

**NCL INDUSTRIES LTD**  
**STATEMENT OF AUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020**

Sl. No.	Particulars	Standalone				Consolidated	
		Quarter ended		Year ended		Quarter ended	Year ended
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Revenue from operations</b>						
	a) Net sales / income from operations	28,373.82	24,468.55	31,902.08	107,582.20	117,456.68	28,373.82
	Less : Inter Segment Transfers	3,687.11	3,404.06	4,851.13	13,795.70	19,468.89	3,687.11
	<b>Total Revenue from operations (inclusive of excise duty)</b>	<b>24,686.71</b>	<b>21,064.49</b>	<b>27,050.96</b>	<b>93,786.50</b>	<b>97,987.79</b>	<b>24,686.71</b>
<b>2</b>	<b>Other Income</b>	227.58	(143.33)	225.69	256.86	635.13	227.58
	<b>Total income (1+2)</b>	<b>24,914.29</b>	<b>20,921.16</b>	<b>27,276.64</b>	<b>94,043.36</b>	<b>98,622.92</b>	<b>24,914.29</b>
<b>3</b>	<b>Expenses</b>						
	a) Cost of materials consumed	7,617.88	6,730.84	8,960.99	28,580.93	34,385.26	7,617.88
	b) Purchase of Stock in Trade				0.37		
	c) Power	3,081.36	2,442.61	3,091.35	10,860.36	12,235.45	3,081.36
	d) Fuel	4,820.53	4,062.67	4,924.52	16,631.20	20,569.78	4,820.53
	e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(595.65)	(808.55)	325.12	(2,544.67)	(514.34)	(595.65)
	f) Employee benefits expense	1,131.92	1,062.96	974.41	4,209.38	3,862.32	1,131.92
	g) Depreciation and amortisation	991.53	1,081.97	1,129.79	4,211.98	4,528.82	991.53
	h) Finance costs	746.56	810.06	812.51	3,066.79	3,479.12	746.56
	i) Transport & Handling	4,334.20	4,054.77	4,560.82	16,996.33	18,900.29	4,334.20
	j) Inter Segment Transfers	(3,687.11)	(3,404.06)	(4,851.13)	(13,795.70)	(19,468.89)	(3,687.11)
	k) Other expenditure	5,735.79	4,310.94	3,426.50	18,907.96	14,533.83	5,736.29
	<b>Total expenses</b>	<b>24,177.00</b>	<b>20,344.21</b>	<b>23,454.89</b>	<b>87,124.93</b>	<b>92,511.64</b>	<b>24,177.51</b>
<b>4</b>	<b>Profit before tax (1 + 2 - 3)</b>	<b>737.28</b>	<b>576.95</b>	<b>3,821.75</b>	<b>6,918.43</b>	<b>6,111.28</b>	<b>736.78</b>
<b>5</b>	<b>Tax expense</b>						
	a) Current tax	98.62	159.84	990.96	2,179.56	926.04	98.62
	b) Mat Credit Entitlement						
	c) Deferred tax	(127.46)	(125.94)	184.34	(345.85)	498.94	(127.46)
<b>6</b>	<b>Net profit for the period / year (4 - 5)</b>	<b>766.12</b>	<b>543.05</b>	<b>2,645.45</b>	<b>5,061.72</b>	<b>4,685.30</b>	<b>765.62</b>
<b>7</b>	<b>Other comprehensive income</b>						
	(i) Remeasurement (Loss)/Gain on defined benefit plans	17.66	-	(12.60)	17.66	(12.60)	17.66
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(6.17)	-	4.40	(5.17)	4.40	(6.17)
	<b>Total other comprehensive income</b>	<b>11.49</b>	<b>-</b>	<b>(8.20)</b>	<b>11.49</b>	<b>(8.20)</b>	<b>11.49</b>
<b>8</b>	<b>Total Comprehensive income (6 + 7)</b>	<b>777.61</b>	<b>543.05</b>	<b>2,638.25</b>	<b>5,096.21</b>	<b>4,678.10</b>	<b>777.11</b>
<b>9</b>	<b>Paid-up equity share capital (face value Rs. 10/- each)</b>	<b>4,523.28</b>	<b>4,523.28</b>	<b>4,523.28</b>	<b>4,523.28</b>	<b>4,523.28</b>	<b>4,523.28</b>
<b>10</b>	<b>Other Equity</b>				<b>48,320.91</b>	<b>45,405.92</b>	<b>48,320.41</b>
<b>11</b>	<b>Earnings per equity share (face value Rs. 10/- each) (Not Annualised)</b>						
	- Basic	1.72	1.20	5.83	11.26	10.34	1.72
	- Diluted	1.72	1.20	5.83	11.26	10.34	1.72



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**NCL Industries Limited**  
**Balance Sheet as at March 31, 2020**

Particulars	Standalone		Consolidated
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	69,528.74	65,839.87	69,528.74
(b) Capital work-in-progress	8,991.12	9,047.62	8,996.71
(c) Investment Property			
(d) Other intangible assets			
(e) Financial Assets			
(i) Investments	1.00		-
(ii) Trade Receivables	117.48	59.94	117.48
(iii) Loans			
(iv) Other Financial Assets	1,971.71	1,454.41	1,971.71
(f) Deferred tax Assets (net)			
(g) Other non-current Assets	245.23	252.63	245.23
<b>Current Assets</b>			
(a) Inventories	10,968.10	8,462.47	10,968.10
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	14,337.79	15,051.97	14,337.79
(iii) Cash & Cash Equivalents	79.85	501.45	81.25
(iv) Bank Balances other than (iii) above	1,792.91	1,736.93	1,792.91
(v) Loans			
(vi) Other Financial Assets	597.29	639.94	597.29
(c) Current Tax Assets			
(d) Other Current Assets	6,685.58	6,441.80	6,679.39
<b>Total</b>	<b>115,316.80</b>	<b>109,489.03</b>	<b>115,316.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	4,523.28	4,523.28	4,523.28
(b) Other Equity	48,320.91	45,405.92	48,320.41
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16,536.43	18,670.97	16,536.43
(ii) Trade Payables			
(iii) Other Financial Liabilities			
(b) Provisions	676.35	635.00	676.35
(c) Deferred Tax Liabilities (Net)	7,267.09	7,612.95	7,267.09
(d) Other non-current liabilities	1,396.67	896.19	1,396.67
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12,151.87	7,940.17	12,151.87
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	23.97	26.68	23.97
b) Total outstanding dues of Creditors other than micro and small enterprises	6,586.53	7,217.14	6,586.53
(iii) Other Financial Liabilities	11,217.15	10,039.06	11,217.44
(b) Provisions	198.82	191.62	198.82
(c) Current Tax Liabilities (Net)	2,112.78	1,807.37	2,112.78
(d) Other current liabilities	4,304.95	4,522.68	4,304.95
<b>Total Equity and Liabilities</b>	<b>115,316.80</b>	<b>109,489.03</b>	<b>115,316.60</b>



**NCL Industries Limited**  
**Cash Flow Statement For The Year Ended March 31, 2020**

(In Rupees Lakhs)

Particulars	Standalone		Consolidated
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020
Cash flow from operating activities			
Profit before Income Tax	6,936.09	6,098.68	6,935.59
Operating Profit before working capital changes	14,214.86	14,106.62	14,214.36
Net cash inflow from operating activities	10,576.29	7,085.03	10,582.29
Net cash outflow from investing activities	(7,845.35)	(6,868.75)	(7,849.94)
Net cash inflow/(outflow) from financing activities	(3,096.56)	413.79	(3,096.56)
Net increase / (decrease) in cash and cash equivalents	(365.62)	630.07	(364.22)



Consolidated Segment-wise Revenue, Results and Assets and Liabilities

	Quarter Ended			Year Ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	(Audited)	(Unaudited)	(Audited)	(Audited)	
<b>1 Segment Revenue</b>					
a) Cement Division	29,351.00	24,058.83	33,769.02	110,291.42	125,183.66
b) Boards Division	3,147.03	3,113.98	3,779.24	12,592.45	13,465.93
c) Prefab Division	-	-	-	-	-
d) Energy Division	90.65	441.62	1.30	804.50	438.84
e) Ready Mix Concrete Division	1,970.99	2,348.96	2,137.22	8,384.27	7,417.33
f) Doors	143.47	7.79	-	151.26	-
g) Unallocable Income (net of expenses)	-	-	-	-	-
<b>TOTAL</b>	<b>34,703.13</b>	<b>29,971.18</b>	<b>39,686.78</b>	<b>132,223.90</b>	<b>146,505.76</b>
Less : Inter Segment Revenue	3,687.11	3,404.06	4,851.13	13,795.70	19,468.89
Less : Taxes & Duties	6,329.31	5,502.64	7,784.70	24,641.70	29,049.08
<b>Net Sales from Operations</b>	<b>24,686.71</b>	<b>21,064.49</b>	<b>27,050.96</b>	<b>93,786.50</b>	<b>97,987.79</b>
<b>2 Segment Results:</b>					
<b>Profit before Interest &amp; Tax</b>					
a) Cement Division	1,268.08	578.49	3,857.06	7,900.06	7,315.04
b) Boards Division	436.00	324.44	697.10	1,487.41	1,737.78
c) Prefab Division	-	-	-	-	-
d) Energy Division	15.64	354.59	(79.61)	475.59	107.31
e) Ready Mix Concrete Division	98.16	157.12	159.69	501.48	417.67
f) Doors	(334.04)	(27.63)	-	(361.67)	-
g) Unallocated	(0.50)	-	-	(0.50)	-
<b>TOTAL</b>	<b>1,483.34</b>	<b>1,387.01</b>	<b>4,634.25</b>	<b>10,002.38</b>	<b>9,577.80</b>
Less: Interest	746.56	810.06	812.51	3,066.79	3,479.12
<b>TOTAL PROFIT BEFORE TAX</b>	<b>736.78</b>	<b>576.95</b>	<b>3,821.73</b>	<b>6,935.59</b>	<b>6,098.68</b>
<b>3 Segment Assets</b>					
a) Cement Division	75,258.98	75,957.76	78,482.62	75,258.98	78,482.62
b) Boards Division	12,880.53	12,348.03	11,445.52	12,880.53	11,445.52
c) Prefab Division	80.81	80.81	80.81	80.81	80.81
d) Energy Division	2,986.21	3,458.77	2,867.10	2,986.21	2,867.10
e) Ready Mix Concrete Division	2,667.33	2,583.27	2,340.26	2,667.33	2,340.26
f) Doors	6,844.14	6,747.39	-	6,844.14	-
g) Unallocated	14,598.59	14,724.06	14,272.73	14,598.59	14,272.73
<b>TOTAL</b>	<b>115,316.60</b>	<b>115,900.09</b>	<b>109,489.03</b>	<b>115,316.60</b>	<b>109,489.03</b>
<b>4 Segment Liabilities</b>					
a) Cement Division	27,242.79	27,257.79	28,411.26	27,242.79	28,411.26
b) Boards Division	2,033.47	2,113.48	1,945.34	2,033.47	1,945.34
c) Prefab Division	24.69	24.69	24.69	24.69	24.69
d) Energy Division	44.57	44.40	40.26	44.57	40.26
e) Ready Mix Concrete Division	1,195.38	1,151.35	1,136.51	1,195.38	1,136.51
f) Doors	480.89	397.05	-	480.89	-
g) Unallocated	84,294.81	84,911.33	77,930.97	84,294.81	77,930.97
<b>TOTAL</b>	<b>115,316.60</b>	<b>115,900.09</b>	<b>109,489.03</b>	<b>115,316.60</b>	<b>109,489.03</b>



**Notes:**

- The above Standalone and Consolidated financial results were reviewed and recommended by the Audit committee, later approved by the Board of Directors of the company in their respective meetings held on 30th June, 2020. The Statutory auditors have conducted the Audit and have expressed unmodified opinion on the financial statements.
- The Standalone and Consolidated Financial Results have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 ("the Act") read with the relevant rules issued thereunder ("INDAS") and other accounting principles generally accepted in India and the guidelines issued by SEBI.
- Reconciliation between financial results as previously reported Ind AS for the year ended 31st March 2019 and now due to prior year expenses is as follows:**

Particulars	Rs. in lakhs
	As at 31.03.2019
<b>Other Equity previously reported</b>	<b>45,443.22</b>
Prior period expenses adjustment as per Ind AS	37.30
<b>Other Equity as reported under Ind AS</b>	<b>45,405.92</b>

- Segment information is presented for the Consolidated financial results as permitted under the Ind AS 108 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Accounting Standard (AS) 17 "Segment Reporting" notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which replaces Ind AS 17 'leases'. The Company has applied Ind AS 116 in accordance with para C5(b) of the standard. Right-of-use assets as at April 01, 2019 for leases classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any related prepayments/ accruals). As a result, the comparative information has not been restated. The effect of adopting this standard is not material on the net profit for the period.
- The COVID-19 pandemic has spread rapidly throughout the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included lockdowns, restrictions on travel and business operations, temporary closures of businesses, quarantines and shelter-in-place orders. Such measures have been implemented in India between March 24, 2020 and May 31, 2020.  
Due to the lockdown announced in India from March 24 2020, the operations of the Company were suspended and a few despatches to some on going government projects were made. As on the date of approval of these financial statements, the Company is operating with only essential staff taking all necessary precautions to protect the staff. In case the pandemic does not increase resulting in further lockdowns, the Company is confident of restoring normalcy in its operations in a few months.  
As on the date of the approval of these financial statements, the Company is not able to comment on the future impact of Covid-19 on its operations due to the uncertainty surrounding the economic environment. However, in case there is a material impact, the Company will inform the stock exchange and also post the information on its website.  
In assessing the recoverability of receivables including Trade Receivables, inventories and other current assets as on 31st March 2020, the management has considered internal and external information received upto the date of approval of these financial results. Based on current indicators of future economic conditions, we expect to recover the carrying amount of all these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material charges to future economic conditions.  
The Company does not expect Covid-19 to have a material impact on the capital and financial resources, profitability, liquidity position and assets of the Company. As per present conditions, the Company is confident of its ability to service debt and other financing arrangements.  
The Company has a robust system of internal control over financial reporting and assesses it annually. The Company is assessing the the situation and expect the demand for its products/services will get back to normalcy in a few months.  
As on the date of approval of these financial statements, the Company does not envisage any Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the company's business;  
The overall outcome of the Global Health pandemic may be different from the present estimates made on the date of approval of these financial statements.
- Figures of the last quarters for the financial years 2019-20 and 2018-19 are the balancing figures between the audited figures for the full financial year and the published figures for the nine months periods ended on 31.12.2019 and 31.12.2018.
- Company has entered into a Joint venture agreement with chinese Company and incorporated a new JV Company in the name NCL Guangzheng structures Ltd. NCL has invested some amount in this Company and no investment is received from the Joint venture partner due to COVID-19 pandemic, hence this company became a subsidiary of NCL by virtue of shareholding. The subsidiary Company has not commenced its operations.
- Figures for the previous period have been regrouped/ reclassified where ever necessary to conform to the current period's presentation for the standalone financial results. This being the 1st year of consolidation previous year figures are not applicable.
- The Board has recommended a final Dividend of Rs. 2.50 per share for the year including interim dividend of Re. 1.50 per share declared earlier. If approved by the Shareholders, the dividend payout will be Rs. 545 Lakhs.

Place : HYDERABAD  
Date : 30.06.2020

On behalf of the Board of Directors  
For NCL INDUSTRIES LTD

  
K. RAVI  
MANAGING DIRECTOR



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NCL INDUSTRIES LIMITED

Report on the audit of the Standalone Annual Financial Results

### Opinion

We have audited the accompanying standalone annual financial results of NCL INDUSTRIES LIMITED (hereinafter referred to as the "Company") for the quarter and year ended 31 March, 2020 ("Standalone annual financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

### Basis for Opinion

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



obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

#### **Emphasis of matter**

We draw attention to Note No. 6 of the Standalone Financial results regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Company is evaluating the situation on an ongoing basis with respect to the challenges faced.

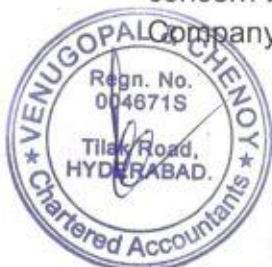
Our opinion is not modified in respect of this matter.

#### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Board of Directors is responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the standalone financial results made by the Management and Board of Directors.





- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Other Matters**

- As stated in Note No. 7 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.



**VENUGOPAL & CHENOY**  
Chartered Accountants

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- The standalone annual financial results include the results for the quarter ended 31 March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For VENUGOPAL & CHENOY,  
CHARTERED ACCOUNTANTS,  
FRN: 004671S



*P.V. Sri Hari*

(P.V.SRI HARI)

Partner

Membership No.021961

UDIN: 20021961AAAA3N9570

Place: Hyderabad  
Date: 30.06.2020

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of NCL INDUSTRIES LIMITED

**Report on the audit of the Consolidated Annual Financial Results**

**Opinion**

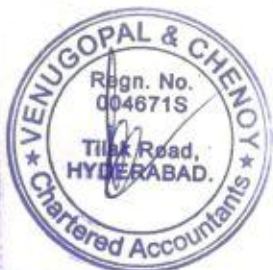
We have audited the accompanying Consolidated annual financial results of NCL INDUSTRIES LIMITED (the "Company") and its subsidiaries together referred to as "the Group" for the year ended 31 March, 2020 ("Consolidated annual financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statement of the subsidiary, the aforesaid consolidated annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and that obtained by the other auditors in terms of their reports referred



to Other Matter section below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated annual financial results.

### **Emphasis of matter**

We draw attention to Note No. 6 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Company is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

### **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These Consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated annual financial results that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, including SEBI Circular. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to



fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

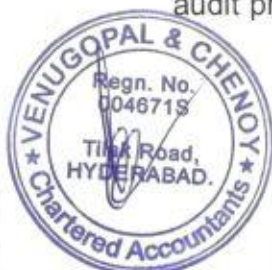
The respective Board of Directors/ management of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

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

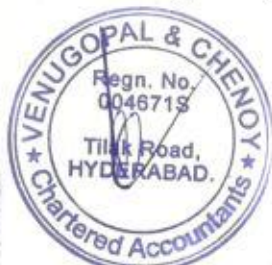
- Identify and assess the risks of material misstatement of the Consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i)



of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 Consolidated annual financial results 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 consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of a branch of the company to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section title "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### Other Matters

We did not audit the annual financial statements of one subsidiary included in the Statement, whose financial information reflects total assets of Rs.45.89 lakhs as at 31 March 2020, total revenues is Nil, total net loss after tax of Rs.0.50lakhs and cash flows (net) of Rs.1.40 lakhs for the year ended on that date, as considered in the consolidated annual financial results. These consolidated annual financial results have been audited by other auditors and whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated above.

Our opinion is not modified in respect of this matter.

The Consolidated annual financial results include the results for the quarter ended 31 March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.



Place: Hyderabad  
Date: 29.06.2020

For VENUGOPAL & CHENOY,  
CHARTERED ACCOUNTANTS,  
FRN: 004671S

(P.V.SRI HARI)  
Partner

Membership No.021961  
UDIN: 20021961AAAASM2102

NCLIL/SEC/2020-2021

30.06.2020

**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers  
Floor.25, Dalal Street  
MUMBAI – 400001.  
Tel No.022-22721234

**National Stock Exchange  
of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex  
Bandra (E), MUMBAI - 400051

Dear Sir,

**DECLARATION**

**Pursuant to Regulation 33(3) (d) of SEBI (LODR) Regulations, 2015**

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In terms of Regulation 33(3) (d) of SEBI (LODR) Regulations, 2015 we hereby declare and confirm that Statutory Auditors of the company issued Audit Reports with unmodified opinions on the standalone and consolidated financial results for the quarter and year ended 31<sup>st</sup> March, 2020.

for NCL INDUSTRIES LIMITED

  
**NGVSG PRASAD**  
Executive Director & CFO

