers Limited**

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Engineering a better tomorrow!



# Annual Report 2020-21

AHLADA ENGINEERS LIMITED

## BOARD OF DIRECTORS & KMP



**Dr. K. I. Varaprasad Reddy**  
Chairman-Non Executive



**Shri Ch Suresh Mohan Reddy**  
Managing Director



**Shri M. Ravindra Vikram**  
Independent Director



**Shri . B.K.Sarma**  
Independent Director



**Shri. G.V.Krishna Giri**  
Independent Director



**Shri K. Srinivas**  
Non Executive Director



**Shri J. Abhinav Kumar Reddy**  
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

**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. G.V. Krishna Giri*
	Shri. K. Srinivas*
	*Independent, Non-Executive Directors

MANAGEMENT COMMITTEE	: Shri Ch. Suresh Mohan Reddy
	Ms. Ch. Kinnera
	Shri J. Abhinav Kumar Reddy

AUDIT COMMITTEE	: Shri M. Ravindra Vikram
	Shri B. K. Sarma
	Shri Ch. Suresh Mohan Reddy

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	: Shri M. Ravindra Vikram
	Shri B. K. Sarma
	Shri Ch. Suresh Mohan Reddy

NOMINATION AND REMUNERATION COMMITTEE	: Shri B. K. Sarma
	Shri M. Ravindra Vikram
	Shri K. Srinivas

RISK MANAGEMENT COMMITTEE	: Shri Ch. Suresh Mohan Reddy
	Shri B. K. Sarma
	Shri M. Ravindra Vikram

SHAREHOLDERS' GRIEVANCES COMMITTEE	: Shri B. K. Sarma
	Shri Ch. Suresh Mohan Reddy
	Shri M. Ravindra Vikram

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

INTERNAL AUDITORS	: M/s. Vennapusa & Sunkara
	Chartered Accountants, Hyderabad

COST AUDITORS	: M/s. N.S.V Krishna Rao & Co
	Cost Accountants, Hyderabad

SECRETARIAL AUDITORS	: M/s. VCSR & Associates
	Company Secretaries, Hyderabad



BANKERS	: HDFC Bank Limited State Bank of India
REGISTERED OFFICE & CORPORATE OFFICE	: Door No.4-56, Sy.No.62/1/A &67 Tech Mahindra Road, Bahadurpally, Dundigal - Gandimaisamma Mandal, Medchal-Malkajgiri Dist, Hyderabad, Telangana- 500 043 Website: www.ahlada.com
WORKS Unit-1	: Sy No: 66, 67 & 68, Tech Mahindra Road, Bahadurpally, Dundigal-Gandimaisamma Mandal, Medchal-Malkajgiri Dist, Hyderabad - 500 043.
Unit-2	: Sy No : 67 Part, Tech Mahindra Road, Bahadurpally, Dundigal-Gndimaisamma Mandal, Medchal-Malkajgiri Dist, Hyderabad, Telangana- 500 043
Unit-3	: Ware House No : 01, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal-Malkajgiri Dist, Telangana - 501 401.
Unit-4	: Ware House No : 10, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal-Malkajgiri Dist, Telangana - 501 401.
Unit-5	: Ware House No : 8, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal-Malkajgiri Dist, Telangana - 501 401.
LISTING	: EQUITY National Stock Exchange of India Limited (NSE) 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

## **NOTICE TO THE MEMBERS**

Notice is hereby given that the 16th Annual General Meeting of the Members of M/s. AHLADA ENGINEERS LIMITED will be held on Thursday the 30th day of September, 2021 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, Dundigal-Gandimaisamma Mandal, Medchal - Malkajgiri 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 2021, including the Audited Balance Sheet as at 31st March, 2021, 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.1.40 for every Equity Share of Rs. 10/- each i.e., @14% for every Equity Share for the Financial Year 2020-21.
3. To appoint a director in place of Ms. Ch. Kinnera (DIN: 08272661) who retires by rotation and being eligible offers herself for re-appointment.

### **SPECIAL BUSINESS**

4. **To consider and approve the re-appointment Shri. Suresh Mohan Reddy (DIN: 00090543), as Managing Director & Key Managerial Person of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“Companies Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re enactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and approval of Central Government, required if any, and such other consents and approvals as may be required, and as recommended by the Nomination and Remuneration Committee, approval of the Board be and is hereby accorded for re-appointment of Shri. Suresh Mohan Reddy (DIN: 00090543), as the Managing Director, a Whole time Key Managerial Personnel (KMP), of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company, for a period of 05 (five) Years, effective from, April 10, 2022 till April 09, 2027 on the remuneration of Rs. 1,400,000/- (Fourteen Lakhs Only) per month and shall not exceed the limits as prescribed in the Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Shri. Suresh Mohan Reddy, as Managing Director as provided in this resolution.”

**“RESOLVED FURTHER THAT** the remuneration specified above for Shri. Suresh Mohan Reddy, Managing Director may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act be modified, during the tenure of office as Managing Director, as may be agreed by the Board of Directors and Shri. Suresh Mohan Reddy.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

**“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 complete necessary statutory formalities to give effect to the resolution and to do all such acts, deeds, matter and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution from time to time and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, Hyderabad, Telengana”.

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

Re-appointment of Statutory Auditors of the Company:

**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kishore & Venkat Associates., Chartered Accountants having Firm Registration No. 001807S be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for their second term of 5 (five) year from the conclusion this Annual General Meeting till the conclusion of Annual General Meeting for the financial year 2025-26 on such remuneration and terms and conditions as set out in the explanatory statement to this Notice.”

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

Ratification of remuneration to the Cost Auditor for the financial year, 2021-22:

**“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.150,000/- (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 & Co., (Membership No.17143), Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022.”

**“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**

Place: Hyderabad  
Date: 06.09.2021

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

## 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, 5 & 6 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 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 from Friday, 24th September, 2021 to Thursday 30th September, 2021 (both days inclusive).
6. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**  
  
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 2020-21, 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
- CDSL e-Voting System – For e-voting and Joining Virtual meetings.
- a. 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 video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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 Exchange i.e. National Stock Exchange of India Limited 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)).
- g. 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.
- h. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

Commencing of e-voting	End of e-voting
27.09.2021 (9.00 a.m)	29.09.2021 (5.00 p.m)

- (i) The voting period begins on 27.09.2021 at 9.00 a.m and ends on 29.09.2021 at 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 (record date) i.e 23.09.2021 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 during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/">https://evoting.cdslindia.com/Evoting/</a> EvotingLogin The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) 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.
  - 4) Next enter the image verification as displayed and click on login.
  - 5) 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.
  - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the **EVSN No: 210828009** for the relevant **AHLADA ENGINEERS LIMITED** on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - 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.
  - 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 from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.



5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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 update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 Thursday, 23rd September, 2021, 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 Thursday, 23rd September, 2021, being the cut-off date will be paid the Dividend for the financial year ended 31st March, 2021, 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 Thursday, 23rd September, 2021 and to the beneficiary holders as per the beneficiary list as on Thursday, 23rd September, 2021 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 [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com) or [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](mailto:Kodanda.cs@ahlada.com) by 25th September, 2021. 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 @ 10%. The rate of 10% 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](mailto:kodanda.cs@ahlada.com) by 25th September, 2021. 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](mailto:kodanda.cs@ahlada.com). The aforesaid declarations and documents need to be submitted by the Shareholders by 25th September, 2021.

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 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. Thursday, 23rd September, 2021 shall view the Notice of the 16th 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. Thursday, 23rd September, 2021. 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 Members at the Extra ordinary General Meeting of the Company held on 08th May, 2017 re-appointed Mr. Chedepudi Suresh Mohan Reddy as Managing Director for a period of 5 years with effect from 10th April, 2017 on a remuneration of Rs. 10.00 lakhs per month (i.e 01.10.2019 to 09.04.2022) The term of his present appointment will expire on 09th April, 2022.

The Nomination and Remuneration Committee of the Company at its meeting held on 06th September, 2021 and subsequently, the Board at its meeting held on 06th September, 2021 has re-appointed Mr. Chedepudi Suresh Mohan Reddy as Managing Director unanimously for a further period of 5 years on a remuneration of 14.00 Lakhs per month with effect from 10th April, 2022 subject to the approval of Members in the Annual General Meeting.

Chedepudi Suresh Mohan Reddy, Aged 53 Years, Promoter of Ahlada Engineers Limited. He Holds A Bachelor's Degree In Engineering (Mechanical) From University of Mysore. He Is experienced in cost control, production and finance. He is Responsible for the overall activities of our company and controls and oversees the manufacturing and related line functions, new product development, sales & marketing, procurement and finance functions of the Company

His emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards has ensured that Company's products are recognized domestically as well as internationally.

The excellent growth and reputation enjoyed by the Company is attributable to the concentrated efforts and hard work put in by Mr. Chedepudi Suresh Mohan Reddy. The Board of Directors felt that it is in the best interest of the Company to continue to avail the services of Mr. Chedepudi Suresh Mohan Reddy as Managing Director.

The Board recommends the resolution to the members for their approval. The brief particulars of his terms and conditions of re-appointment and remuneration are mentioned herein below:

1. The Managing Director shall be subject to the superintendence, control and direction of the Board of Directors and he will be entrusted with substantial Powers of management and will also perform such other duties as may be entrusted to him, from time to time.
2. Period of appointment: Five years with effect from 09th April, 2022.
3. Remuneration payable to Mr. Chedepudi Suresh Mohan Reddy:  
Salary: 14.00 lakhs on per month with effect from 10th April, 2022.

**Perquisites and allowances:**

**Reimbursement:**

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

**Retirement Benefits:**

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

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

The Board recommends passing of the said resolution by way of a Special Resolution for the approval of the Members of the Company.



**Item No. 5**

M/s Kishore & Venkat Associates., Chartered Accountants were appointed as the Statutory Auditors in the financial year 2016-17. In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act'), M/s. Kishore & Venkat Associates were appointed as the Statutory Auditors of the Company at the Extra Ordinary General Meeting ('EGM') held on 31st August, 2017 for a term of 5 years i.e. to hold office upto the AGM for the financial year 2020-21. M/s. Kishore & Venkat Associates. would be completing 5 years as the Statutory Auditors of the Company at this AGM. In accordance with Section 139(2) of the Act and the transitional provisions provided under Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. Kishore & Venkat Associates. are eligible for re-appointment for a term of 5 (five) years.

Terms and Conditions of Re-appointment are as under:

Term of Appointment: 5 years from the conclusion of this AGM till the conclusion of AGM for FY 2025-26.

Fees: The board of directors are authorised to fix their remuneration in accordance with the recommendations of the Audit Committee in consultation with Auditors from time to time.

**Credentials**

Kishore & Venkat Associates. is an old and well established Chartered Accountancy firm. The firm is situated in Hyderabad, with its operations adequately supported by qualified professionals and staff. Apart from statutory audit, the firm also has expertise in other allied areas. The firm has been statutory auditors of large companies to cross section of industries and carries a good professional track-record. The Board of Directors recommends the resolution at Item No. 5 of this Notice for your approval.

**Item No. 6**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N S V Krishna Rao & Co., (Membership No.17143), Cost Accountants in practice, Cost Auditors of the Company to conduct the audit of the cost records for the financial year ending 31st March, 2022 is Rs.150,000/- (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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

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. 6 of this Notice for your approval

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

Place: Hyderabad  
Date: 06.09.2021

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

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

**I. GENERAL INFORMATION**

**1. Nature of Industry:**

Our Company is in the business of manufacturing steel doors and windows (steel-frame), shutters, panels, school furniture, drinking water systems and allied products 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 27,153 square yards on the outskirts of Hyderabad.

**2. Date of commencement of commercial production:**

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

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

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

**3. Financial performance based on given indicators:**

Rs.in lakhs

Particulars	FY 2020-21 (12 months)	FY 2019-20 (12 months)
Total Revenue	15,921.13	11,064.08
Total Expenses	14,483.24	10,040.50
Profit After Tax	1018.82	771.40
Dividend Rate	14%	12%

**4. Foreign investments or collaborators, if any:**

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

**II. INFORMATION ABOUT THE APPOINTEE**

**1. Background details:**

Chedepudi Suresh Mohan Reddy, aged 53 years, is the Managing Director of our Company. He holds a bachelor's degree in engineering (mechanical) from University of Mysore. In the past he has worked with M/s Nova Pan India Limited as a trainee engineer and with SAB NIFE Power Systems Limited as Engineer.

**2. Past Remuneration: Rs.120 Lakhs Per Annum**

**3. Job profile and his suitability:**

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

4. Remuneration Proposed:

The remuneration being proposed as approved by the Remuneration Committee of the Company and Board of the Company is Rs. 16,800,000/- (One Crore Sixty Eight Lakhs Only) per annum.

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

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

**III. OTHER INFORMATION**

**1. Reason of inadequate profits:**

Your company has earned a net profit of Rs. 1,018.82 lakhs for the financial year ended 31st March 2021. Slowdown in the business due to challenging market conditions and delayed realization, increase in raw material consumption, overall reduction in quantitative discounts which occurs to be the main reason for inadequate profits to pay the remuneration as per the manner laid down under the section 197. Therefore the provisions of the Schedule V section II (A) of the Companies Act, 2013 shall be applicable which specify the overall maximum limit of the managerial remuneration could be paid by the Company in a year in case of inadequate profits of the Company.

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

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

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

Shri Ch.Suresh Mohan Reddy, is interested in the resolutions set out respectively at Item Nos. 4 of the Notice. with regard to their respective remuneration.

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

The Board recommends the Special Resolutions set out in Item Nos.4 of the Notice for approval of members of the Company.

**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	CHEEDEPUDI KINNERA
Director Identification Number (DIN)	08272661
Date of Birth	11.02.1995
Nationality	Indian
Date of appointment on Board	14.11.2018
Qualification	PG Diploma in International Business from Grenoble Ecole De Management, France
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 16th Annual Report of your company along with the Audited Financial Statements for the Financial Year ended on 31st March, 2021. Further, in compliance with the Companies Act, 2013 the company has made all requisite disclosures in the Board Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective.

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

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

Particulars	2020-21	2019-20
Revenue from Operations	1,590,460,596	1,104,616,799
Other Income	1,652,449	1,791,373
Total Income	1,592,113,045	1,106,408,172
Profit Before Interest and Depreciation	297,380,727	251,591,369
Finance Charges	39,142,174	51,866,651
Depreciation	114,450,126	97,366,640
Net Profit after Interest and Depreciation But before tax	143,788,427	102,358,078
Net Profit Before Tax	143,788,427	102,358,078
Provision for Tax	41,905,992	25,218,509
Net Profit After Tax	101,882,435	77,139,569

### NOTE:

- i) The financial results of the company have been prepared in accordance with the Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- ii) The figures for the previous year have been re-arranged wherever necessary to conform to the current year's classification

### 2. OPERATIONAL REVIEW:

Gross revenues increased to Rs. 1,590,460,596/- against Rs. 1,104,616,799/- in the previous year registering a growth of 43.98%. Profit before Depreciation and Interest has grown by 18.20% to Rs. 297,380,727/- as against Rs. 251,591,369/- 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. 101,882,435/- as against Rs. 77,139,569/- in the previous year recording a growth of 32.08%.

### 3. OUTLOOK AND AFFAIRS OF THE COMPANY:

Our Company is in the business of manufacturing steel doors and windows (steel-frame), shutters, panels, school furniture, drinking water systems and allied products 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 27,153 square yards on the outskirts of Hyderabad.

The operations were affected during the month of April & May 2020 due to the challenges caused by COVID -19. 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. 101,882,435/- 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.1.40 per share on paid up equity share capital for the year ended 31st March, 2021, 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.1,060,861,480 /- (Rupees One Hundred Six Crore Eight Lakhs Sixty One Thousand Four Hundred Eighty) as Reserves and Surplus as on 31.03.2021.

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

S.No	Particulars	Amount in Rs.
1.	Balance at the beginning of year	377,548,756
2.	Current Year's Profit	101,882,435
3.	Amount of Securities Premium	631,136,500
4.	Dividend & Other Equity	-49,706,211
	<b>TOTAL</b>	<b>1,060,861,480</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 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, 2021 stood at 129,210,000/- comprising of 12,921,000 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 are no material changes during the year 2020-21.

**12. CHANGE IN ACCOUNTING POLICIES:**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from September 1, 2020 with effective transition date as April 1, 2020. The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP"). An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No.41 of the Financial Statements.

**13. MATERIAL CHANGES AND COMMITMENTS OCCURRED TILL THE DATE OF THE REPORT:**

**MILESTONES ACHIEVED:**

You're Directors are glad to inform that, Your Company Migrated to the Main Board of National Stock Exchange of India Limited (NSE). As all the members are aware that the Company is listed on EMERGE Platform of the National Stock Exchange of India Limited (NSE) w.e.f 27th September, 2018. The listing helped the Company in many aspects like enhanced branding, better transparency and accountability. Listing on the Main Board of National Stock Exchange of India Limited will enhance participation of retail investors in large numbers and overall market capitalization of the Company may also get increased.

Subsequent to resolution passed by the Members through Postal Ballot on 19.12.2020, we filed In-principle application with NSE vide application No.85 dated 29.12.2020. On submission of further information they issued In-principal approval vide letter No. NSE/LIST/85 dated 13.01.2021.

Based on the In-principal approval we filed final listing & trading approval with NSE vide application No. 90 dated 21.01.2021. On the basis of final application they issued Final Listing and Trading approval vide letter No. NSE/LIST/90 dated 25.01.2021.

Finally our Company Equity shares are listed and admitted to dealings on Main Board Segment w.e.f. January 28, 2021 successfully pursuant to migration from SME Emerge platform.

**14. DETAILS OF SUBSIDIARY /JOINT VENTURE /ASSOCIATE COMPANIES:**

As on 31st March, 2021, the Company does not have any subsidiary or joint venture and associate Company.

**15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the financial year 2020-21 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, Ms Ch. Kinnera, 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 her re-appointment.

### **Cessation of Directors:**

During the year, Shri. N. Bhaskara Reddy resigned from the Board as Independent Director of the Company due to pre-occupations with effect from 23.01.2021. The Board placed on record its sincere appreciation and thanks to Shri. N. Bhaskara Reddy for his support and guidance provided from time to time during her tenure as Independent 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 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

## **16. LISTING OF SHARES:**

The Company's shares are listed on National Stock Exchange of India Limited (NSE) with ISIN: INE00PV01013 and symbol is: AHLADA.

## **17. Familiarization program for Independent Directors:**

The Company has adopted a familiarization programme prepared in the line of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Independent Directors to familiarize them with the Company's philosophy, vision, mission, strategies, operations and functions. The details of the familiarization programme are available on the Company's website at [www.ahlada.com](http://www.ahlada.com).

## **18. Declaration by Independent Directors:**

Your Company has received necessary declaration from each independent director under Section 149 of the Companies Act, 2013, confirming that he/she meets the criteria of independence laid down in Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## **19. 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, 2021 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, 2021 is given in the Annexure-II 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 2020-21 and takes their suggestions and recommendations to improve and strengthen the internal control systems.

**Cost Auditors:**

M/s. N S V Krishna Rao & Co., Cost Accountants (Membership No.17143), Hyderabad has been appointed as Cost Auditors of the Company for the Financial Year 2020-21 as per the provisions of the Companies Act, 2013 and the rules made there under.

The Cost Auditor shall submit 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.

**20. 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.

**21. Extract of 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 for FY 2020-21 is available on the website of the Company and the same can be accessed through the link : <http://ahlada.com/investor-relations/>

**22. Board Meetings:**

During the year, Four (4) meetings of the Board of Directors were convened and held. The details of the meetings of the Board are furnished in the Corporate Governance Report which forms part of this Report.

**23. Particulars of loans, guarantees or investments under Section 186:**

The Company has not granted any loans, secured or unsecured, which falls under the provisions of Section 186 of the Companies Act, 2013.

**24. SECRETARIAL AUDIT REPORT:**

The Company has undertaken Secretarial Audit for the financial year 2020-21 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.

**25. ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the financial year 2020-21 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued there under.

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

**26. Corporate Social Responsibility (CSR):**

Pursuant to Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition of the Committee is provided in the Corporate Governance Report. Your Company has formulated a Corporate Social Responsibility Policy, which has been approved by the Board indicating the projects or programs to be undertaken by the Company, in line with Schedule VII of the Act. The same is available on the website of the Company "www.ahlada.com". A brief outline of the CSR policy of the Company and the Annual Report on CSR activities undertaken during the year 2020-21 in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as (Annexure-I)

**27. PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and Rules made there under 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.

**28. 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)

**29. 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.

**30. 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 with related parties which is material in nature and accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable. 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.

Suitable disclosure as required by the Accounting Standards (Ind AS 24) 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.

### **31. 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.

### **32. PARTICULARS OF EMPLOYEES**

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-IV of this Report.

### **33. 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-V of this report.

### **34. 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.

### **35. 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.

### **36. INDUSTRIAL RELATIONS**

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



**37. 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-III attached hereto and forms part of this Report.

**38. 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.

**39. 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).

**40. 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. The Company's Report on Corporate Governance is attached, and forms part of this Report.

**41. 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).

**42. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(3) 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, 2021 and of the profit of the Company for the financial year ended 31st March, 2021
- 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.

**43. Impact assessment of the global health pandemic COVID-19 and related estimation uncertainty:**

As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, your Company had suspended operations w.e.f. 23rd March 2020. Taking into account directives from the Government operations have commenced in a phased manner from May 2020. The Company's operations were impacted in the month of March and April 2020. The Company has made an assessment on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next year, and concluded that no material adjustments are considered necessary. The Company has not availed moratorium allowed by RBI for payment of its debt obligations and the Company continues to service all its payment obligations in time. The Company has adequate liquidity in the form of cash and credit facilities/lines for meeting its funds requirements.

**44. 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.

**45. ACKNOWLEDGEMENTS:**

The Board of Directors places on record their appreciation to 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**

Date: 06.09.2021  
Place: Hyderabad

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

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

**Annexure-I**

**Annual Report on Corporate Social Responsibility (CSR) activities for the year 2020-21**

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes 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](http://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. M. Ravindra Vikram (Independent Director)-Chairman
- b. B. K. Sarma (Independent Director)-Member
- c. Ch. Suresh Mohan Reddy (Managing Director)-Member

**3. Average net profit of the Company for last three financial years: Rs 1,310.52 lakhs**

**4. Prescribed CSR Expenditure for the year 2019-20 (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 2020-21: Rs.62.89 Lakhs**

**(the allocated amount of Rs.62.89 Lakhs includes unspent CSR amount of previous years 2017-18 and 2018-19)**

- a. **Total amount spent for the financial year: Rs. 62.89 Lakhs**
- b. **Amount unspent, if any: Nil**
- 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, Handloom craftsmen lively hood in Telangana Local area,	2.00 Lakhs	2.00 Lakhs	2.00 Lakhs	The Handloom Futures Trust (Public Trust)
2.	Housing Project being undertaken by the Trust for Blind, Handicapped, Deaf, Widow, Helpless Women, mentally Challenged, Orphans, Cancer, Dialysis, Kidney patients, Heart Disease Patients, HIV Patients, Homosexual and the people below poverty line (BPL) etc.	setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	The Housing Project is proposed on the land bearing Survey No. 79, CTS No. 203, Revenue village of Kanjur, Tal.: Kurla, within limits of Greater Mumbai.	60.89	60.89	60.89	Omkar Andh -Apang Samajik Sanstha (Public Trust)

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

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

Date: 06.09.2021  
Place: Hyderabad

**Annuxure - II**

**MR -3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

[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,  
M/s. 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 M/s. Ahlada Engineers Limited (herein called 'the Company') for the financial year 2020-21. 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, 2021 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 M/s. Ahlada Engineers Limited ('the Company') for the financial year ended on March 31, 2021 ("Audit Period") according to the provisions of:
  - 1.1. The Companies Act, 2013 (the Act) and the rules made there under as applicable;
  - 1.2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - 1.3. The Depositories Act, 1996 and the Regulations and the Bye-laws framed there under;
  - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
  - 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 NSE 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.

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

Place: Hyderabad  
Date: 06.09.2021

Sd/-  
**Ch. Veeranjanyulu**  
Partner  
CP No. 6392, FCS No.6121  
UDIN : F006121C000903369

**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

Place: Hyderabad  
Date: 06.09.2021

Sd/-  
**Ch. Veeranjanyulu**  
Partner  
CP No. 6392, FCS No.6121  
UDIN : F006121C000903369

**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, Telangana - 500043 India (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](http://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, 2021 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.	Krishna G V Giri*	07289689	Director
7.	Abhinav Kumar Reddy Jambhapuram	08002510	Whole Time Director
8.	Kinnera Cheedepudi	08272661	Whole Time Director

\*Mr. Krishna G V Giri having DIN: 07289689 resigned on 06.09.2021.

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: 06.09.2021

CP No. 6392, FCS No.6121  
 UDIN : F006121C000903391

**Annexure -III**

**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		2020-21	2019-20
a.	Foreign exchange earnings	199.39	2.58
b.	CIF value of imports	137.08	984.59

**Annexure-IV**

**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 2020-21, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2020-21.**

S. No	Name of KMP (Designation)	Remuneration for FY 2020-21 (Rs. in lakhs)	Ratio of remuneration to the median remuneration of the employees %	% increase in remuneration in the FY 2020-21
01	Mr. Ch. Suresh Mohan Reddy (Managing Director)	120.00	3969.69%	0.00
02	Ms. Ch. Kinnera (Whole Time Director)	18.00	595.45%	0.00
03	Mr. J. Abhinav Kumar Reddy ((Whole Time Director)	18.00	595.45%	0.00
04	Mr. A. Narasimha Rao (Chief Financial Officer)	37.05	1225.51%	13.95
05	Mr. M. Kotaiah (Sr. Vice President)	39.93	1321.04%	13.97
06	Mr. P. Kodanda Rami Reddy (Company Secretary)	9.87	326.50%	7.44

**Notes:-**

- a) The median remuneration of employees of the Company during the financial year 2020-21 was Rs.3.02lakhs against the median remuneration of Rs. Rs.2.57lakhs of the previous year.
  - b) The number of permanent employees on the rolls of Company as on 31st March 2021 is 258.
- 2. The relationship between average increase in remuneration and company performance:**  
 The average decrease in remuneration during the financial year 2020-21 is (0.77%). The total employees cost for the financial year ended 31st March, 2021is Rs. 1071.55lakhs against Rs. 1079.88 lakhs for the financial year ended 31st March 2020. The total net revenue of the company for financial year ended 31st March 2021 is Rs. 15921.13lakhs as against Rs.11064.08lakhs for the financial year ended 31st March 2020. The total employees cost as a percentage of net total revenue was 6.73% (last year 9.76%).
  - 3. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company**

Rs. in lakhs		
Particulars	2020-21	2019-20
Aggregate Remuneration of KMP in Financial Year	242.85	205.28
Revenue	15,921.13	11,064.08
Remuneration of KMP (as % of revenue)	1.53	1.86

- 4. Average percentage Increase made in the salaries of employees other than the managerial personnel in the last financial year : 13.95%**

**5. Comparison of the each remuneration of the KMP against the performance of the Company.**

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 2020-21	120.00	18.00	18.00	37.05	39.93	9.87
2	Revenue in FY 2020-21	15921.13					
3	Remuneration as % of revenue	0.75	0.11	0.11	0.23	0.25	0.06

**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-V**

**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 2020-21. 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**

**Global Economy & Steel and Engineering Industry**

The global economy was significantly impacted by COVID-19 led disruptions in 2020 resulting in contraction across the leading economies barring China. China has been the only major economy to register a growth of 2.3% in 2020, whilst other economies witnessed a contraction. Although recovery was seen in the second half of 2020 with lifting of lockdowns, it has been inconsistent across countries due to resurgence of infections, varying levels of policy support and access to medical facilities. In view of the same, the International Monetary Fund ('IMF') estimates that the global economy shall contract by -3.5% in 2020 as against a growth of 2.8% in 2019.

The steel industry (excluding China) also witnessed a significant decline in production and demand during the first half of 2020. However, an almost equally stronger recovery has been witnessed in the second half of the year. According to World Steel Association ('WSA'), global crude steel production reached 1,864 million tonnes in 2020, down by 0.9% as compared to 2019. China has produced 1,053 million tonnes of crude steel in 2020, up by 5.2% over 2019. China's share of global crude steel production has also increased from 53.3% in 2019 to 56.5% in 2020. Global steel demand has also seen only a minor contraction of ~0.2% in 2020 due to a very strong recovery in China during H12020 and a better than expected rebound in the rest of the world during H2 2020.

**Indian Economy & Steel Industry**

The COVID-19 pandemic resulted in a nation-wide lockdown in India in Q1FY2021 and was one of the strictest lockdowns globally. This resulted in a GDP contraction of 24% in Q1FY2021 as most of the economic activity was halted during April-May. However, India has witnessed a gradual resumption of economic activity from Q2 FY 2021 onwards. The initial recovery was driven by government spending on infrastructure, exports and rural economy. The recovery has gained momentum since August 2020 with pickup in consumption demand driven by festive buying and return of urban consumption resulting in GDP growth of 0.4% in Q3 FY 2021. Despite this recovery, India is estimated to see a contraction of 8% in the annual GDP of FY 2021 due to sharp fall seen in H1 FY 2021.

India is expected to witness a full economic recovery in H2 FY2022 and is projected to grow by 9.5% in FY2022 driven by (a) ongoing vaccination supporting the current recovery momentum; (b) restart of investment cycle with significant spending on infrastructure and (c) continued recovery in consumption supported by urban demand, accentuated by work-from-home and preferences for personal mobility along with rising rural incomes and affordability. However, normal growth levels would only be seen in FY 2023, provided no further economic disruption occurs and the vaccination drive achieves its target of covering more than 30% of the population by end of 2021.

**Industry Structure and Developments**

Our Company is in the business of manufacturing steel doors and windows (steel-frame), Green Chalk Boards,



Dual Desks and Purified Drinking Water System and we cater to customers across various segments and industries. We currently have our facilities spread across 3 manufacturing units in addition to one assembling unit and stock yard, with an area admeasuring 34,211 square yards on the outskirts of Hyderabad. Additionally, we are also in the business of manufacturing cleanroom equipment for our customers in the pharmaceutical, biotechnology and food industries.

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

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 industrial customers (other than Tata Steel Limited and the products manufactured and supplied to TSL) as well.

Further we have successfully completed supplies of products allotted to us, viz. Ceramic Steel Green Chalk Boards, Dual Desks and Purified Drinking Water System under Phase-I of flagship program "MANA BADI-NADU NEDU of Government of Andhra Pradesh.

## **OPPORTUNITIES AND THREATS**

### **Opportunities:**

- Government focus on strengthening the domestic manufacturing base under the Atmanirbhar Bharat program presents a strong opportunity for steel consumption in India. The production linked incentive scheme, which intends to incentivise the additional production in India, is expected to boost steel demand in automobile & auto components, consumer durables, solar equipment, telecom, etc.
- The Government has announced an investment of over `1 trillion in infrastructure over the next 5 (five) years. This would be a key growth driver not only for steel but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and urbanization as well.
- Emergence of new trends after COVID-19, such as work from home, preference to physical distancing would create additional demand for furniture, personal mobility, etc. In addition, the rise in e-commerce activity will support the growth of warehousing and light commercial vehicles.

- Opportunities available in areas such as housing, dedicated industrial corridors, and other infrastructure projects.

#### **Threats**

- Resurgence of infections leading to fresh lockdowns, both localized as well as at regional / national levels resulting in disruption in economic activity.
- Slower recovery in services, which is the backbone of Indian economy.
- Excess production facilities in a region may lead to cut throat competition.
- The steel and engineering industry greatly relies on construction activities. Therefore, any problem in construction activities will affect the industry to a large extent.
- Scarcity in supply of raw materials.

#### **Outlook:**

Considering the overall situation and the developments taking place in Industry, the outlook for the future is expected to be reasonable.

#### **MMSA DEVELOPMENTS:**

Regarding the Deed of Modification to Master Manufacturing and Supply Agreement (MMSA) and the Deed of Settlement between Tata Steel Limited (TSL) and the Company, as per the MMSA agreement "Initial Term" of the Agreement expires on July 31, 2021. At the behest of TSL, it is mutually decided by the parties not to invoke the Extension Period (additional period up to June 30, 2022) under the MMSA.

TSL has confirmed that they may enter into a fresh business arrangements with the company on mutually agreeable terms.

We are also working on to set up our own distribution network for supply of steel doors and steel windows across the country."

#### **MANABADI - NADU NADU:**

In addition to the existing business with Tata Steel Limited and other clients. Further we are looking forward for repeat orders from Government of Andhra Pradesh for supply of Green Chalk Boards, Dual Desks and Purified Drinking Water System under "MANABADI-NADU NEDU" Phase-II of Government of Andhra Pradesh as well. We also intend to work with other State Governments and private institutions for supply of similar products throughout India to expand to expand our network, with an endeavor to increase revenue and profitability.

We are also working on to set up our own distribution network for supply of steel doors and steel windows across the country."

#### **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 Upto 31st July, 2021**

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.

#### **MMSA DEVELOPMENTS:**

Regarding the Deed of Modification to Master Manufacturing and Supply Agreement (MMSA) and the Deed of Settlement between Tata Steel Limited (TSL) and the Company, as per the MMSA agreement "Initial Term" of the Agreement expires on July 31, 2021. At the behest of TSL, it is mutually decided by the parties not to invoke the Extension Period (additional period up to June 30, 2022) under the MMSA.

TSL has confirmed that they may enter into a fresh business arrangements with the company on mutually agreeable terms on buy and sell model.

We are also working on to set up our own distribution network for supply of steel doors and steel windows across the country."

### **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 27,153 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.

#### **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.

#### **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**

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

# As of 27th December 2019, a total of 1.12 Crore houses have been sanctioned in the 50th meeting of Central Sanctioning and Monitoring Committee (CSMC) held on 27th 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

##### **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.

##### **Internal control systems and their adequacy**

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

These procedures are designed to ensure that:

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

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

**HIGHLIGHTS OF THE FINANCIAL RESULTS:**

Financial Performance:

Particulars	2020-21	2019-20
Revenue from Operations	1,590,460,596	1,104,616,799
Other Income	1,652,449	1,791,373
Total Income	1,592,113,045	1,106,408,172
Profit Before Interest and Depreciation	297,380,727	251,591,369
Finance Charges	39,142,174	51,866,651
Depreciation	114,450,126	97,366,640
Net Profit after Interest and Depreciation But before tax	143,788,427	102,358,078
Net Profit Before Tax	143,788,427	102,358,078
Provision for Tax	41,905,992	25,218,509
Net Profit After Tax	101,882,435	77,139,569

**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-VI**

**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.

Place: Hyderabad  
Date: 6th September, 2021

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

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

## **CORPORATE GOVERNANCE REPORT**

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy on Corporate Governance strives to meet its business objectives efficiently and accomplishing its responsibility towards its stakeholders. The Company has been consistently practicing good Corporate Governance. The Company creates an environment for the efficient conduct of the business, enables the management to meet its obligations towards all its stakeholders, including amongst others, customers, employees and the community in which the Company operates.

The Company believes that Corporate Governance provides a structure through which:

- Objectives of the Company are set, means for achieving and monitoring performance are determined;
- Long term value of the enterprise is maximized;
- The business complies with legal and regulatory frameworks; and
- Offers better value to shareholders / stakeholders and the society at large.

### **2. BOARD OF DIRECTORS**

#### **Composition and Category of Directors:**

As on 31st March 2021, the Board comprises of Eight Directors of whom three are executive including one woman director, Two non-executive and Three are independent directors. The composition of the Board is in conformity with the Regulations 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

Pursuant to provisions of the Listing Regulations all the Board Members have disclosed about the board and the committee positions held by them in other companies.

### **3. BOARD MEETING:**

Meetings of the Board of Directors were scheduled well in advance and generally held at the Registered Office of the Company at Hyderabad. Notices of the Board Meeting with the detailed agenda were sent at least seven days in advance to all the Directors. Senior members of the Management of the Company were invited to attend the Board Meetings to provide clarifications as and when required. The Board met at least once in a quarter to review the quarterly performance and unaudited financial results.

The Board of Directors met 4 times during the financial year ended March 31, 2021 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) 27.06.2020
- 2) 05.09.2020
- 3) 13.11.2020
- 4) 13.02.2021

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	4
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	4
7.	Mr. G.V. Krishna Giri	4	3
8.	Mr. K. Srinivas	4	4
9.	Mr. N. Bhaskara Reddy*	4	3

\*Mr. N. Bhaskara Reddy, Director resigned w.e.f 23.01.2021.

Additionally during the financial year ended March31, 2021 the Independent Directors held a separate meeting on 30th March, 2021 in compliance with requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) SEBI (LODR) Regulations, 2015.

#### **4. COMMITTEES OF THE BOARD**

The Company has six committees viz; Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and Management 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 Audit Committee of the Company is constituted pursuant to provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations, All members of the Audit Committee are financially literate and more than one member possess accounting / related financial management expertise.

##### **Terms of Reference:**

The terms of reference of the Audit Committee are in line with the provisions of the Regulation 18 of the Listing Regulations read with Part C of Schedule II of the said Regulations. The terms of reference are broadly as follows:

- oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;

- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the Whistle Blower or Vigil Mechanism;
- approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as authorised by the Board from time to time.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

During the year 2020-21 the Audit Committee met 3 (Three) times on 27th June, 2020; 13th November, 2020 and 13th February, 2021. Composition of the Committee and the attendance records of the members of the Committee are as follows:

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

All the recommendations made by the Audit Committee in the financial Year 2020-21 were approved by the Board.

\*Mr. N. Bhaskara Reddy, Director resigned w.e.f. 23.01.2021.

Meetings of Audit Committee were also attended by the Chief Financial Officer, the Statutory and Internal Auditors. Senior Management Executives of the Company are generally invited to attend the meetings. The Company Secretary acts as Secretary of the Audit Committee.

## **II. Composition of Nomination & Remuneration Committee:**

Terms of Reference:

The terms of reference of Nomination and Remuneration Committee are in line with the provisions of Regulation 19 of the Listing Regulations read with Para A of Part D of Schedule II of the said Regulations, broadly as follows:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- Such other matters that may be authorised by the Board from time to time.

The function of the Committee is to perform the duties as mentioned in the “Terms of Reference”, including but not limited to determining and making recommendations with respect to all forms of compensation to be granted to the Directors and senior management of the Company.

### **Composition, Meetings and Attendance of the Committee**

During the year under review, meeting of Nomination & Remuneration Committee was held on 27.06.2020 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 Company at [www.ahlada.com](http://www.ahlada.com) and the salient features of the same has been disclosed under Annexure- VI.

### 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 read with the Regulation 20 of the Listing Regulations.

During the year 2020-21, the Meeting of Stakeholder Relationship Committee was held on 27.06.2020 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

Mr. P. Kodanda Rami Reddy, Company Secretary is the Compliance Officer of the Company

Details of complaints/grievances received and resolved during the year 2020-21: NIL

### 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 27.06.2020 and 25.02.2021 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.	Mr. B. K. Sarma (Independent Director)	Member	2	2
3.	Mr. Ch.Suresh Mohan Reddy (Managing Director)	Member	2	2

The Annual Report on CSR activities is annexed herewith as Annexure-I 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 27.06.2020 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. Management Committee :**

During the year under review the Management Committee of Board of Directors met 8 times during the financial year ended March 31, 2021 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

#### **5. Key Managerial Personnel:**

During the year under review there were no changes in the Key Managerial Personnel of the Company. The present 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

#### **6. SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

In compliance of provisions of the Regulation 25 of the Listing Regulations, during the year 2020-21, the Independent Directors of the Company met on 30th March, 2021 without the presence of Executive Directors or members of the Management.

#### **7. Familiarization programme for Independent Directors:**

The Company has held familiarization programme for the Independent Directors by way of presentations by business heads of the Company from time to time and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25(7) of SEBI LODR Regulations.

#### **8. ANNUAL GENERAL BODY MEETINGS (AGM'S):**

The number, date, time and venue of AGMs held during last three years and the special resolution(s) passed thereat, are given below:

The last 3 Annual General Meetings (AGM) of the Company details:

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Location	Time
1.	15th A.G.M.	30th September, 2020	"Registered Office at Door No 4-56, Sy No 62/1/A & 67, Tech Mahindra Road, Bahadurpally Village, Dundigal Mandal, Hyderabad-500043, through Video Conferencing / Other Audio Visual means."	11.00 A.M.
2.	14th A.G.M.	27th September, 2019	"ITC Kohenur, Plot No.5, Survey No.83/1, Hyderabad Knowledge City, Madhapur, Opp: Inorbit Mall, Hyderabad-500 081"	12.00 Noon.
3.	13th A.G.M.	09th May, 2018	"Registered Office at Door No 4-56, Sy No 62/1/A & 67, Tech Mahindra Road, Bahadurpally Village, Dundigal Mandal, Hyderabad-500043"	11.00 A.M.

All special resolutions moved at the last three Annual General Meetings were passed by the shareholders present at the meeting. The details of Special Resolution(s) passed at the last three Annual General Meetings are as follows:

S.No	AGM for the year	Details of Special Resolution passed
1.	2019-20	Nil
2.	2018-19	<ol style="list-style-type: none"> <li>Appointment of Ms. Cheedepudi Kinnera (Din: 08272661) as a Whole Time Director of the Company.</li> <li>Appointment of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Whole Time Director of the Company.</li> <li>Consider and approve increase in overall limit of Managerial Remuneration.</li> <li>Consider and approve increase in remuneration to Shri Ch.Suresh Mohan Reddy (DIN: 00090543), Managing Director</li> <li>The borrowing limits not exceeding Rs. 500 crores (Rupees Five Hundred crores) u/s 180 (1)(c) of the Companies Act 2013.</li> <li>Approve the limit to secure the borrowings u/s 180 (1)(a) of the Companies Act 2013</li> </ol>
3.	2017-18	Nil

Details of special resolutions passed by the members of the Company through postal ballot on 19th December, 2020. The details are as follows:

S.No	Details of Special Resolution passed through postal ballot	Details of voting pattern	Persons who conducted the postal ballot exercise
1	Migration of Equity shares of the Company from EMERGE platform to Main Board of National Stock Exchange of India Limited (NSE)	<p>No. of Votes cast in favour of the Resolution- 1,05,98,000</p> <p>No. of votes cast against the resolution- Nil</p>	<p>Shri . Ch. Veeranjanyulu Practicing Company Secretary</p> <p>FCS No.6121 CP No. 6392</p>

No Extra-ordinary General Meeting (EGM) of the shareholders was held during the Financial Year 2020-21.

**I. Disclosures:**

**1. Materially Significant related party transactions:**

There were no materially significant related party transactions during the year having potential conflict with the interest of the Company at large. The Company has formulated the Policy on Materiality of Related party transactions to decide the materiality for the related party transaction and to deal with related party transaction. The said Policy has been posted on the website of the Company [www.ahlada.com](http://www.ahlada.com). All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

**2. Details of Statutory Non-compliances:**

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority, on any material related to capital markets, during the last three (3) years.

**3. Management Discussion and Analysis Report:**

Management Discussion and Analysis Report form part of this Annual Report and is in accordance with the requirements as laid down in listing Regulations, 2015.

**4. Code of Conduct:**

The Company has adopted a Code of Conduct as required under listing Regulations, 2015, which applies to all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed their compliance with the Code on annual basis and their confirmations have been received in this regard. The Code of Conduct has been posted on the Company's website. A separate declaration to this effect signed by the Managing Director is attached.

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading Regulations, 2015 (duly Amended)). The Board Members and Senior Personnel have affirmed the compliance with the Code for the financial year 2020-21.

**5. Disclosure of Accounting Treatment:**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently and comply with material aspects with the accounting standards notified under the Companies Act, 2013. Significant Accounting policies are provided elsewhere in the Annual Report.

**6. Disclosure under Regulation 53(f) read with Schedule V of Listing Regulations, 2015.**

a. None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independent of the director except receiving sitting fee for attending Board/Committee meetings.

**7. Shareholders Information:**

a. Appointment/Re-appointment of Directors: The brief resume of Directors retiring by rotation and Whole-time Directors seeking re-appointment, including nature of their experience in specific functional areas, names of Companies in which they hold Directorship and membership of committees of the Board is appended to the Notice for calling Annual General Meeting.

**8. CEO&CFO Certification:**

Shri Ch.Suresh Mohan Reddy, Managing Director and Shri A.Narasimha Rao, CFO of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of Listing Regulations, 2015.

**9. Risk Management:**

The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the financial year 2020-21

10. It is confirm that no personnel has been denied access to the Audit Committee

11. Means of Communication:

- a. Publication of Quarterly Financial Results in daily newspapers and the same will be updated in the Company's Website at [www.ahlada.com](http://www.ahlada.com).
- b. Furnishing the Quarterly Financial Results to Stock Exchange in which Company's shares is listed.
- c. Sending Balance Sheet, Statement of Profit and Loss, Directors' Report & Auditors' Report to Shareholders through Post, Courier or Email.
- d. Company's Corporate Website:

The Company's website [www.ahlada.com](http://www.ahlada.com) is a comprehensive reference on Ahlada Engineers Limited's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The Section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchange, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The Section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.

e. NSE Electronic Application Processing System (NEAPS):

NEAPS is a web based application designed by NSE for corporate companies. The Shareholding pattern, Corporate Governance Report and Financial Results are also filed electronically on NEAPS.

f. Annual Report:

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

g. SEBI Complaints Redress System (SCORES):

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. No complaints received from the shareholder during the financial year 2020-21.

h. Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, amongst others, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far, are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs.

i. Reconciliation of Share Capital Audit Report

Pursuant to the provisions of Regulation 40(9) and 61(4) of the SEBI Listing Regulations, a Company Secretary in Practice has issued half-yearly certificates with respect to due compliance of share and security transfer formalities by the Company.

Pursuant to Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, a Company Secretary in Practice carries out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL (collectively 'Depositories') and the total issued and listed capital of the Company. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with Depositories) and total number of shares in physical form. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The quarterly Audit Report as submitted to the Stock Exchanges is available on the Company's website at [www.ahlada.com](http://www.ahlada.com)

**II. General Shareholder Information:**

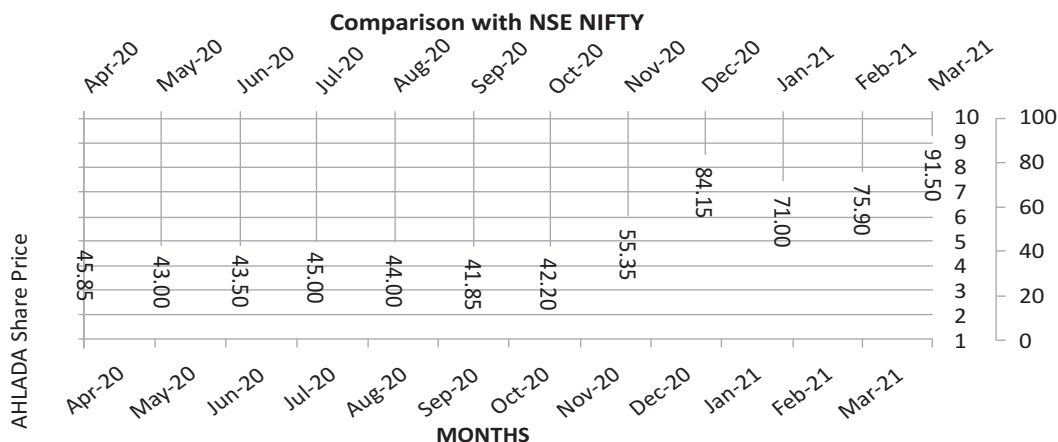
1.	Date	30th September, 2021
2.	Time	11:00 A.M
3.	Venue	"Registered Office at Door No 4-56, Sy No 62/1/A & 67, Tech Mahindra Road, Bahadurpally Village, Dundigal Mandal, Hyderabad-500043, through Video Conferencing / Other Audio Visual means."
4.	Financial Year	2020-21 (Consisting of 12 months)
5.	Book Closure Date	24th September, 2021 to 30th September, 2021 (both days inclusive).
6.	Dividend Payment Date	To be decided
7	Listing on Stock Exchanges	(I) National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra(E), Mumbai - 400 051, Maharastra, India
8	Payment of Listing Fees	The Company has paid annual listing fees to the above Stock Exchange for the financial years 2020-21.
9	Stock Code	NSE Script Symbol : AHLADA Demat ISIN : INE00PV01013 CIN : L24239TG2005PLC047102
10	Companies Website	<a href="http://www.ahlada.com">www.ahlada.com</a>
11	E-Voting Facility	<a href="http://www.evotingindia.com">www.evotingindia.com</a> Open Date: September 27th, 2021 @ 9:00 A.M. Closing Date: September 29th, 2021 @ 5:00 P.M. cut-off date is September 23, 2021
12	Share Transfer System	Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently they are completing the process of transfer within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Pursuant to Regulation 40 of SEBI LODR Regulations, certificates, on half-yearly basis, have been given by a Practicing Company Secretary duly certifying compliance of shares transfer formalities

## 1. Market Price Data:

The monthly high and low stock prices during the financial year 2020-21 and performance in comparison to the Broad-based indices such as NSE-Nifty is provided hereunder.

Month	High Price	Low Price	Close Price	NSE-Nifty Closing
April 2020	48.20	44.00	45.85	9,859.90
May 2020	47.00	40.60	43.00	9,580.30
June 2020	48.00	41.05	43.50	10,302.10
July 2020	47.50	39.90	45.00	11,073.45
August 2020	46.45	41.10	44.00	11,387.50
September 2020	47.00	40.25	41.85	11,247.55
October 2020	46.70	41.90	42.20	11,642.40
November 2020	55.80	40.50	55.35	12,968.95
December 2020	93.40	57.55	84.15	13,981.75
January 2021	83.50	66.05	71.00	13,635.60
February 2021	80.00	61.15	75.90	14,529.15
March 2021	115.90	72.35	91.50	14,690.70

Performance of Company Share price



## 2. Dematerialization of Shares:

99.99 % of the Company's Paid-up capital has been dematerialized up to 31st March, 2021. The details are as follows:

Particulars	Number of Shares	% of share capital
NSDL	3,547,169	27.45
CDSL	9,287,771	71.88
Physical	86,060	0.67
Total	12,921,000	100.00

100% of the promoters shareholding is in DEMAT form.



### 3. Distribution of Shareholding:

As on 31st March, 2021 the Distribution of Shareholding was as follows:

Range (Rs)	No. of Shareholders	% of total Shareholdings	No. of Shares	% to paid-up share capital
1. Upto - 5,000	282	38.84	40,799	0.32
2. 5,001 - 10,000	248	35.81	250,555	1.94
3. 10,001 - 20,000	55	7.58	97,464	0.75
4. 20,001 - 30,000	27	3.72	75,522	0.59
5. 30,001 - 40,000	17	2.34	64,425	0.50
6. 40,001 - 50,000	15	2.06	74,362	0.58
7. 50,001-100,000	19	2.62	148,888	1.15
8. 100,001 and above	51	7.02	12,168,985	94.18
<b>Total</b>	<b>714</b>	<b>100</b>	<b>12,921,000</b>	<b>100</b>

### 4. Shareholding pattern as on 31st March, 2021:

S.No.	Category	No. of Share Holders	No. of Shares	% to Equity
1	Promoters	1	6,507,096	50.36
2	Bodies Corporate	10	1,298,231	10.05
3	Public	698	3,732,140	28.52
4	Foreign Bodies Corporate	5	1,383,533	10.71
5	Financial Institutions/banks	0	0	0.00
6	Custodians against Depository receipts	0	0	0
	<b>Total</b>	<b>714</b>	<b>12,921,000</b>	<b>100.00</b>

### 5. Plant Locations:

WORKS	ADDRESS
Unit-1	Sy No: 66, 67 & 68, Tech Mahindra Road, Bahadurpally, Dundigal-Gandimaisamma Mandal, Medchal-Malkajgiri Dist, Hyderabad - 500 043.
Unit-2	Sy No : 67 Part, Tech Mahindra Road, Bahadurpally, Dundigal-Gndimaisamma Mandal, Medchal-Malkajgiri Dist, Hyderabad, Telangana- 500 043
Unit-3	Ware House No : 01, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal-Malkajgiri Dist, Telangana - 501 401.
Unit-4	Ware House No : 10, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal-Malkajgiri Dist, Telangana - 501 401.
Unit-5	Ware House No : 8, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal-Malkajgiri Dist, Telangana - 501 401.

### 6. Address for Correspondence:

Registered & Corporate Office:	Registrars and Share Transfer Agents
Door No 4-56, Sy No 62/1/A & 67, Tech Mahindra Road, Bahadurpally Village, Dundigal Mandal, Hyderabad-500043" Email: kodanda.cs@ahlada.com	Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082. Phone No.040-23374967. Email: bsshyd1@bigshareonline.com

## 7. Credit Ratings:

The Company obtained credit rating of its bank credit facilities from India Ratings, and details of credit ratings as are under:

Instrument type	Size of issue (Million)	Rating	Rating Action
Fund based facilities	INR 150	IND BBB/stable/IND A3+	Affirmed
Non-Fund based facilities	(Reduced from INR 200) INR 65	IND A3+	Affirmed
Term loan	INR 109.6 (Increased from INR 85)	IND BBB/stable	Affirmed

Further, there is no downgrade or upgrade in the existing ratings of the Company i.e the rating is affirmed.

## 8. OTHER DISCLOSURES:

- a. The details of related party transactions are disclosed in Note No. 32 of Notes to the Financial Statements. None of the business transactions with any of the related parties was in conflict with the interests of the Company during the financial year 2020-21.
- b. During the last three years there were no strictures or penalties imposed either by the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c. The Company has formulated and adopted 'Vigil Mechanism/Whistle Blower Policy' and the same is placed on the company's website "www.ahlada.com". Further, it is hereby affirmed that no personnel has been denied access to the Audit Committee.
- d. The Company has complied with the mandatory requirements of the Listing Regulations and the following discretionary requirements specified in Part E of Schedule II as detailed below:
  - i. The Board: Maintenance of Office to the Non-executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.
  - ii. Shareholders' rights: All the quarterly financial results are placed on the Company's Website: www.ahlada.com, apart from publishing the same in the Newspapers.
  - iii. Modified opinion(s) in audit report: There are no modified opinions in the Audit Reports.
  - iv. Separate Posts of Chairman and CEO: The Company has separate posts of Chairman and Managing Director.
  - v. Reporting of internal auditor: The Internal auditor reports to the Chairman of the Audit Committee directly.
    - e. Web link where policy for determining 'material' subsidiaries is disclosed- Not Applicable (There is no subsidiary to the Company).
    - f. The Company has formulated and adopted a policy for determining the material related party transactions. The web link for Related Party Transactions policy and the details of such policy are available at www.ahlada.com.
    - g. Commodity price risks and commodity hedging activities: NA
    - h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Not Applicable.
    - i. The Company has obtained a Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority. A copy of such certificate is enclosed to the Annual Report.
    - j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There is no such instance during the year, and the Board considered and accepted the recommendations made by the Committees.

- k. The Statutory Auditors of the company have neither provided any services nor have been paid any fees by any one of the group entities of the company.
- l. During the financial year ended 31st March, 2021, the Company has not received any Complaint pertaining to Sexual Harassment.

**NON-COMPLIANCES OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:**

The Company has complied with all the requirements of the Corporate Governance Report for the Financial Year 2020-21.

**DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46**

The Company has complied with all the applicable provisions of the Listing Regulations on Corporate Governance for the Financial Year 2020-21.

Place: Hyderabad  
Date: 06th September, 2021

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

**DECLARATION ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS IN TERMS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

I hereby declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel that they have complied with the Code of Business Conduct & Ethics for Board Members/ Senior Management Personnel in respect of the financial year 2020-21, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Listing Regulations, 2015.

Place: Hyderabad  
Date: 06th September, 2021

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

**INDEPENDENT AUDITORS' REPORT**

To the Members of

**Ahlada Engineers Limited**

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

**Opinion**

We have audited the accompanying standalone financial statements of Ahlada Engineers Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of "Revenue from contracts with Customers" under Ind AS 115 (Revenue Accounting Standard)</p> <p>The application of this accounting standard involves certain key judgements relating to identification of distinct performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements.</p> <p>An estimated effort is a critical estimate to determine revenue, as it requires consideration of progress of the contract. Efforts incurred till date, efforts required to complete the remaining performance obligation.</p> <p>Refer Note No 23 to the standalone financial statements.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <p>Evaluated the effectiveness of control over the preparation of information that are designed to ensure the completeness and accuracy.</p> <ul style="list-style-type: none"> <li>Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with the Ind AS 115.</li> <li>Reviewed some sample of contracts to identify possible delays in achieving milestones which require change in estimated efforts to complete the remaining performance obligation.</li> <li>Performed analytical procedures and test of details for reasonableness and other related material items.</li> </ul>

### **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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 the 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 auditor's report to the related disclosures in the standalone 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 auditor's 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts, 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:21026845AAAACS6649

Place:Hyderabad  
Date: 30-06-2021

#### **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:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - 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.
- 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, 2021 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:21026845AAAAACS6649

Place:Hyderabad  
Date: 30-06-2021

### **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, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls**

The 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, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ responsibility**

Our responsibility is to express an opinion on the 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.

**Inherent Limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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, to the best of our information and according to the 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, 2021, based on the criteria for internal financial control over financial reporting 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:21026845AAAACS6649

Place:Hyderabad  
Date: 30-06-2021

**Balance Sheet**

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	1,078,580,220	835,934,462	712,366,929
Capital work-in-progress		-	235,966,511	73,265,399
Financial assets				
Trade Receivables	5	12,274,788	-	-
Other balances with Bank	10	10,591,586	-	-
Loans	6	2,834,644	2,456,790	1,801,420
		<b>1,104,281,238</b>	<b>1,074,357,763</b>	<b>787,433,748</b>
<b>Current assets</b>				
Inventories	7	343,834,691	238,243,836	243,338,702
Financial assets				
Investments	8	105,657	76,104	105,025
Trade receivables	5	526,052,331	304,377,083	825,884,989
Cash and cash equivalents	9	1,173,395	390,781	14,206,448
Other balances with Bank	10	53,872,392	15,369,560	-
Loans	6	17,220,504	12,627,299	22,499,862
Others	11	414,062	1,105,820	1,798,882
Other current assets	12	277,297,872	44,163,884	120,838,647
Current tax assets	13	1,360,344	15,167,857	14,405,541
		<b>1,221,331,248</b>	<b>631,522,224</b>	<b>1,243,078,096</b>
<b>Total assets</b>		<b>2,325,612,486</b>	<b>1,705,879,986</b>	<b>2,030,511,844</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	14	129,210,000	129,210,000	129,210,000
Other equity	15	1,060,861,480	973,246,532	911,763,468
<b>Total equity</b>		<b>1,190,071,480</b>	<b>1,102,456,532</b>	<b>1,040,973,468</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	16	101,790,576	111,266,995	164,776,202
Deferred tax liabilities	17	57,532,907	42,036,660	35,631,821
Other liabilities	18	4,555,206	-	-
Provisions	19	8,632,716	7,076,443	7,076,134
		<b>172,511,404</b>	<b>160,380,098</b>	<b>207,484,157</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	16	439,431,077	183,863,076	276,398,522
Trade payables	20	409,728,408	161,912,746	180,362,384
Other financial liabilities	21	83,190,802	74,994,746	125,837,062
Other liabilities	18	10,702,339	5,786,365	157,857,246
Provisions	19	1,321,373	1,265,654	2,542,737
Current tax liabilities	22	18,655,604	15,220,769	39,056,269
		<b>963,029,602</b>	<b>443,043,356</b>	<b>782,054,220</b>
<b>Total liabilities</b>		<b>1,135,541,006</b>	<b>603,423,454</b>	<b>989,538,377</b>
<b>Total equity and liabilities</b>		<b>2,325,612,486</b>	<b>1,705,879,986</b>	<b>2,030,511,844</b>

Summary of significant accounting policies<sup>3</sup>

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

As per our report of even date

**for Kishore & Venkat Associates**

Chartered Accountants

ICAI Firm Registration Number: 001807S

Sd/-

**M. V. Ramana Reddy**

Partner

Membership No.: 026845

Sd/-

**CH. Suresh Mohan Reddy**

Managing Director

DIN: 00090543

Sd/-

**A. Narasimha Rao**

Chief Financial Officer

for and on behalf of the Board of Directors of

**AHLADA ENGINEERS LIMITED**

CIN: L24239TG2005PLC047102

Sd/-

**CH. Kinnera**

Wholetime Director

DIN: 08272661

Sd/-

**P. Kodanda Rami Reddy**

Company Secretary

Place: Hyderabad

Date: 30 June 2021

**Statement of Profit and Loss**

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	23	1,590,460,596	1,104,616,799
Other income	24	1,652,449	1,791,373
<b>Total income</b>		<b>1,592,113,045</b>	<b>1,106,408,172</b>
<b>Expenses</b>			
Cost of materials consumed	25	970,734,143	514,288,247
Changes in inventories of Finished goods and Work-in-progress	26	(59,678,326)	19,509,505
Employee benefit expenses	27	107,154,816	107,987,798
Depreciation and amortisation expense	28	114,450,126	97,366,640
Finance costs	29	39,142,174	51,866,651
Other expenses	30	276,521,686	213,031,253
<b>Total expense</b>		<b>1,448,324,618</b>	<b>1,004,050,094</b>
<b>Profit before exceptional items and tax</b>		<b>143,788,427</b>	<b>102,358,078</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>143,788,427</b>	<b>102,358,078</b>
<b>Tax expenses</b>	31		
Current tax		25,974,044	18,813,670
Deferred tax		15,931,948	6,404,839
<b>Total tax expense</b>		<b>41,905,992</b>	<b>25,218,509</b>
<b>Profit for the year</b>		<b>101,882,435</b>	<b>77,139,569</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan		1,263,523	-
Income-tax effect		(367,938)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>895,585</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>102,778,020</b>	<b>77,139,569</b>
<b>Earnings per equity share (nominal value of INR 10) in INR</b>			
Basic		7.95	5.97
Diluted		7.95	5.97

Summary of significant accounting policies<sup>3</sup>

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

**for Kishore & Venkat Associates**

Chartered Accountants  
 ICAI Firm Registration Number: 001807S  
 Sd/-

**M. V. Ramana Reddy**  
 Partner  
 Membership No.: 026845

Place: Hyderabad  
 Date: 30 June 2021

Sd/-  
**CH. Suresh Mohan Reddy**  
 Managing Director  
 DIN: 00090543

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

for and on behalf of the Board of Directors of  
**AHLADA ENGINEERS LIMITED**  
 CIN: L24239TG2005PLC047102

Sd/-  
**CH. Kinnera**  
 Wholetime Director  
 DIN: 08272661

Sd/-  
**P. Kodanda Rami Reddy**  
 Company Secretary

**Statement of Changes in Equity for the year ended March 31, 2021**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

<b>A. Equity Share Capital</b>	<b>No. of shares</b>	<b>Amount</b>
Balance as at April 1, 2019	12,921,000	129,210,000
Balance as at March 31, 2020	12,921,000	129,210,000
Balance as at March 31, 2021	12,921,000	129,210,000

**B. Other equity**

<b>Particulars</b>	<b>Reserves and Surplus</b>		<b>Total</b>
	<b>Securities Premium</b>	<b>Retained Earnings</b>	
<b>At April 1, 2019</b>	631,136,500	280,626,968	911,763,468
Profit for the year	-	77,139,569	77,139,569
Other comprehensive income	-	-	-
Dividend paid during the year (including taxes thereon)		(15,656,505)	(15,656,505)
<b>At March 31, 2020</b>	631,136,500	342,110,032	973,246,532
Profit for the year	-	101,882,435	101,882,435
Other comprehensive income	-	895,585	895,585
OP Ind AS Adj	-	342,128	342,128
Dividend paid during the year (including taxes thereon)		(15,505,200)	(15,505,200)
<b>Balance as of 31 March 2021</b>	631,136,500	429,382,852	1,060,861,480

Summary of significant accounting policies<sup>3</sup>

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

**for Kishore & Venkat Associates**

Chartered Accountants

ICAI Firm Registration Number: 001807S

for and on behalf of the Board of Directors of

**AHLADA ENGINEERS LIMITED**

CIN: L24239TG2005PLC047102

Sd/-  
**M. V. Ramana Reddy**  
 Partner  
 Membership No.: 026845

Sd/-  
**CH. Suresh Mohan Reddy**  
 Managing Director  
 DIN: 00090543

Sd/-  
**CH. Kinnera**  
 Wholetime Director  
 DIN: 08272661

Place: Hyderabad  
 Date: 30 June 2021

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

Sd/-  
**P. Kodanda Rami Reddy**  
 Company Secretary

**Statement of Cash Flows**

(All amounts in Indian Rupees, except share data and where otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Cash flows from operating activities</b>		
Profit before tax	143,788,427	102,358,078
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	114,450,127	97,366,640
Finance income (including fair value change in financial instruments)	(1,244,159)	(1,387,197)
Finance costs (including fair value change in financial instruments)	39,142,174	51,866,652
Re-measurement gains/ (losses) on defined benefit plan	1,263,523	-
<b>Operating profit before working capital changes</b>	<b>297,400,092</b>	<b>250,204,173</b>
<b>Changes in working capital:</b>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(233,950,036)	521,507,906
Inventories	(105,590,855)	5,094,866
Loans	(4,971,060)	9,217,193
Other financial assets	691,758	693,062
<b>Other assets</b>	<b>(233,133,988)</b>	<b>76,674,763</b>
<b>Adjustment for (increase)/decrease in operating liabilities</b>		
Trade payables	247,815,662	(18,449,638)
Other financial liabilities	8,196,057	(50,842,316)
Provisions	1,611,992	(1,276,774)
Other liabilities	9,471,179	(152,070,881)
<b>Cash generated from operations</b>	<b>(12,459,200)</b>	<b>640,752,354</b>
Income taxes paid/ (refund) received	(8,731,696)	(43,411,486)
<b>Net cash generated from/(used in) operating activities</b>	<b>(21,190,896)</b>	<b>597,340,868</b>
<b>II. Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment and Intangibles (including Capital Work in Progress)	(122,841,152)	(383,635,284)
Sale of Property, Plant and Equipment	1,250,268	-
(Investments in)/ margin money deposits	(49,094,418)	(15,369,560)
(Investments in)/ redemption of Mutual Funds, net	(29,553)	28,921
Interest received (Finance Income)	1,244,159	1,387,197
<b>Net cash used in investing activities</b>	<b>(169,470,696)</b>	<b>(397,588,726)</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from/(repayment of) Long-term Borrowings, net	(9,476,419)	(53,509,206)
Proceeds from/(repayment of) Short-term Borrowings, net	255,568,001	(92,535,447)
Dividends paid	(15,505,200)	(15,656,505)
Interest paid	(39,142,174)	(51,866,651)
<b>Net cash provided by financing activities</b>	<b>191,444,208</b>	<b>(213,567,809)</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>782,615</b>	<b>(13,815,667)</b>
Cash and cash equivalents at the beginning of the year	390,780	14,206,448
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>1,173,395</b>	<b>390,780</b>
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	25,281	69,466
Balances with banks:		
- in current accounts	1,148,114	321,314
	<b>1,173,395</b>	<b>390,780</b>

Summary of significant accounting policies<sup>3</sup>

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

As per our report of even date attached

**for Kishore & Venkat Associates**

Chartered Accountants

ICAI Firm Registration Number: 001807S

Sd/-

**M. V. Ramana Reddy**  
Partner  
Membership No.: 026845

Sd/-

**CH. Suresh Mohan Reddy**  
Managing Director  
DIN: 00090543

Sd/-

**A. Narasimha Rao**  
Chief Financial Officer

for and on behalf of the Board of Directors of

**AHLADA ENGINEERS LIMITED**

CIN: L24239TG2005PLC047102

Sd/-

**CH. Kinnera**  
Wholesale Director  
DIN: 08272661

Sd/-

**P. Kodanda Rami Reddy**  
Company Secretary

Place: Hyderabad

Date: 30 June 2021



**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

**1 General Information**

Ahlada Engineers Limited ('the Company') is a public limited Company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company carries out the business of manufacturing of Steel Doors, Windows, Shutters, Panels, School Furniture, Drinking water systems and allied products. The Company has its plants situated at Bahdurpally, Medchal-Malkajgiri (Dist), Telangana.

**2 Basis of preparation of financial statements**

**2.1 Statement of Compliance**

"The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act. The Company's financial statements up to and for the year ended March 31, 2020 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act. As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards have been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Company is provided in Note 41. The financial statements were approved and authorised for issue by the meeting of Company's Board of Directors held on June 30 2021. Details of the accounting policies are included in Note 3."

**2.2 Basis of measurement**

"These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position: • certain financial assets and liabilities are measured at fair value."

**2.3 Functional currency**

"The financial statements are presented in Indian Rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates. All amounts are in Indian Rupees except share data, unless otherwise stated."

**2.4 Operating cycle**

"All the 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 the Schedule III to the Companies Act, 2013. Assets: An asset is classified as current when it satisfies any of the following criteria: a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; b) it is held primarily for the purpose of being traded; c) it is expected to be realized within twelve months after the reporting date; or d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. Liabilities: A liability is classified as current when it satisfies any of the following criteria: a) it is expected to be settled in the Company's normal operating cycle; b) it is held primarily for the purpose of being traded; c) it is due to be settled within twelve months after the reporting date; or d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current."

**2.5 Critical accounting judgements and key sources of estimation uncertainty Operating cycle**

"In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are

the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements: Provision and contingent liability On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable. Useful lives of depreciable assets Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year."

## **2.6 Measurement of fair values**

"A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. "

## **3 Significant accounting policies**

### **3.1 Revenue recognition**

"Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. The Company's revenues are derived from sale of goods and services. • Revenue from sale of goods is recognized where control is transferred to the Company's customers at the time of shipment to customers. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. • Service income, is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed. • Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction. • Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition."

### **3.2 Leases**

"A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Company as a lessee The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use

asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. "

"The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. "

### **3.3 Foreign currencies**

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### **3.4 Borrowing costs**

"Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost. "

### **3.5 Taxation**

"Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or

their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized."

### **3.6 Earnings per share**

"The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share."

### **3.7 Property, plant and equipment**

"The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment."

### **3.8 Expenditure during construction period**

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### **3.9 Depreciation**

"Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down value basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company. The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. Such classes of assets and their estimated useful lives are as under:"

<b>Particulars</b>	<b>Useful life</b>
Buildings	30 years
Plant and Machinery	20 years
Internal Accessories	20 years
Electricals & Fittings	12 years
Cell Phones	3 years
Furniture & Fittings	10 years
Office Equipment	7 years
Computers	3 years
Vehicles	8 years

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### **3.10 Intangible assets and amortisation**

"Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset."

### **3.11 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### **3.12 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

### **3.13 Government grants**

"Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset."

### **3.14 Impairment of non financial assets**

"The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired. An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount."

### **3.15 Employee benefits**

"Short-term employee benefits Short-term employee benefits are expensed as the related service is provided. A

liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Defined contribution plans The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees. Defined benefit plans The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Termination benefits Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Other long-term employee benefits The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise."

### **3.16 Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **3.17 Contingent liabilities & contingent assets**

"A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs."

### **3.18 Financial instruments**

"a. Recognition and Initial recognition The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. b. Classification and Subsequent measurement Financial assets On initial recognition, a financial asset is classified as measured at—amortised cost;—FVTPL"



"Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and — the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets: Business model assessment The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:— the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;— how the performance of the portfolio is evaluated and reported to the Company's management;— the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; — how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and— the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity."

"Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:— contingent events that would change the amount or timing of cash flows;— terms that may adjust the contractual coupon rate, including variable interest rate features;— prepayment and extension features; and— terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features). A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition."

"Financial assets: Subsequent measurement and gains and losses Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Financial liabilities: Classification, Subsequent measurement and gains and losses Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any



interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**c. Derecognition of Financial assets** The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities** The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

"d. **Offsetting** Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**e. Impairment** The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost; At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:— significant financial difficulty of the borrower or issuer;— the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;— it is probable that the borrower will enter bankruptcy or other financial reorganisation; or— the disappearance of an active market for a security because of financial difficulties. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:— debt securities that are determined to have low credit risk at the reporting date; and— other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

**Loss allowances for trade receivables** are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk."

"When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

**Measurement of expected credit losses** Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

**Presentation of allowance for expected credit losses** in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-off** The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due."

**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

**4 Property, plant and equipment**

Particulars	Freehold Land	Buildings	Plant and Machinery	Internal Accessories	Electricals & Fittings	Cell Phones	Furniture & Fittings	Office Equipment	Computers	Vehicles	Total
<b>Gross Block</b>											
Deemed Cost as at April 1, 2019	38,270,297	61,117,488	533,267,522	50,694,481	13,073,354	15,367	1,343,521	3,230,936	2,315,108	9,038,856	712,366,929
Additions	225,000	6,199,042	212,688,339	579,815	2,210,000	55,870	-	614,258	662,098	240,000	223,474,421
Deletions	-	-	(6,612,490)	-	-	-	-	-	(807,550)	(3,559,789)	(10,979,829)
<b>At March 31, 2020</b>	<b>38,495,297</b>	<b>67,316,530</b>	<b>739,343,371</b>	<b>51,274,296</b>	<b>15,283,354</b>	<b>71,237</b>	<b>1,343,521</b>	<b>3,845,194</b>	<b>2,169,655</b>	<b>5,719,067</b>	<b>924,861,521</b>
Additions	-	4,171,329	345,597,418	3,243,440	1,300,000	5,931	25,710	398,883	3,011,807	1,053,145	358,807,663
Deletions	-	-	(5,364,704)	-	-	-	-	-	-	(4,964,254)	(10,328,958)
<b>At March 31, 2021</b>	<b>38,495,297</b>	<b>71,487,859</b>	<b>1,079,576,085</b>	<b>54,517,736</b>	<b>16,583,354</b>	<b>77,168</b>	<b>1,369,231</b>	<b>4,244,077</b>	<b>5,181,462</b>	<b>1,807,958</b>	<b>1,273,340,226</b>
<b>Depreciation and Amortisation</b>											
At April 1, 2019	-	-	-	-	-	-	-	-	-	-	-
For the year	-	6,116,111	75,628,393	7,062,358	3,155,502	24,277	339,140	1,205,592	1,283,662	2,551,604	97,366,640
Deletions	-	-	(4,827,248)	-	-	-	-	-	(763,409)	(2,848,929)	(8,439,585)
<b>At March 31, 2020</b>	<b>-</b>	<b>6,116,111</b>	<b>70,801,146</b>	<b>7,062,358</b>	<b>3,155,502</b>	<b>24,277</b>	<b>339,140</b>	<b>1,205,592</b>	<b>520,253</b>	<b>(297,325)</b>	<b>88,927,054</b>
For the year	-	6,042,122	92,741,048	8,421,963	2,768,122	26,311	249,020	940,439	1,556,239	1,704,862	114,450,127
Deletions	-	-	(4,992,930)	-	-	-	-	-	-	(4,085,756)	(9,078,687)
<b>At March 31, 2021</b>	<b>-</b>	<b>12,158,233</b>	<b>158,549,264</b>	<b>15,484,321</b>	<b>5,923,624</b>	<b>50,588</b>	<b>588,160</b>	<b>2,146,031</b>	<b>2,076,492</b>	<b>(2,678,219)</b>	<b>194,298,494</b>
<b>Carrying amount</b>											
At April 1, 2019	38,270,297	61,117,488	533,267,522	50,694,481	13,073,354	15,367	1,343,521	3,230,936	2,315,108	9,038,856	712,366,929
At March 31, 2020	38,495,297	61,200,419	668,542,225	44,211,938	12,127,852	46,959	1,004,381	2,639,602	1,649,402	6,016,392	835,934,461
<b>At March 31, 2021</b>	<b>38,495,297</b>	<b>59,329,626</b>	<b>920,565,309</b>	<b>39,033,415</b>	<b>10,659,730</b>	<b>26,579</b>	<b>781,071</b>	<b>2,098,046</b>	<b>3,104,970</b>	<b>4,486,177</b>	<b>1,078,580,220</b>

**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

	31 March 2021	31 March 2020	1 April 2019
<b>5 Trade receivables</b>			
<b>Non-current</b>			
Unsecured, Considered good	12,274,788	-	-
<b>Total</b>	<b>12,274,788</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Unsecured, Considered good	526,052,331	304,377,083	825,884,989
Doubtful / ECL on Debtors	3,444,939	2,560,608	2,560,608
	529,497,270	306,937,691	828,445,597
Less: Allowance for doubtful receivables	(3,444,939)	(2,560,608)	(2,560,608)
<b>Total</b>	<b>526,052,331</b>	<b>304,377,083</b>	<b>825,884,989</b>
<b>6 Loans (Unsecured, considered good unless otherwise stated)</b>			
<b>Non-current</b>			
Security deposits	2,834,644	2,456,790	1,801,420
<b>Total</b>	<b>2,834,644</b>	<b>2,456,790</b>	<b>1,801,420</b>
<b>Current</b>			
Security deposits	17,220,504	12,627,299	22,499,862
<b>Total</b>	<b>17,220,504</b>	<b>12,627,299</b>	<b>22,499,862</b>
<b>7 Inventories</b>			
Raw Materials , Hardware & Consumables	149,038,511	103,125,982	88,711,343
Work in Process	140,766,002	68,633,872	119,223,956
Finished Goods	54,030,178	66,483,982	35,403,403
<b>Total</b>	<b>343,834,691</b>	<b>238,243,836</b>	<b>243,338,702</b>
<b>8 Investments</b>			
Current			
"Investments carried at fair value through the statement of profit and loss:"			
Investments in Mutual Funds - Quoted			
S B I Mutual Funds	105,657	76,104	105,025
<b>Total</b>	<b>105,657</b>	<b>76,104</b>	<b>105,025</b>
<b>9 Cash and cash equivalents</b>			
Balances with banks:			
- On current accounts	1,148,114	321,314	872,884
Cash in hand	25,281	69,466	265,867
Fixed Deposits with Banks (Maturity upto three months)	-	-	13,067,697
<b>Total</b>	<b>1,173,395</b>	<b>390,781</b>	<b>14,206,448</b>
<b>10 Other balances with Bank</b>			
Non-current			
Fixed Deposits with Banks (Earmarked against Bank Guarantees)	10,591,586	-	-
<b>Total</b>	<b>10,591,586</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Fixed Deposits with Banks (Maturity more than three months and upto twelve months)	-	2,230,995	-
Fixed Deposits with Banks (Earmarked against Bank Guarantees and Letter of Credits)	53,872,392	13,138,565	-
<b>Total</b>	<b>53,872,392</b>	<b>15,369,560</b>	<b>-</b>
<b>11 Others (Unsecured, considered good unless otherwise stated)</b>			
<b>Current</b>			
Interest receivable	414,062	1,105,820	1,798,882
<b>Total</b>	<b>414,062</b>	<b>1,105,820</b>	<b>1,798,882</b>
<b>12 Other assets</b>			
<b>Current</b>			
Unsecured, considered good			
Advances other than capital advances			
Staff advances	11,826	-	-
Supplier advances	272,964,833	42,404,144	118,326,513
Prepaid expenses	4,321,213	1,759,740	2,512,134
<b>Total</b>	<b>277,297,872</b>	<b>44,163,884</b>	<b>120,838,647</b>

**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

	31 March 2021	31 March 2020	1 April 2019
<b>13 Current tax assets</b>			
Advance tax and TDS	1,360,344	15,167,857	14,405,541
Less: Provision for taxes			
Total	<u>1,360,344</u>	<u>15,167,857</u>	<u>14,405,541</u>
<b>14 Share Capital</b>			
<b>Authorised Share Capital</b>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
1,50,00,000 (March 31, 2020: 1,50,00,000; April 1, 2019: 1,50,00,000)			
equity shares of Rs.10 each			
<b>Issued, subscribed and fully paid-up</b>			
1,29,21,000 (March 31, 2020: 1,29,21,000; April 1, 2019: 1,29,21,000)			
equity shares of Rs.10 each	<u>129,210,000</u>	<u>129,210,000</u>	<u>129,210,000</u>
	<u>129,210,000</u>	<u>129,210,000</u>	<u>129,210,000</u>

**(a) Reconciliation of shares outstanding at the beginning and end of the reporting year**

Particulars	31 March 2021		31 March 2020	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	12,921,000	129,210,000	12,921,000	129,210,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	12,921,000	129,210,000	12,921,000	129,210,000

**(b) Terms / rights attached to the equity shares**

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	31 March 2021		31 March 2020	
	No. of equity shares	% holding in the class	No. of equity shares	% holding in the class
Ch. Suresh Mohan Reddy	6,507,096	50.36%	6,507,096	50.36%
Massachusetts Institute of Technology	1,200,000	9.29%	1,200,000	9.29%

	31 March 2021	31 March 2020
<b>15 Other equity</b>		
<b>Securities Premium</b>		
Opening balance	631,136,500	631,136,500
Additions during the year	-	-
<b>Closing balance</b>	<u>631,136,500</u>	<u>631,136,500</u>
<b>Retained earnings</b>		
Opening balance	357,766,537	280,626,968
Profit for the year	101,882,435	77,139,569
Other comprehensive income	895,585	-
<b>Closing balance</b>	<u>460,544,557</u>	<u>357,766,537</u>

The Description of the nature and purpose of each reserve within equity is as follows

a Securities Premium: Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

	31 March 2021	31 March 2020	1 April 2019
<b>16 Borrowings</b>			
<b>Non-current</b>			
Secured Loans			
<b>Term Loans from Banks</b>			
- State Bank of India (refer note A below)	-	34,603,600	51,034,840
- HDFC Bank (refer note B&C below)	89,040,247	59,410,019	79,851,267
<b>Term Loans from Financial Institutions</b>			
- Hero Fincorp Limited (refer note D below)	2,571,676	12,388,392	20,908,246
- Tata Capital Finance Limited (refer note E,F&G below)	9,404,708	4,362,408	10,821,798
<b>Hire Purchase Loans from Banks</b>			
- HDFC Bank (refer note H below)	773,945	416,416	1,703,348
<b>Hire Purchase Loans from Financial Institutions</b>			
- Alpha Financial Services (refer note I below)	-	86,161	432,950
- Nissan Renault Finance (refer note J below)	-	-	23,753
<b>Total</b>	<b>101,790,576</b>	<b>111,266,995</b>	<b>164,776,202</b>
<b>Current</b>			
Secured loans repayable on demand (refer note K below)			
Working Capital Loan from SBI	-	-	181,932,116
Working Capital Loan from Axis Bank	-	-	12,655,654
Working Capital Loan from Tata Capital Finance Limited	17,045,726	20,932,656	20,899,674
Working Capital Loan from Tata Capital Finance Ltd (Bill Discounting)	59,852,633	28,194,919	11,981,093
Working Capital Loan from HDFC Bank	362,532,718	134,735,501	48,929,985
	<b>439,431,077</b>	<b>183,863,076</b>	<b>276,398,522</b>

**Note:**

**A. Term loan from SBI:**

This loan is taken on 31-07-2017 and carries an interest rate of 11.75% repayable in 84 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan is closed on 06-03-2021 by way of takeover by HDFC Bank Ltd.

**B. Term loan from HDFC Bank:**

This loan is taken on 12-07-2018 and carries an interest rate of 8.00% repayable in 60 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan will be repaid by 07-08-2023.

**C. Term loan from HDFC Bank:**

This loan is taken on 25-02-2021 and carries an interest rate of 8.00% repayable in 27 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan will be repaid by 07-06-2023.

**D. Term loan from Hero Fincorp Limited:**

This loan is taken on 28/10/2016 and carries an interest rate of 14.25% repayable in 67 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan will be repaid by 08-06-2022.

**E. Term loan from Tata Capital Finance Limited:**

This loan is taken on 16-12-2017 and carries an interest rate of 14.5% repayable in 25 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan is closed on 15-10-2020

**F. Term loan from Tata Capital Finance Limited:**

This loan is taken on 16-12-2017 and carries an interest rate of 11.3% repayable in 40 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan will be repaid by 15-12-2022

**G. Term loan from Tata Capital Finance Limited:**

This loan is taken on 30-12-2017 and carries an interest rate of 11.3% repayable in 40 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan will be repaid by 15-12-2022

**H. Hire Purchase loan from HDFC Bank:**

This loan is taken on 29-07-2018 and carries an interest rate of 10.30% repayable in 60 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan will be repaid by 05-08-2021.

**I. Hire Purchase loan from Alpha Financial Services:**

This loan is taken on 28-07-2016 and carries an interest rate of 9.34% repayable in 60 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan is closed on 24-03-2021.

**J. Hire Purchase loan from Nissan Renault Finance:**

This loan is taken on 12-05-2016 and carries an interest rate of 7.57% repayable in 48 equal installments. This loan is secured by hypothecation of the Equipments of the Company for which the loan was obtained. The loan is closed on 15-04-2020.

**K. Working Capital Loans from Banks and Financial Institutions:**

"Working Capital Facilities carry an interest rate ranging from 8% to 11.3% are secured by: i. Hypothecation against first charge on stocks, book debts and all other current assets of the Company ii. Exclusive first charge on entire fixed assets present and future of the Company iii. 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 iv. Personal guarantee of Sri Ch Suresh Mohan Reddy, Managing Director of the Company"

	31 March 2021	31 March 2020	1 April 2019
<b>17 Deferred tax liabilities</b>			
Deferred tax liability			
- Tangible and Intangible assets	62,208,387	45,194,056	39,135,896
	62,208,387	45,194,056	39,135,896
<b>Deferred tax asset</b>			
- Provision for employee benefits	3,705,602	2,445,035	2,791,714
- Expected credit loss on financial assets	969,878	712,361	712,361
	4,675,480	3,157,396	3,504,075
<b>Total</b>	<b>57,532,907</b>	<b>42,036,660</b>	<b>35,631,821</b>
<b>18 Other liabilities</b>			
<b>Non-Current</b>			
Deferred revenue	4,555,206	-	-
<b>Total</b>	<b>4,555,206</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Creditors for capital goods	2,957,800	6,129,364	70,697,189
Statutory liabilities	7,744,539	(342,999)	87,160,056
<b>Total</b>	<b>10,702,339</b>	<b>5,786,365</b>	<b>157,857,246</b>
<b>19 Provisions</b>			
<b>Non-current</b>			
Provision for employee benefits			
- Gratuity	7,145,775	5,815,530	5,214,423
- Leave encashment	1,486,941	1,260,913	1,861,711
	8,632,716	7,076,443	7,076,134
<b>Current</b>			
Provision for employee benefits			
- Gratuity	858,244	858,317	1,632,756
- Leave encashment	463,129	407,337	909,981
<b>Total</b>	<b>1,321,373</b>	<b>1,265,654</b>	<b>2,542,737</b>
<b>20 Trade payables</b>			
<b>Current</b>			
- Total outstanding dues of micro enterprises and small enterprises (refer note 37)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	409,728,408	161,912,746	143,633,862
<b>Total</b>	<b>409,728,408</b>	<b>161,912,746</b>	<b>180,362,384</b>
<b>21 Other financial liabilities</b>			
<b>Current</b>			
Current maturities of term loans	56,794,031	55,994,594	93,506,059
Provision for expenses	5,691,123	5,422,532	4,373,208
Deposits & Advances received	12,209,804	10,326,610	14,040,820
Employee payables	8,495,844	3,251,010	13,916,975
<b>Total</b>	<b>83,190,802</b>	<b>74,994,746</b>	<b>125,837,062</b>
<b>22 Current tax liabilities</b>			
Provision for Income taxes	18,655,604	15,220,769	39,056,269
Less: Advance tax and TDS	-	-	-
<b>Total</b>	<b>18,655,604</b>	<b>15,220,769</b>	<b>39,056,269</b>

**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

	31 March 2021	31 March 2020
<b>23 Revenue from operations</b>		
Sale of products		
- Domestic	1,101,488,241	637,271,839
- Export	19,939,200	257,719
Service Charges	5,833,155	3,887,240
Processing Charges & Facility Charges	463,200,000	463,200,000
<b>Total</b>	<b>1,590,460,596</b>	<b>1,104,616,798</b>
<b>24 Other income</b>		
Interest received on deposits	1,244,159	1,387,197
Profit on sale of Asset	88,882	668,047
Duty Drawback Received	319,408	64,773
Exchange fluctuation	-	(328,644)
<b>Total</b>	<b>1,652,449</b>	<b>1,791,373</b>
<b>25 Cost of materials consumed</b>		
Opening Stock	103,125,982	88,711,343
Purchases during the year	1,007,498,267	523,409,426
Carriage Inward	9,148,404	5,293,461
	1,119,772,654	617,414,230
Less: Closing Stock	149,038,511	103,125,982
<b>Total</b>	<b>970,734,143</b>	<b>514,288,248</b>
<b>26 Changes in inventories of Finished goods and Work-in-progress</b>		
Finished goods		
Opening Stock	66,483,982	35,403,403
Closing Stock	54,030,178	66,483,982
	12,453,804	(31,080,579)
<b>Work-in-progress</b>		
Opening Stock	68,633,872	119,223,956
Closing Stock	140,766,002	68,633,872
	(72,132,130)	50,590,084
<b>(Increase) / Decrease in Inventories</b>	<b>(59,678,326)</b>	<b>19,509,505</b>
<b>27 Employee benefit expenses</b>		
Salaries, wages and bonus	91,106,444	95,605,008
Gratuity and leave encashment	4,740,622	1,316,266
Contribution to Provident Fund and Other Funds	4,799,450	5,705,993
Staff welfare expenses	6,508,300	5,360,531
<b>Total</b>	<b>107,154,816</b>	<b>107,987,798</b>
<b>28 Depreciation and amortisation expense</b>		
Depreciation of tangible assets	114,450,127	97,366,640
<b>Total</b>	<b>114,450,127</b>	<b>97,366,640</b>
<b>29 Finance costs</b>		
Interest on non current borrowings	15,630,848	23,504,992
Interest on current borrowings	19,871,560	23,019,861
Bank and other charges	3,639,766	5,341,799
<b>Total</b>	<b>39,142,174</b>	<b>51,866,652</b>



**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>30 Other expenses</b>		
<b>Direct Manufacturing Expenses</b>		
Power, Fuel and Gas	35,320,804	38,464,623
Jobwork & Erection charges	22,802,536	4,742,619
Repairs & Maintenance (Machinery)	213,869	1,137,218
Factory Maintenance	5,963,841	5,977,474
Labour Charges	112,486,654	85,955,286
Loading & Unloading Charges	1,619,823	241,623
Testing Charges	2,923	163,200
<b>Administrative &amp; Selling Expenses</b>		
Audit Fee	400,000	400,000
Business Promotion	3,144,227	1,447,543
Computer Maintenance	80,637	146,547
Commission Charges	40,000	500,000
Conveyance Charges	7,292,503	5,815,115
Discount Allowed	1,159,481	1,264,900
Expected credit loss on financial assets	884,331	-
Insurance	988,795	1,130,546
Licence and Renewals	1,078,953	380,334
Loss on sale of Asset	331,774	-
Late Filing Fee	1,000	7,684
Miscellaneous Expenses	45,825	86,965
Office Maintenance	2,937,865	2,690,435
Postage & Courier Charges	40,577	64,969
Printing & Stationery	468,572	542,008
Professional Charges	4,810,449	3,015,136
Prior Period Expenses	1,046,607	972,854
Duties & Taxes	9,130,447	836,298
Repairs & Maintenance (General)	484,203	344,341
Rent	30,092,507	26,400,656
Telephone Charges	413,633	668,166
Exchange fluctuation	704,081	-
Tour Expenses	1,251,904	4,193,776
Transport Outward	29,475,249	23,675,493
Vehicle Maintenance	863,135	954,021
Web Maintenance	944,483	811,423
<b>Total</b>	<b>276,521,686</b>	<b>213,031,253</b>
<b>31 Tax expenses</b>	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
Current income tax:		
Current income tax charge	25,974,044	18,813,670
Deferred tax:		
Relating to originating and reversal of temporary differences	15,931,948	6,404,839
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>41,905,992</b>	<b>25,218,509</b>
<b>Deferred tax related to items considered in OCI during the year</b>		
Re-measurement gains/ (losses) on defined benefit plan	(367,938)	-
<b>Income tax charge to OCI</b>	<b>(367,938)</b>	<b>-</b>

**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

**32. Contingent liabilities and commitments**

Particulars	As at 31-Mar-21	As at 31-Mar-20	As at 1-Apr-19
i) Contingent liabilities:			
- Unexpired Bank Guarantees	19,032,570	3,562,440	3,562,440
- Duty Payable against Import of Machinery Under EPCG Scheme	87,668,892	92,170,439	92,170,439
- Showcause cum Demand Notice from Central Excise Dept	84,834,828	84,844,828	84,844,828
ii) Commitments:	Nil	Nil	Nil

**33. Related party disclosures**

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship
1. Ahlada HVAC Systems Pvt Ltd	Common Directorship in both the companies
2. Bluefence Systems Pvt Ltd	Managing Director of the company is a significant Share Holder
3. Decomet Industries Pvt Ltd	Common Directorship in both the companies
4. Magnizest Elevators LLP	Common Directorship in both the companies
5. Saffron Equity Advisors Pvt Ltd	Common Directorship in both the companies

b) Details of all transactions with related parties during the year:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>i) Sales Made to Related Parties</b>	<b>6,591,632</b>	<b>51,954,247</b>
Decomet Industries Pvt Ltd	6,554,851	
Magnizest Elevators LLP	36,781	
<b>ii) Purchses Received from Related Parties</b>	<b>38,647,203</b>	<b>25,275,843</b>
Bluefence Systems Pvt Ltd	12,512,779	
Decomet Industries Pvt Ltd	26,134,424	
<b>iii) Services received from Related Parties</b>	<b>374,032</b>	<b>148,221</b>
Bluefence Systems Pvt Ltd	7,572	
Saffron Equity Advisors Pvt Ltd	297,600	
Ahlada HVAC Pvt Ltd	68,860	
<b>iv) Services rendered to Related Parties</b>	<b>181,749</b>	
Decomet Industries Pvt Ltd	181,749	
<b>Total</b>	<b>45,794,616</b>	

c) Details of balances receivable from and payable to related parties are as follows:

Particulars	As at 31-Mar-21	As at 31-Mar-20	As at 1-Apr-19
i) Trade receivables:			
Magnizest Elevators LLP	-	57,850	-
Decomet Industries Pvt Ltd	6,534,945	3,142,159	156,068
Ahlada HVAC Pvt Ltd	-	-	1,137,757
ii) Current Borrowings:			
Bluefence Systems Pvt. Ltd - Payable	8,758,494	4,497,666	8,447,643
Saffron Equity Advisors Pvt Ltd	-	32,400	130,000

**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

**d) Terms and conditions of transactions with related parties:**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

**34 Segment information**

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore Steel Products and the sole geographical segment is 'India'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

**35 Employee benefits**

**(i) Defined contribution plan**

The Company's contribution to Provident Fund, superannuation Fund and other funds recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to Provident Fund, superannuation Fund and other funds	4,799,450	5,705,993
<b>Total</b>	<b>4,799,450</b>	<b>5,705,993</b>

**(ii) Defined benefit plan**

**Gratuity**

"The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 20,00,000. The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the Balance Sheet for the plan:"

Particulars	As at 31-Mar-21	As at 31-Mar-20	As at 1-Apr-19
<b>(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligations:</b>			
Opening balance	7,120,546	7,263,224	5,608,644
Current Service Cost	1,520,313	1,383,712	1,333,759
Interest Cost	482,061	552,005	448,692
Actuarial (Gain)/Loss	(641,808)	(2,078,395)	(127,870)
Benefits Paid	-	-	-
Closing balance	8,481,111	7,120,546	7,263,224
<b>(ii) Fair value of plan assets:</b>			
Opening balance	446,700	416,045	387,633
Fund Expenses	(2,698)	(2,525)	(2,344)
Expected return on Plan Assets	30,242	31,619	29,460
Employer Contributions	-	-	-
Employee's Contribution	-	-	-
Benefits Paid	-	-	-
Net transfer in/(out) (including effect of any business combinations / divestitures)	-	-	-
Actuarial Gain / (Loss) on the Plan Assets	2,879	1,560	1,296
Closing balance	477,123	446,700	416,045

**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31-Mar-21	As at 31-Mar-20	As at 1-Apr-19
<b>(iii) Net Liability recognised in the Balance Sheet:</b>			
Present value of projected benefit obligation at the end of the year	8,481,111	7,120,546	7,263,224
Fair value of plan assets at the end of the year	477,123	446,700	416,045
Net liability recognised in the balance sheet	8,003,989	6,673,846	6,847,179
Current provision	858,244	858,317	1,632,756
Non current provision	7,145,745	5,815,530	5,214,423

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>(iv) Expense recognised in statement of profit and loss:</b>		
Service cost	1,520,313	1,383,712
Interest cost	482,061	552,005
Expected return on plan assets	(30,242)	(31,619)
Net Actuarial (Gain) / Loss to be recognized	(644,688)	(2,079,954)
Gratuity cost	1,327,444	(175,857)
<b>(v) Expense recognised in statement of OCI:</b>		
Actuarial gain / (loss) due to financial assumption changes	-	-
Actuarial gain / (loss) due to experience adjustments	(641,808)	(2,078,395)
Total expenses routed through OCI	(641,808)	(2,078,395)
<b>(vi) Assumptions used</b>		
Discount rate (per annum)	6.91%	6.77%
Future salary increases	5.00%	5.00%
<b>(vii) A quantitative sensitivity analysis for significant assumption and its impact on projected obligation are as follows:</b>		
Impact of increase in 100 bps in discount rate on projected benefit obligation	7,770,486	6,510,916
Impact of decrease in 100 bps in discount rate on projected benefit obligation	9,312,223	7,838,093
Impact of increase in 100 bps in salary escalation rate on projected benefit obligation	9,269,750	7,817,496
Impact of decrease in 100 bps in salary escalation rate on projected benefit obligation	7,770,753	6,506,985
Impact of increase in 100 bps in withdrawal rate on projected benefit obligation	8,562,875	7,182,617
Impact of decrease in 100 bps in withdrawal rate on projected benefit obligation	8,383,339	7,045,244

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

**Leave encashment**

Particulars	As at 31-Mar-21	As at 31-Mar-20	As at 1-Apr-19
<b>(I) Reconciliation of opening and closing balances of the present value of the defined benefit obligations:</b>			
Opening balance	1,668,250	2,771,692	-
Current Service Cost	790,594	738,462	801,629
Interest Cost	112,941	210,649	-
Prior Service Cost - Vested benefit	-	-	1,970,063
Actuarial (Gain)/Loss	(621,715)	(2,052,553)	-
Benefits Paid	-	-	-
Closing balance	1,950,069	1,668,250	2,771,692

**Notes forming part of the financial statements**  
 (All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31-Mar-21	As at 31-Mar-20	As at 1-Apr-19
(ii) Fair value of plan assets:			
Opening balance	-	-	-
Fund Expenses	-	-	-
Expected return on Plan Assets	-	-	-
Employer Contributions	-	-	-
Employee's Contribution	-	-	-
Benefits Paid	-	-	-
Net transfer in/(out) (including effect of any business combinations / divestitures)	-	-	-
Actuarial Gain / (Loss) on the Plan Assets	-	-	-
Closing balance	-	-	-
<b>(iii) Net Liability recognised in the Balance Sheet:</b>			
Present value of projected benefit obligation at the end of the year	1,950,069	1,668,250	2,771,692
Fair value of plan assets at the end of the year	-	-	-
Net liability recognised in the balance sheet	1,950,069	1,668,249	2,771,692
Current provision	463,128	407,337	909,981
Non current provision	1,486,941	1,260,913	1,861,711
	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>	
<b>(iv) Expense recognised in statement of profit and loss:</b>			
Service cost	790,594	738,462	
Interest cost	112,941	210,649	
Expected return on plan assets	-	-	
Net Actuarial (Gain) / Loss to be recognized	(621,715)	(2,052,553)	
Gratuity cost	281,819	(1,103,442)	
<b>(v) Expense recognised in statement of OCI:</b>			
Actuarial gain / (loss) due to financial assumption changes	-	-	
Actuarial gain / (loss) due to experience adjustments	(621,715)	(2,052,553)	
Total expenses routed through OCI	(621,715)	(2,052,553)	
<b>(vi) Assumptions used:</b>			
Discount rate (per annum)	6.91%	6.77%	
Future salary increases	5.00%	5.00%	
<b>(vii) A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:</b>			
Impact of increase in 100 bps in discount rate on projected benefit obligation	1,876,115	1,604,849	
Impact of decrease in 100 bps in discount rate on projected benefit obligation	2,030,919	1,737,658	
Impact of increase in 100 bps in salary escalation rate on projected benefit obligation	2,029,065	1,736,045	
Impact of decrease in 100 bps in salary escalation rate on projected benefit obligation	1,876,369	1,605,073	
Impact of increase in 100 bps in attrition rate on projected benefit obligation	1,956,502	1,673,410	
Impact of decrease in 100 bps in attrition rate on projected benefit obligation	1,943,113	1,662,662	

These sensitives have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

**36 Auditors' remuneration include:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fee	300,000	300,000
Tax audit fee	100,000	100,000
<b>Total Other Services</b>	<b>400,000</b>	<b>400,000</b>

**37. Dues to Micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

**38. Earnings per share**

"Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares."

The following table sets out the computation of basic and diluted earnings per share:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Particulars		
Profit for the year attributable to equity share holders	102,778,020	77,139,569
Shares		
Weighted average number of equity shares outstanding during the year – basic	12,921,000	12,921,000
Weighted average number of equity shares outstanding during the year – diluted	12,921,000	12,921,000
Earnings per share		
Earnings per share of par value ₹ 10 – basic (₹)	7.95	5.97
Earnings per share of par value ₹ 10 – diluted (₹)	7.95	5.97

**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

**39. Financial risk management objectives and policies**

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations. The Company is exposed to Credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below."

"a) Credit risk Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team. The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows: "

<b>Allowance for credit loss</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>01-Apr-19</b>
Opening balance	2,560,608	2,560,608	2,560,608
Credit loss provided/ (reversed)	884,331	-	-
Closing balance	3,444,939	2,560,608	2,560,608

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

"b) Liquidity risk The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:"

	<b>Up to 1year</b>	<b>1 to 5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
<b>Year ended March 31, 2021</b>				
Borrowings	496,225,108	101,790,576	-	598,015,684
Trade payables	409,728,408	-	-	409,728,408
<b>Year ended March 31, 2020</b>				
Borrowings	239,867,113	111,266,552	-	351,133,665
Trade payables	161,912,746	-	-	161,912,746
<b>As at April 1, 2019</b>				
Borrowings	369,904,580	164,776,201	-	534,680,781
Trade payables	180,362,384	-	-	180,362,384

**40. Capital management**

"The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves."

The capital structure as of March 31, 2021, March 31, 2020 and April 1, 2019 was as follows:

<b>Allowance for credit loss</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>01-Apr-19</b>
Total equity attributable to the equity shareholders of the Company	1,190,071,480	1,102,456,532	1,040,973,468
As a percentage of total capital	68.74%	63.68%	60.13%
Non-current borrowings	101,790,576	111,266,995	164,776,202
As a percentage of total capital	5.88%	6.43%	9.52%
Current borrowings	439,431,077	183,863,076	276,398,522
As a percentage of total capital	25.38%	10.62%	15.96%
Total capital (equity and borrowings)	1,731,293,132	1,397,586,603	1,482,148,192



**Notes forming part of the financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

**41 Explanation on transition to Ind AS**

"As stated in Note 2.1, these are the first standalone financial statements prepared in accordance with Ind AS. For the year ended March 31, 2020, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act ('Previous GAAP'). For the purpose of transition from Previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101-first time adoption of Indian Accounting Standards ("Ind AS-101"), with effect from April 1, 2019 ('transition date'). The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended March 31, 2021 including the comparative information for the year ended March 31, 2020 and the opening Ind AS balance sheet on the date of transition i.e. April 1, 2019. In preparing its Ind AS balance sheet as at April 1, 2019 and in presenting the comparative information for the year ended March 31, 2020, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the Previous GAAP. This note explains how the transition from Previous GAAP to Ind AS has affected the Company's financial position and financial performance."

**A. Mandatory exceptions to retrospective application**

"The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards": 1) Estimates: As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS). The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:— Impairment of financial assets based on the expected credit loss model.— Determination of the discounted value for financial instruments carried at amortised cost."

- 2) Classification and measurement of financial assets: Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable."

**B. Optional exemptions from retrospective application**

"Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions: 1) Property, plant and equipment: The Company has elected to treat previous GAAP carrying value as deemed cost for all items of its property, plant and equipment."

- 2) Business combination: Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date. The Company has elected to apply Ind AS 103 from transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

C. The following reconciliation provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

**(I) Reconciliation of total equity as at March 31, 2020 and April 1, 2019**

Particulars	As at March 31, 2020	As at April 1, 2019
Total equity as reported under previous GAAP	1,139,958,886	1,091,038,866
Assets written off as they do not meet the criteria for Capitalization	(1,384,534)	(2,461,394)
Intangible Assets written off as they do not meet the criteria as per Ind AS 38	(34,269,573)	(45,755,757)
Expected Credit loss on Financial Assets	(2,560,608)	(2,560,608)
Taxes on above	712,361	712,361
<b>Total equity reported under Ind AS</b>	<b>1,102,456,532</b>	<b>1,040,973,468</b>

(ii) Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2020

Particulars	Year ended March 31, 2020
Net Profit under previous GAAP	65,038,037
Impact of Depreciation on Assets written off	615,349
Impact of Amortization on Intangible Assets that do not meet the criteria as per Ind AS 38	11,486,184
Net Profit under Ind AS	77,139,569
Other comprehensive income	
Actuarial gains/(losses) on post- employment benefit obligations, net of taxes	-
<b>Total comprehensive income under Ind AS</b>	<b>77,139,569</b>

#### 42 Recent Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

#### 43 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date attached

#### for Kishore & Venkat Associates

Chartered Accountants

ICAI Firm Registration Number: 001807S

for and on behalf of the Board of Directors of

**AHLADA ENGINEERS LIMITED**

CIN: L24239TG2005PLC047102

Sd/-

**M. V. Ramana Reddy**

Partner

Membership No.: 026845

Sd/-

**CH. Suresh Mohan Reddy**

Managing Director

DIN: 00090543

Sd/-

**CH. Kinnera**

Wholetime Director

DIN: 08272661

Sd/-

**A. Narasimha Rao**

Chief Financial Officer

Sd/-

**P. Kodanda Rami Reddy**

Company Secretary

Place: Hyderabad

Date: 30 June 2021

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