

NOTICE OF THE MEETING OF SECURED CREDITORS

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD**

CA(CAA)No. 333/230/HDB/2018

In the matter of the Companies Act, 2013

*[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read
with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]*

Between

NCL ALLTEK & SECCOLOR LIMITED

And

NCL HOLDINGS (A&S) LIMITED

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NCL ALLTEK & SECCOLOR LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 4th Floor, Plot No.1, Ganga Enclave, Kompalli Road, Petbasheerabad, Hyderabad – 500067, Telangana, India.

... .. **Transferor Company / Demerged Company**

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF
NCL ALLTEK & SECCOLOR LIMITED**

To,

The Secured Creditors of NCL Alltek & Seccolor Limited (*“the Transferor Company” / “the Demerged Company” / “the Company”*)

Notice is hereby given that by an Order dated 02.04.2018 and the Corrigendum Orders dated 16.05.2018 and 07.06.2018 in the above mentioned Company Application No.CA(CAA)No.333/230/HDB/2018, the Hon'ble National Company Law Tribunal, Hyderabad Bench (**Hon'ble Tribunal**) has directed separate meetings to be held of the Equity Shareholders, Secured Creditors and Unsecured Creditors of NCL Alltek & Seccolor Limited, for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement proposed in the Scheme of Arrangement between NCL Alltek & Seccolor Limited and NCL Holdings (A&S) Limited and their respective Shareholders and Creditors (**Scheme**).

NOTICE OF THE MEETING OF SECURED CREDITORS

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors of the Transferor Company will be held on Saturday, the 4th day of August 2018 at 12 Noon, at K.L.N Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No.11-6-841, Red Hills, Hyderabad - 500 004, to transact the following business, at which time and place, the Secured Creditors of the Transferor Company are requested to attend and consider, and if thought fit, to approve with or without modification(s), the following resolution under Section 230 to 232 and other applicable provisions of the Companies Act, 2013:

“RESOLVED THAT pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the provisions of the Memorandum and Articles of Association of the Company and subject to the sanction of the Hon’ble National Company Law Tribunal, Hyderabad and further subject to the consents, approvals, permissions and sanctions of such statutory, regulatory and other authorities, as may be applicable or necessary, and subject to such conditions or modifications, as may be prescribed or imposed by the Hon’ble National Company Law Tribunal or by any statutory, regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company, approval of the Secured Creditors be and is hereby accorded to the Scheme of Arrangement between NCL Alltek & Seccolor Limited and NCL Holdings (A&S) Limited and their respective Shareholders and Creditors (Scheme).

FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary, to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to make such modifications, amendments, limitations and/or conditions, if any, which may be required for the purpose of resolving any doubts or difficulties that may arise whilst giving effect to the Scheme, as the Board may deem fit and proper after obtaining due sanction of the same from the Hon’ble National Company Law Tribunal, Hyderabad Bench.”

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with a copy of the Scheme and other enclosures, including Proxy Form and Attendance Slip are enclosed herewith.

Options for two modes of Voting shall be available for the Secured Creditors namely Physical Voting by Ballot at the venue of the meeting or by Postal Ballot.

Copies of the said Scheme, this Notice and the statement under Section 230 of the Companies Act, 2013 and proxy form can be obtained free of charge at the Registered Office of the Transferor Company or from the office of the Transferor Company’s Advocate, Mr. V. Harish Kumar, Tatva Legal, Tatva House, Plot No. 107A, Road No. 72, Jubilee Hills, Hyderabad – 500110, Telangana, India.

Secured Creditors entitled to attend and vote at the meeting, may vote in person or by proxy, provided that the proxies in the prescribed form are deposited at the Registered Office of the Transferor Company at 4th Floor, Plot No.1, Ganga Enclave, Kompalli Road, Petbasheerabad, Hyderabad - 500067, Telangana, India, not later than 48 hours before the meeting.

It is clarified that casting of votes by postal ballot does not disentitle Unsecured Creditors from attending the Meeting but will not entitle them to cast their vote again.

NOTICE OF THE MEETING OF SECURED CREDITORS

The Hon'ble Tribunal has appointed Dr. K. Lakshmi Narasimha, Advocate, as the Chairperson of the said meeting of the Secured Creditors of the Transferor Company.

The Scheme, if approved by the aforesaid meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

Dated this 22nd day of June 2018

Place: Hyderabad

Dr. K. Lakshmi Narasimha, Advocate
Chairperson appointed for the Secured Creditors Meeting

NCL ALLTEK & SECCOLOR LIMITED

CIN: U72200TG1986PLC006601

Registered Office:

4TH Floor, Plot No.1,

Ganga Enclave, Kompalli Road,

Petbasheerabad, Hyderabad - 500067

Telangana India / Tel: 040-4969 3333 / 2716 5186

email: contactus@alltekcoating.com; companysecretary@nclseccolor.com

Website: www.nclalltek.com; www.nclseccolor.com

Notes:

- (1) Explanatory Statement for the proposed Resolution pursuant to Section 230 read with Section 102 of the Companies Act, 2013 along with applicable rules thereunder, setting out material facts forms part of this Notice.
- (2) This Notice is being sent to all the Secured Creditors whose name appears in the List of Secured Creditors of the Transferor Company as on 15/03/2018.
- (3) A Secured Creditor of the Transferor Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of itself / himself / herself and such proxy need not be a Secured Creditor of the Transferor Company. The Proxy Form duly completed should, however, be deposited at the Registered Office of the Transferor Company not less than 48 hours before the commencement of the Meeting.
- (4) Secured Creditors of the Transferor Company may attend and vote (either in person or through proxy / authorized representative under Section 113 of the Companies Act, 2013) at the Secured Creditors' meeting. The authorized representative of a body corporate which is a Secured Creditor of the Transferor Company may attend and vote at the meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the Registered Office of the Transferor Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Secured Creditors Meeting.
- (5) All alterations made in the proxy form should be initialed.

NOTICE OF THE MEETING OF SECURED CREDITORS

- (6) The Transferor Company is also providing the Secured Creditors with the facility to cast their votes through postal ballot and enclosing with this Notice the postage prepaid self-addressed envelope addressed to the scrutinizer which should reach him not later than closing business hours of **03rd day of August 2018**. The Creditors are requested to carefully read the instructions printed in the enclosed postal ballot form before casting their vote.
- (7) The Voting period for the Postal Ballot shall commence on **05th day of July 2018 at 9.00 A.M. IST** and end on **03rd day of August 2018 at 5.00 P.M. IST** .
- (8) The attendees are requested to hand over the enclosed Attendance Slip, duly signed at the time of admission to the meeting hall.
- (9) Each Secured Creditor shall have a voting right equal to the proportion of the amount standing to its / his / her credit, to that of the total amount payable by the Transferor Company to all its Secured Creditors, as on 15/03/2018.
- (10) As directed by the Hon'ble Tribunal, the Scrutinizer for the Secured Creditors Meeting shall be Ms. Komal Marda, Company Secretary, who shall scrutinize the votes cast at the venue of the meeting and submit the report on the votes cast, to the Chairperson of the Meeting within 3 days from the conclusion of the meeting.
- 11) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Secured Creditors at the Registered Office of the Transferor Company up to 1 (one) day prior to the date of the meeting between 10.00 a.m. and 2.00 p.m., on all working days (please note that the Transferor Company is closed on the Second and Fourth Saturday of every month).

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD**

CA(CAA) NO.333/230/HDB/2018

In the matter of the Companies Act, 2013

*[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read
with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]*

Between

NCL ALLTEK & SECCOLOR LIMITED

And

NCL HOLDINGS (A&S) LIMITED

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NCL ALLTEK & SECCOLOR LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 4th Floor, Plot No.1, Ganga Enclave, Kompalli Road, Petbasheerabad, Hyderabad – 500067, Telangana, India.

... .. **Transferor Company / Demerged Company**

**EXPLANATORY STATEMENT UNDER SECTIONS 230 TO 232 AND 102 OF THE COMPANIES ACT, 2013 (ACT)
READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS)
RULES, 2016, TO THE NOTICE OF THE MEETING OF THE SECURED CREDITORS OF NCL ALLTEK &
SECCOLOR LIMITED, DIRECTED TO BE CONVENED BY THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, HYDERABAD BENCH**

Pursuant to the Order dated 02.04.2018 and the Corrigendum Orders dated 16.05.2018 and 07.06.2018 passed by the Hon'ble National Company Law Tribunal (**Hon'ble Tribunal**), Hyderabad Bench in Company Application No. CA(CAA)No.333/230/HDB/2018 (**Order**), a meeting of the Secured Creditors of NCL Alltek & Seccolor Limited is being convened at K.L.N. Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No.11-6-841, Red Hills, Hyderabad - 500 004, Telangana, India, on Saturday, the 4th day of August 2018, at 12 Noon, for the

purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between NCL Alltek & Seccolor Limited and NCL Holdings (A&S) Limited and their respective Shareholders and Creditors (**Scheme**) under Sections 230 to 232 and other applicable provisions of the Act.

- I. Details of the companies involved in the Scheme:
 - a. NCL Alltek & Seccolor Limited (Transferor Company / Demerged Company)
 - b. NCL Holdings (A& S) Limited (Transferee Company / Resulting Company)
- II. The Transferor Company and the Resulting Company are together referred to as “Companies”.
- III. The aforesaid Scheme has been, inter alia, approved by the Board of Directors of both the Companies at their respective meetings held on 11th January, 2018.
- IV. A copy of the Scheme is accompanying the Notice convening the Meeting of the Secured Creditors of the Transferor Company.
- V. The terms used herein but not defined shall have the meaning assigned to them in the Scheme unless otherwise stated.
- VI. The Transferor Company is also providing the Secured Creditors with the facility to cast their votes through postal ballot.
- VII. In accordance with the Order of the Hon’ble Tribunal read with the provisions of Section 230 of the Act, the Scheme shall be acted upon only if majority of persons representing three fourths in value of the votes cast by the Secured Creditors of the Transferor Company, voting in person or by proxy or by Postal Ballot agree to the Scheme.
- VIII. **Particulars of the Transferor Company**
 - a. The CIN of the Transferor Company is U72200TG1986PLC006601.
 - b. The Permanent Account Number of the Transferor Company is AACCA9318G.
 - c. The Name of the Transferor Company is NCL ALLTEK & SECCOLOR LIMITED.
 - d. Date of Incorporation is 11/07/1986.
 - e. The Transferor Company is a Public Limited Company.
 - f. The Registered Office of the Transferor Company is situated at 4th Floor, Plot No.1, Ganga Enclave, Kompalli Road, Petbasheerabad, Hyderabad – 500067, Telangana, India. The Email IDs of the Transferor Company are contactus@alltekcoating.com; companysecretary@nclseccolor.com.
 - g. A summary of main objects as per the Memorandum of Association of the Transferor Company allows it to carry on and undertake the business of finance, investment and trading, hire-purchase, leasing and to finance lease operations and portfolio investments and equity shares, preference shares; stocks, debentures; and provide investment / merchant banking services by acting as Managers to Public issue of Securities; and leasing advisory / counselling service to

- other entities and / or from the leasing arm of other entities and manufacture, buy, sell, import, export and generally deal in all types of paints, inorganic and organic coatings, coating products, plastering materials, varnishes etc; and to manufacture, process, draw, buy, sell, exchange, alter, improve, import, export or otherwise deal in all kinds of profiles for doors, windows, furniture, partitions, fencings, railings, ballustraders, Bus bodies, storage systems, decorative articles, supports and other similar uses from cold rolled steel, alluminum, brass, stainless steel and other metals, alloys, PVC, fibre glass and other plastics and also all accessories.
- h. The Transferor Company is engaged in the business of manufacture of various building materials like window profiles, paints emulsions and putties, AAC Bricks etc. The Transferor Company also holds investments in various subsidiaries engaged in different activities like real estate, seeds and agro products, energy, chemicals etc.
- i. **Details of change of name, registered office and objects of the Transferor Company during the last five years:**
There has been no change in the name, registered office and objects of the Transferor Company in the last 5 years.
- j. The Securities of the Transferor Company are not listed.
- k. Details of the Capital structure of the Transferor Company including its authorized, subscribed and paid up share capital as on 31/03/2017 (audited) and 15/03/2018 (Provisional and unaudited) are as follows:

Particulars	Amount (Rs.)
Authorised Capital 1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000/-
Subscribed and Paid-up Capital 57,84,868 Equity Shares of Rs.10/- each	5,78,48,680/-

- l. **Names of the Promoters and Directors of the Transferor Company along with their addresses are as follows:**

i. **Promoters details:**

S.No	Promoters	Address
1	K. Madhu	P. No. 140, NCL Enclave, Pet Basheerabad, Secunderabad-500055
2	K. Ravi	P. No. 150, NCL Enclave, Pet Basheerabad, Secunderabad-500055
3	G. Padma	H. No.55, East Satyam Enclave, Medchal Road, Hyderabad - 500067
4	Bimal Goradia	Plot No.101, Shreeji, NCL Enclave, Petbasheerabad, Hyderabad – 500067
5	K. Sudheer	Flat - 604, Hall Mark Residency, Adj. To Maharshi Vidyalaya, Shilpa, Hyderabad - 500084

EXPLANATORY STATEMENT

6	P. S. Raju	C/o NCL Homes Ltd., 5th Floor, Ganga Plaza, Petbasheerabad, Qutbullapur, Hyderabad - 500067
7	P. N. Raju	101A, Wing, Vijaya Hills, A.C.Guards, Hyderabad - 500003
8	Ashven Datla	Floor 1, Panchvati, Plot no.1 & 2, Road No. 10 C, Jubilee Hills, Hyderabad - 500033, TG, India
9	NCL Homes Limited	S. No. 92 & 93, NCL Sindhu Projects, Nr. Dhandamudi Enclave, Petbasheerabad, Hyderabad -55, TG
10	Dr. S. Soma Raju	Plot No.144, NCL Enclave, Petbasheerabad, Medchal Road, Hyderabad - 500067

ii. **Directors details:**

S.No	Name	Designation	Address
1	Jayabharat Reddy Koti (DIN: 00038342)	Director	6-3-1186/6, Begumpet, Hyderabad - 500016, AP IN
2	Madhu Kalidindi (DIN:00040253)	Managing Director	Plot – 140, NCL Enclave, Petbasheerabad, Qutubullapur, Kutbullapur Rangareddi – 500055 TG IN
3	Kanna Reddy Mandadi (DIN:00040440)	Director	Plot No. 550, Road No.92, Opp Micro Wave Tower, Jubilee Hills, Hyderabad – 500030 AP IN
4	Ambujodar Reddy Kanala (DIN:01194127)	Wholetime Director	502, Jyothi Heaven, Plot No. 59, Srinagar Colony, Yellareddyguda, Hyderabad – 500073, TG IN
5	Bimal Vinodrai Goradia (DIN: 01200464)	Wholetime Director	Shreeji Plot No. 101, NCL Enclave, Petbasheerabad, Hyderabad -500055 AP IN
6	Kamlesh Suresh Gandhi (DIN: 00004969)	Addl. Director	6, Palm Grove, 26, Pushpak Park, Aundh, Pune, 411007, Maharashtra, India
7	Ashven Datla (DIN: 01837573)	Director	Floor 1, Panchvati, Plot no.1 & 2, Road No. 10 C, Jubilee Hills, Hyderabad - 500033, TG, India
8	Aditya Krishna Varma Penumatcha (DIN: 02100563)	Wholetime Director	PlotNo. 140, NCL Enclave, Medchal Road, Jeedimetla, Secunderabad – 500055 AP IN
9	Datla Shilpa (DIN: 02666397)	Director	302, AnisrithaApts, Road No.81, Film Nagar, Jubilee Hills, Hyderabad – 500033 AP IN
10	Satya SubramKapula (DIN: 07573350)	Wholetime Director	34-93/F-1, KNR Residency, Vivekananda Puram, Behind Bhavan School, Sainikpuri, Tirumalagiri, Hyderabad – 500094 TG IN
11	Venkata Jagannadha Raju Vatsavayi (DIN: 07573352)	Wholetime Director	Sherwood School Road, Petbasheerbad, Flat No. 105, E-Block, NCL LB Godavari Homes,



			Qutubullapur, KUTB Rangareddi – 500055 TG IN
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IX. **Particulars of the Resulting Company**

- a. The CIN of the Resulting Company is **U65920TG2018PLC121664**.
- b. The Permanent Account Number of the Resulting Company is **AAFNC8971M**.
- c. The Name of the Resulting Company is **NCL HOLDINGS (A&S) LIMITED**.
- d. Date of Incorporation is 05/01/2018.
- e. The Resulting Company is a Public Limited Company.
- f. The Registered Office of the Resulting Company is situated at Plot No.1, 4th Floor, Survey No. 12 & 14, Ganga Enclave, Petbasheerbagh, Quthbulla, Hyderabad - 500055, Telangana, India. The Email ID of the Resulting Company is companysecretary@nclseccolor.com.
- g. A summary of the main objects as per the Memorandum of Association of the Resulting Company shows that it has been incorporated to acquire all the investments in the non-building material segment currently held by NCL Alltek & Seccolor Limited, (the Transferor Company) through the proposed Scheme of Arrangement and to make and hold investments in corporate or non-corporate entities engaged in manufacturing, trading or provision of services etc., whether or not with the right to manage such entities and to hold and trade in various securities issued by corporate bodies, statutory corporations, Government or non-Government agencies.
- h. The Resulting Company was recently incorporated and is yet to commence operations.
- i. **Details of change of name, registered office and objects of the Resulting Company during the last five years:**
There has been no change in the name, registered office and objects of the Resulting Company since its incorporation.
- j. The Securities of the Resulting Company are not listed.
- k. **Details of the Capital Structure of the Resulting Company:**

The authorized, subscribed and paid up share capital of the Resulting Company as on 10.01.2018 was as follows:

Particulars	Amount (Rs.)
Authorised Capital 20,00,000 Equity Shares of Rs.10/- each	2,00,00,000/-
Subscribed and Paid-up Capital 70 Equity Shares of Rs.10/- each	700/-

- l. **Names of the Promoters and Directors of the Resulting Company along with their addresses are as follows:**
 - i. **Promoters Details:**

S No.	Name Promoters	Address
1	Pooja Kalidindi	Plot-140, NCL Enclave, Petbasheerabad, Qutubullapur, Kutbullapur, Rangareddi, Telangana - 500055
2	Aditya Krishna Varma Penumatcha	Plot-140, NCL Enclave, Petbasheerabad, Qutubullapur, Kutbullapur, Rangareddi, Telangana - 500055
3	Satya Subram Kapula	34-93/F, KNR Residency, Vivekanandapuram, Behind Bhavan School, Sainikpuri, Tirumalagiri, Hyderabad - 500094
4	Venkata Jagannadha Raju Vatsavayi	Flat No.105, E-Block, NCL LB Godavari Homes, Sherwood School Road, Petbasheerabad, Qutubullapur, Rangareddi - 500055
5	Ambujodar Reddy Kanala	502, Jyothi Heaven, Plot No 59, Srinagar Colony, Yellareddyguda Hyderabad – 500073
6	Madhu Kalidindi	Plot-140, NCL Enclave, Petbasheerabad, Qutubullapur, Kutbullapur, Rangareddi, Telangana - 500055
7	Guntupalli Raghunadh	Plot No.67-a, MLA Colony, Road No.12, Near ACB Office, Banjara Hills, Khairatabad, Hyderabad - 500034

ii. **Directors Details:**

S.No.	Name	Designation	Address
1	Madhu Kalidindi (DIN: 00040253)	Director	NCL No.140, Petbasheerabad, Quthbullapur, Hyderabad – 500055
2	Ambujodar Reddy Kanala (DIN: 01194127)	Director	Flat No. 502, Jyothi Heavens, Plot No. 59, Srinagar Colony, Hyderabad – 500073
3	Guntupalli Raghunadh (DIN: 01199827)	Director	Plot No. 67-a, MLA Colony, Road No.12, Banjara Hills, Hyderabad – 500034

X. **Description of the Scheme:**

The proposed Scheme provides for the arrangement for Demerger of “assets and investments relating to non-building material activities” between NCL Alltek & Seccolor Limited and NCL Holdings (A&S) Limited and their respective Shareholders and Creditors with effect from the appointed date i.e., 1st April 2017 pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act and the Rules made thereunder.

XI. **If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies:**

The Resulting Company has been incorporated with the specific purpose of acquiring all the investments in the non-building material segment currently held by the Transferor Company through a Scheme of Arrangement. Once the Scheme is sanctioned by the Hon'ble National Company Law Tribunal, all the shareholders of the Transferor Company will become the

shareholders of the Resulting Company with holdings in the same proportion as they hold in the Transferor Company.

XII. Directors Approval of Scheme:

The Board of Directors of the Transferor Company and Resulting Company had at their respective meetings held on 11th January 2018, unanimously approved the proposed Scheme of Arrangement between NCL Alltek & Seccolor Limited and NCL Holdings (A&S) Limited and their respective Shareholders and Creditors.

XIII. Salient features of the Scheme:

a. Appointed Date: 1st of April 2017 or such other date as may be approved by the Hon'ble National Company Law Tribunal at Hyderabad

b. Effective Date: Shall be the last of the dates on which the certified copy of the order of the Hon'ble National Company Law Tribunal is filed with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad.

c. Share Exchange Ratio:

(i) The Resulting Company shall without any further act or deed and without any further payment, issue and allot to each member of the Transferor Company, whose name is recorded in the Register of Members of the Transferor Company, on a date (Record Date) to be fixed in that behalf by the Board of Directors of the Transferor Company, Equity shares of the Resulting Company in the ratio of One Equity share in the Resulting Company of Rs.10/- credited as fully paid up for every One Equity share of Rs.10/- each, fully paid up held by such member in the Transferor Company to replicate or mirror the shareholding of the Transferor Company in the Transferee Company, excepting for the 70 equity shares of Rs. 10/- each taken by the subscribers to the Memorandum of Association of the Resulting Company.

(ii) Upon the transfer of the investments and assets pursuant to this Scheme, the Share Capital of the Transferor Company shall not stand reduced, but the Share Premium and / or Reserves standing in the accounts of the Transferor Company shall stand reduced to the extent of the value of the investments and assets transferred to the Resulting Company as appearing in the books of the Transferor Company.

d. Summary of Valuation Report:

No valuation of shares has been carried out since the entire shareholding of the Transferor Company is being replicated in the Transferee Company at face value, by reducing the Share Premium and/or Reserves in the Transferor Company, with the Paid-Up Capital of the Transferor Company remaining unchanged.

e. Details of capital or debt restructuring, if any:

The Scheme does not provide for any capital or debt restructuring.

The Secured Creditors are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

XIV. Rationale for the compromise or arrangement and the benefits arising there from as perceived by the Board of Directors to the Transferor Company, members, creditors and others:

1. The Transferor Company is engaged in the business of manufacture of various building materials like Window profiles, Paints, Emulsions and Putties, AAC Bricks etc. The Transferor Company also holds investments in various subsidiaries engaged in different activities like Real Estate, Seeds and Agro Products, Energy, Chemicals etc.
2. The Transferor Company's investments in companies with diverse activities have resulted in the dilution of the identity of the Transferor Company as a building materials company, though it's primary activity consists of manufacturing and trading in various building materials.
3. The Board of Directors of the Transferor Company felt that it is desirable to re-establish its identity as a business entity primarily focusing on manufacture of building materials, and that such a focused activity will enhance the shareholders' value.
4. The Board of Directors of the Transferor Company has therefore decided to retain the activity of manufacturing of building materials and to transfer all its other investments at their book values, to a separate company, i.e., to the Resulting Company which has been formed with the specific purpose of taking over such investments.
5. Accordingly, a Scheme of Arrangement for demerger has been prepared, whereby upon the transfer of the investments and assets pursuant to the Scheme, all the shareholders of the Transferor Company will be allotted shares in the Resulting Company in the same proportion as they currently hold in the Transferor Company
6. On the said allotment in the Resulting Company, the Share Capital of the Transferor Company shall not stand reduced but the Share Premium and/or Reserves standing in the accounts of the Transferor Company shall stand reduced to the extent of the value of the investments and assets transferred to the Resulting Company as appearing in the books of the Transferor Company.
7. The Share Premium and/or Reserves so reduced will stand transferred to the Resulting Company and will be shown as the Share Capital and Reserves of the Resulting Company in the following manner:
 - a. **The Share Capital** of the Resulting Company created for the issue of shares to the shareholders of the Transferor Company as a result of the Scheme being implemented; and

- b. **The Reserves** of the Resulting Company to represent the difference between the share capital so created in the Resulting Company and the book value of the assets transferred from the Transferor Company to the Resulting Company.
8. The demerger of the other investments would help the Transferor Company and the Resulting Company to focus on their respective businesses more effectively which requires diversified strategies and planning, and also seek further investments from different sets of investors interested in their respective focused activities.
9. Finally, the bifurcation of the Transferor Company into two companies by virtue of the Scheme will also give an option to the shareholders to sell their shares from either of the Transferor Company or the Resulting Company in which they are not interested, while retaining their investment in the activity in which they are interested.
10. The Board of Directors of the Transferor and Resulting Companies are of the opinion that the Scheme would result in benefit to the shareholders, creditors and employees of both the companies and the general public.

XV. **Amount due to Creditors as on 15/03/2018:**

SI No	Category of Creditors	No. of Creditors	Total amount due (Rs.)
1	Unsecured Creditors	273	19,44,85,541.79
2	Secured Creditors	7	28,85,25,116.00

XVI. **Disclosure about the effect of the Scheme of Arrangement on KMP and others:**

A	Directors & Key managerial personnel (KMPs)	The Directors and Key Managerial personnel of the Transferor Company shall cease to be responsible for the management of the investments / assets transferred to the Resulting Company, unless they are also appointed as Directors / KMPs of the Resulting Company.
B	Promoters & non-promoter members	All the Promoters and non-Promoter members of the Transferor Company will be issued shares in the Resulting Company in the same proportion as they hold in the Transferor Company.
C	Depositors	There will be no effect on the Depositors
D	Creditors	There will be no effect on the creditors, since the liability of the Transferor Company to the creditors, with all concomitant conditions applicable to the arrangement with the creditors will remain unchanged.
E	Debenture holders	Not Applicable, since there are no Debenture holders
F	Deposit trustee and debenture trustee	Not Applicable since there are no such Trustees
G	Employees of the company	There will be no effect on the employees, since the

		terms of employment currently applicable to them will continue to be in force, even after some of them are transferred to the Resulting Company.
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XVII. Disclosure about effect of compromise or arrangement on material interests of directors, Key Managerial Personnel (KMP) and debenture Trustee of the Transferor Company.

The Scheme will not have any effect on the material interests of the directors or key managerial personnel of the Transferor Company.

XVIII. Investigation or proceedings, if any, pending against the Transferor Company under the Act.

No investigation or proceedings have been instituted or are pending under applicable provisions of the Companies Act, 2013 or erstwhile provisions of the Companies Act, 1956 against the Transferor Company.

XIX. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement:

- a. The Companies to the Scheme would obtain such necessary approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
- b. The copy of the Scheme shall be filed with the Registrar of Companies along with a copy of the Notice of the Hon'ble Tribunal convened meeting of the Secured Creditors and the Explanatory Statement accompanying the said Notice.

XX. The following documents will be open for inspection / for obtaining extract / copies by the Secured Creditors of the Transferor Company up to 1(one) day prior to the date of the meeting at its Registered Office between 10.00 A.M. and 2.00 P.M., on all working days (Please note that the Transferor Company is closed on the Second and Fourth Saturday of every month).

- a. Copy of the latest Audited Financial Statements of the Transferor Company including consolidated Financial Statements.
- b. Copy of the order dated 02.04.2018 and the Corrigendum Orders dated 16.05.2018 and 07.06.2018 of the Hon'ble Tribunal at Hyderabad passed in Company Application No.CA(CAA)No.333/230/HDB/2018 directing the convening of the meeting of the Secured Creditors of NCL Alltek & Seccolor Limited.
- c. Copy of the Scheme of Arrangement.
- d. Copy of the certificate issued by Auditor of the Transferor Company to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act.

EXPLANATORY STATEMENT

In addition to the above, the following documents will be available for inspection for the Secured Creditors of the Transferor Company at the time and place mentioned above:

- a. Copy of the Company Application No.CA(CAA)/333/230/HDB/2018.
 - b. Copy of the Memorandum and Articles of Association of the Transferor Company.
 - c. Register of Directors' Shareholdings of the Transferor Company.
- XXI. On the Scheme being approved by the Secured Creditors of the Transferor Company by the requisite majority as per the requirement of Section 230 of the Act, the Transferor and the Resulting Companies will file a joint Company Petition with the Hon'ble National Company Law Tribunal, Hyderabad Bench seeking sanction of the Scheme.
- XXII. This statement may be treated as an Explanatory Statement / Statement under Sections 230 to 232 and 102 of the Act and Rule 6 of the Rules made thereunder.
- XXIII. Notice, Explanatory Statement and Form of Proxy shall be furnished by the Transferor Company to its Secured Creditors free of charge, within two (2) working days (Please note that the Transferor Company is closed on the Second and Fourth Saturday of every month) on a requisition being so made for the same by the Secured Creditors of the Transferor Company or at the office of the Transferor Company's Advocate, Mr. V. Harish Kumar, Tatva Legal, Tatva House, Plot No. 107A, Road No. 72, Jubilee Hills, Hyderabad – 500110, Telangana, India, up to two (2) working days prior to the date of the meeting.
- XXIV. The persons to whom this notice is sent may vote in the meeting either in person or through proxies / authorised representatives or by Postal Ballot.

Dr. K. Lakshmi Narasimha, Advocate
Chairperson appointed for the Secured Creditors Meeting

Dated this 22nd day of June 2018

NCL ALLTEK & SECCOLOR LIMITED

CIN:U72200TG1986PLC006601

Registered Office:

4TH Floor, Plot No.1,

Ganga Enclave, Kompalli Road,

Petbasheerabad, Hyderabad - 500067

Telangana India / Tel: 040-4969 3333 / 2716 5186ail: contactus@alltekcoating.com;

companysecretary@nclseccolor.com

Website: www.nclalltek.com; www.nclseccolor.com



**SCHEME OF ARRANGEMENT UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013****BETWEEN****NCL ALLTEK & SECCOLOR LIMITED****AND****NCL HOLDINGS (A&S) LIMITED****AND****THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS****PART I – GENERAL**

- A. NCL Alltek & Seccolor Limited is a company incorporated under the Companies Act, 1956, having its Registered office at 4th Floor, Plot No.1, Ganga Enclave, Kompally Road, Petbasheerabad, Hyderabad - 500067 (the “**Demerged Company**”, or “**Transferor Company**” or “**NASL**”). The Transferor Company is engaged in the business of manufacture of various Building materials like Window profiles, Paints, Emulsions and Putties, AAC Bricks etc. NASL also holds investments in various subsidiaries engaged in different activities like Real Estate, Seeds and Agro Products, Energy, Chemicals etc.
- B. NCL Holdings (A&S) Limited is a company incorporated under the Companies Act, 2013, having its Registered office at Plot No.1, 4th Floor, Survey No. 12 & 14, Ganga Enclave, Petbasheerbagh, Quthbulla, Hyderabad - 500055 (the “**Resulting Company**”, or “**Transferee Company**” or “**NHL**”). The Transferee Company has been incorporated to take over the assets and investments in relation to the non building material activities of the Transferor Company
- C. NASL’s investments in companies with diverse activities have resulted in the dilution of the identity of the Transferor Company as a Building Materials Company, though it’s primary activity consists of manufacturing and trading in various building materials.
- D. The Board of Directors of the Transferor Company felt that it is desirable to re-establish its identity as a business entity primarily focusing on manufacture of building materials, and that such a focused activity will enhance the shareholders’ value.
- E. The Board of Directors of the Transferor Company has therefore decided to retain the activity of manufacturing of building materials and to transfer all its other investments to a separate company i.e., the Resulting Company which has been formed with the specific purpose of taking over such investments.
- F. Accordingly a Scheme of Arrangement (hereinafter referred to as “**Scheme**” or “**Scheme of Arrangement**”) has been prepared whereby all the shareholders of NASL will be allotted shares in the Resulting Company in the same proportion as they currently hold in NASL
- G. The Scheme of Arrangement has been approved by the Board of Directors of both the Transferor as well as the Resulting Company.
- H. The demerger of the other investments would help the Transferor Company and Resulting Company to focus on their respective businesses more effectively which requires diversified strategies and planning, and also seek further investments from different sets of investors interested in their respective focused activities.

- I. Bifurcation of the Transferor Company into two companies by virtue of the Scheme will also give an option to the shareholders to sell their shares from either the Transferor or Resulting Company in which they are not interested, while retaining their investment in the activity in which they are interested.
- J. This scheme has been drawn up so that the Demerger of the demerged undertaking from the Transferor Company to the Resulting Company is compliant with the conditions relating to the demerger as specified in section 2(19AA) of the Income Tax Act, 1961.
- K. The Board of Directors of NASL and NHL are of the opinion that the transfer would result in benefit to the shareholders, creditors and employees of both the companies and the general public.

1. DEFINITIONS

- 1.1. In the Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

'Act' or **'The Act'** means the Companies Act, 2013 including any statutory modifications, re-enactment or amendments for the time being in force.

'Appointed Date' means the 1st of April, 2017 or such other date as may be fixed by the Hon'ble National Company Law Tribunal or by such other authority having jurisdiction under law.

'Board of Directors' or **'Board'** in relation to each of the Transferor Company and the Resulting Company as the case may be means the Board of directors of such Company or companies.

'Demerger' means the transfer by way of demerger of the demerged undertaking from the Transferor Company to the resulting company.

'Demerged undertaking' means the undertaking of the Transferor Company comprising its investments in other companies and the assets which are not used or connected with the manufacture of building materials by the Transferor Company.

"Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 15 hereof have been fulfilled. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of the Scheme" shall mean the Effective Date.

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.

"Record Date" shall have the meaning ascribed to it in Clause 12.1 hereof.

"Registrar of Companies" or the **"ROC"** means the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad.

"Remaining Business" means all other business, divisions, assets and liabilities of the Transferor Company other than the Demerged undertaking existing as on the appointed date or acquired thereafter.

"Specified Date" means the date to be fixed by the Board of Directors of the Transferor Company for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to Clause 12 of this Scheme.

"Tribunal" means the Hon'ble National Company Law Tribunal having jurisdiction to sanction this Scheme.

1.2 The Schedules to this Scheme shall form an integral and inseparable part of this Scheme.

2. DATE OF COMING INTO EFFECT

The Scheme shall be deemed to be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

a) The authorized, subscribed and paid up share capital of the Transferor Company as on 31.03.2017 was as follows:

Particulars	Amount (Rs.)
Authorised Capital 1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000/-
Subscribed and Paid-up Capital 57,84,868 Equity Shares of Rs.10/- each	5,78,48,680/-

b) The authorized, subscribed and paid up share capital of the Transferee Company as on 10.01.2018 was as follows:

Particulars	Amount (Rs.)
Authorised Capital 20,00,000 Equity Shares of Rs.10/- each	2,00,00,000/-
Subscribed and Paid-up Capital 70 Equity Shares of Rs.10/- each	700/-

PART II – THE SCHEME

4. INCORPORATION OF THE RESULTING COMPANY:

The Resulting Company has been incorporated with the objective of taking over the investments and other assets of the Transferor Company not directly used in the manufacture of building materials.

5. TRANSFER OF UNDERTAKINGS

5.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged undertaking (including all the estate, assets, rights, claims, title, interests and authorities including accretions and appurtenances of the Demerged undertaking) shall, subject to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, shall stand transferred to at their respective book values and vested in and deemed to have been transferred to or vested in, as going concern, into the Resulting Company together with all the estates, assets, titles, interest and Employees therein.

5.2. The investments and other assets pertaining to the Demerged Undertaking to be transferred to the Resulting Company shall consist of the following:

SCHEME OF ARRANGEMENT

Rs in Lakhs

S.No	Particulars	Book value as on 31.03.17
a	<u>Investments</u>	
1	15,50,371 Equity Shares of Rs.10/- each held in NCL Industries Ltd	707.57
2	9,13,154 Equity Shares of Rs.100/- each held in Kakatiya Industries Pvt Ltd	913.15
3	1,61,050 Equity Shares of Rs.100/- each held in NCL Green Habitats Pvt Ltd	620.30
4	6,36,000 Equity Shares of Rs.10/- each held in Suncrop Sciences Pvt Ltd	63.60
5	5,29,994 Equity Shares of Rs.10/- each held in Eastern Ghat Renewable Energy Ltd	53.00
	Sub Total	2357.62
b	<u>Long Term Loans ,advances and ICDs given to subsidiaries</u>	
1	Kakatiya Industries Pvt Ltd	97.68
2	NCL Green Habitats Pvt Ltd	2262.32
3	Eastern Ghat Renewable Energy Ltd	189.00
4	Suncrop Sciences Pvt Ltd	297.93
	Sub Total	2846.93
c	Grand Total (a+b)	5204.55

- 5.3. All the moveable assets including cash in hand of the Demerged undertaking capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the Resulting Company on such handing over in pursuance of the provisions of Section 232 of the Act (as an integral part of the Demerged undertaking) without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favor of banks and /or financial institutions. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of Resulting Company and the Transferor Company within 60 days from the Effective Date.
- 5.4. As on the date of preparation of this Scheme, there are no liabilities or obligations of the Transferor Company attributable to the Demerged Undertaking. Should any such liabilities in respect of the Demerged Undertaking come to light or crystallise at a future date, such liabilities and obligations shall be discharged by the Transferor Company.
- 5.5. All the existing encumbrances, if any, in respect of the assets of the Transferor Company (including shares held by the Transferor Company in any other entity) transferred to the Resulting Company in terms of this Scheme shall continue to operate and shall be effective vis a vis the Resulting Company. The Transferor Company shall furnish such additional guarantees or comforts as may be required by the lenders or other entities in whose favor such encumbrances have been created prior to the transfer of the assets pursuant to this Scheme.
- 5.6. Upon this Scheme coming into effect, all the transactions entered into by the Transferor Company with effect from the Appointed Date shall be deemed to be the transactions of the Resulting Company, and the Resulting Company shall honour the obligations and liabilities in respect of

such transactions, as though they have been originally entered into or contracted by the Resulting Company.

- 5.7. Without prejudice to the above and upon the effectiveness of this Scheme, the Transferor Company and the Resulting Company shall execute any instruments or documents and do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, if any with the Registrar of Companies and other authorities to give formal effect to the above provisions, if required.
- 5.8. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.9. With effect from the Appointed Date, all Permits, Quotas, Rights, Entitlements, Tenancies and Licenses relating to the Business, Premises, Privileges, Powers, Facilities of every kind and description of whatsoever nature in relation to the Demerged undertaking and which are subsisting or having effect immediately before the Appointed Date, shall be and remain transferred in full force and effect in favour of the Resulting Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Resulting Company had been beneficiaries or obligee thereto.
- 5.10. With effect from the Appointed Date, any and all Statutory Licenses, Permissions, Approvals and/or Consents held by the Transferor Company pertaining to the Demerged undertaking, required to carry on its business and operations shall stand vested in or deemed to be transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favor of the Resulting Company. The benefit of all statutory and regulatory permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Resulting Company pursuant to the Scheme coming into effect.
- 5.11. The entitlement to various benefits under incentive schemes and policies in relation to the Demerged undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) Income-Tax, Sales Tax, Value Added Tax, Turnover Tax, Excise Duty, Service Tax, Customs, GST and other Incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company was originally entitled to all such benefits under such incentive schemes and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.
- 5.12. Since each of the Permissions, Approvals, Consents, Sanctions, Remissions (including remissions under Income Tax, Sales Tax, Value Added Tax, Turnover Tax, Excise Duty, Service Tax, Customs), Special reservations, GST, Holidays, Incentives, Concessions and other authorizations relating to the Demerged undertaking, shall stand transferred under this Scheme to the Resulting Company, the Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- 5.13. It is clarified that all the taxes including withholding taxes and duties paid or payable by the Transferor Company in relation to Demerged undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, pursuant to the provisions of this Scheme, the Transferor Company and the

Resulting Company is expressly permitted to file its respective Income-Tax, Sales Tax, Value Added Tax, Turnover Tax, Excise Duty, Service Tax, Customs and any other return(s) (including revised returns) to claim advance tax, withholding tax, Input tax, Refunds/ Credits. Notwithstanding the above, tax compliances (including payment of taxes, maintenance of records, payments, returns, etc) carried out by the Transferor Company in respect of the Demerged undertaking from the Appointed Date up to the Effective Date should be considered as adequate compliance by the Resulting Company and the Resulting Company should be considered to have met them obligations under the respective tax legislations.

- 5.14. Further, if any taxes are deducted at source by the Transferor Company on any payments or credit of any sum in the books (from Appointed Date to the Effective Date) in respect of the Demerged Undertaking, and the said transaction needs to be cancelled in the books of the Transferor Company as a result of the transfer of the Demerged Undertaking, such taxes shall be deemed to be taxes paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 5.15. Upon coming into effect of this Scheme, the Resulting Company shall be entitled to any tax credit (including Tax deducted at Source, Advance Tax and Self-Assessment Tax availed or paid under the provision of the Income tax Act, 1961) whether Central, State or Local availed/ paid by the Transferor Company up to the Appointed Date and that the same shall stand vested in the Resulting Company as and when paid by the Transferor Company.

6. CONTRACTS AND DEEDS

- 6.1. Notwithstanding anything contrary contained in this Scheme, any and all existing contracts, deeds, bonds, agreements, undertakings, guarantees, indemnities and other instruments if any, of whatsoever nature relating to the Demerged undertaking and to which the Transferor Company is party or a beneficiary and subsisting or having effect on the Effective Date, shall be in full force and effect transferred in favor of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or oblige thereto, without any further act or deed.
- 6.2. The Resulting Company shall enter into and/or issue and /or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 6.3. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all Consents, Permissions, Licenses, Certificates, Insurance covers, Clearances, Authorities, Powers of Attorney given by, issued to or executed in favor of the Transferor Company in relation to the Demerged undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favor of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

7. LEGAL PROCEEDINGS

- 7.1 Upon the Scheme becoming effective, all legal, taxation or other proceedings, suits, claims, actions before any statutory or quasi-judicial authority or tribunal of whatsoever nature, pertaining to the Demerged undertaking, by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall take effect, shall be continued and enforced by or against the Resulting Company only, to the exclusion of the Transferor Company in the manner and to the same extent as would have been continued and enforced by or against the Transferor Company. On and

from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the relevant matters pertaining to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by the Transferor Company. Except as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall replace the Transferor Company or be added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Transferor Company.

- 7.2 After the Appointed Date, if any proceedings pertaining to the Demerged undertaking are taken against the Transferor Company the same shall be defended by and at the cost of the Resulting Company.
- 7.3 The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Sub-Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company. Transferor and Resulting Company shall make relevant applications in that behalf.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties, liabilities and obligations pertaining to the Demerged undertaking pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Transferor Company before the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company and pertaining to the Demerged undertaking which shall vest in the Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

9. EMPLOYEES

- 9.1. Employees on the Rolls of the Transferor Company pertaining to the Demerged undertaking, in service on the Effective Date shall be deemed to have become the employees of the Resulting Company with effect from the Appointed Date or from the date of their appointment after the Appointed Date without any interruption or break in their service as a result of the transfer and vesting of the Demerged undertaking to the Resulting Company. The terms and conditions of their employment with the Resulting Company with effect from the Effective Date shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.
- 9.2. The existing Provident Fund, Gratuity Fund, Superannuation Fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company inter alia for the said Employees (collectively referred to as the “Funds”) in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions in the Resulting Company. With effect from the Effective Date, the Resulting Company shall make the necessary contribution for such Employees taken over. Upon the Scheme being effective, the Resulting Company shall, to the extent pertaining to the Demerged undertaking, stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Fund or in relation to the obligations to make a contribution to the said Funds in accordance with the provisions of the Fund or according to the terms provided in the respective Fund deeds or other documents or, in the alternative, create / establish / setup / provide the facility of one or more alternative trusts being not less favorable than the existing Fund in the Transferor Company. The Resulting Company shall undertake and assume all the duties and obligations and takes over and assumes all the rights and powers of the Transferor Company in this regard. The services of the permanent Employees of the Transferor Company will be treated as having been continuous for the purposes of availing the benefits of the aforesaid Funds or provisions of any Funds for Employees.

- 9.3. The Resulting Company shall for the purpose of payment of any compensation, gratuity and other terminal benefits, take into account, the past services of such Employees with Transferor Company, and agrees and undertakes to pay the same as and when payable.
- 9.4. In so far as the existing benefits or funds created by the Transferor Company for the Employees of the Remaining Business are concerned, the same shall continue and Transferor Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Employees of the Remaining business.

10. CONDUCT OF BUSINESS FROM APPOINTED DATE TILL THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 10.1 The Transferor Company shall carry on and be deemed to have carried on its business and activities pertaining to the Demerged undertaking and shall hold and deal with all assets and properties and stand possessed of all rights, privileges, title, interest, authorities, contracts, investments and strategic decisions of the Demerged undertaking for and on account of and in trust for the Resulting Company.
- 10.2 Any income or profit accruing or arising to the Transferor Company from the Demerged undertaking and all costs, charges, expenses, losses and taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/paid in a foreign country, etc), arising or incurred by the Transferor Company pertaining to the Demerged undertaking for the period commencing from the Appointed Date shall for all purposes be treated as the income, profits, costs, charges, expenses, losses and payments, as the case may be, of the Resulting Company including accumulated losses and unabsorbed depreciation, if any.
- 10.3 The Transferor Company shall not utilize the profits or income, if any, in respect of the period from the Appointed Date and up to the Effective Date for the purpose of declaring or paying any dividend or for any other purpose except for the normal conduct of business of the Demerged undertaking without the prior written consent of the Resulting Company.
- 10.4 The Transferor Company shall not, without the prior written consent of the Resulting Company, encumber or otherwise deal with or dispose off the Demerged undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.
- 10.5 As between the Appointed Date and the Effective Date, the Transferor Company shall carry on the business of the Demerged undertaking with reasonable diligence and prudence, in the ordinary course of business, and the Transferor Company shall not, in any material respect, alter or expand the business, other than such alterations or expansions as have already been commenced, except with the prior written consent of the Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liability or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Demerged undertaking, save and except, in each case, in the following circumstances:
- i. If the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the Tribunal; or
 - ii. If the same is expressly permitted by this Scheme; or
 - iii. If the written consent of the Resulting Company has been obtained; or
 - iv. If any pre-existing obligations are undertaken by the Transferor Company prior to the Appointed Date.

- 10.6 The Transferor Company shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees.
- 10.7 The Resulting Company shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged undertaking.
- 10.8 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business of the Demerged undertaking earlier carried on by the Transferor Company.

11. REMAINING BUSINESS

- 11.1. The Remaining business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company, subject only to provisions of this Scheme in relation to encumbrances in favor of banks, financial institutions and trustees for the debenture-holders and lenders, if any.
- 11.2. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any Property, Right, Power, Liability, Obligation or Duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Transferor Company, which relates to the Remaining business.
- 11.3. If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 11.2 above, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

PART III – ISSUE OF SHARES

12. ISSUE OF SHARES

- 12.1. Upon the coming into effect of the Scheme and in consideration of the demerger of the Demerged Undertaking into the Resulting Company pursuant to the Scheme, the Resulting Company shall without any further act or deed and without any further payment, issue and allot to each member of the Transferor Company, whose name is recorded in the Register of Members of the Transferor company, on a date (**Record Date**) to be fixed in that behalf by the Board of Directors of the Transferor Company, Equity shares of the Resulting Company in the ratio of One Equity share in the Resulting Company of Rs.10/- credited as fully paid up for every One Equity share of Rs.10/- each, fully paid up held by such member in the Transferor Company to replicate or mirror the shareholding of the Transferor Company in the Transferee Company, excepting for the 70 equity shares of Rs. 10/- each taken by the subscribers to the Memorandum of Association of the Resulting Company.
- 12.2 The Authorised Share Capital of the Resulting Company shall be suitably increased to accommodate the proposed allotment of shares by it pursuant to this Scheme.
- 12.3. No valuation of shares has been carried out since the entire shareholding of the Transferor Company is being replicated in the Transferee Company at face value, by reducing the Share Premium and/or

Reserves in the Transferor Company, with the Paid Up Capital of the Transferor Company remaining unchanged.

- 12.4. The new equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of association of the Resulting Company
- 12.5. The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Resulting Company of the new equity shares to the members of the Transferor Company.
- 12.6. In the event there are any pending disputes in respect of the ownership or title to any equity shares of the Transferor Company, equity shares to be issued by the Resulting Company pursuant to clause 12.1 of this scheme, shall, pending settlement of disputes by order of court or otherwise, be held by the trustees appointed by the Resulting company.
- 12.7. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in the Transferor Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor Company or Resulting Company, as the case may be, in respect of such shares.
- 12.8. Upon the transfer of the investments and assets pursuant to this Scheme, the Share Capital of the Transferor Company shall not stand reduced, but the Share Premium and/or Reserves standing in the accounts of the Transferor Company shall stand reduced to the extent of the value of the investments and assets transferred to the Resulting Company as appearing in the books of the Transferor Company.
- 12.9. The Share Premium and/or Reserves so reduced will stand transferred to the Resulting Company and will be shown as the Share Capital and Reserves of the Resulting Company in the following manner:
 - a. The Share Capital of the Resulting Company created for the issue of shares to the shareholders of the Transferor Company as a result of the Scheme being implemented; and
 - b. The Reserves of the Resulting Company to represent the difference between the share capital so created in the Resulting Company and the book value of the assets transferred from the Transferor Company to the Resulting Company.

13. APPLICATIONS TO TRIBUNAL/OTHER AUTHORITY

- 13.1. The Transferor and Resulting Companies shall jointly, with all reasonable dispatch, make all necessary applications under sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of both the Companies as may be directed by the Tribunal
- 13.2. On the scheme being approved by the requisite majority of the classes of the members and/or creditors of both the Companies as directed by the Tribunal, the Transferor and Resulting Companies shall jointly, with all reasonable dispatch, apply to the Tribunal for sanctioning the Scheme of Arrangement under section 230 to 232 of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1. The Transferor and Resulting Companies (by its Directors or its Authorized Representative) in their full and absolute discretion may assent to any modification(s) or amendment(s) or any conditions or limitations in this Scheme which the Board of Directors of the Transferor Company or Resulting Company or the Tribunal or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.
- 14.2. Without prejudice to the generality of the foregoing, by any modification to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors or its Authorized Representative of the Transferor and Resulting Companies, who are hereby authorized to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

15. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to:

- a) The Scheme being agreed to by the requisite majority of the members and creditors (where applicable) of the Transferor and Resulting Companies as required under the Act and the requisite sanction and orders of the Tribunal at Hyderabad or of such other authority having jurisdiction under law, being obtained; and
- b) Such other approval and sanctions including sanction of any Governmental authority, statutory authority as may be required by law in respect of the Scheme being obtained; and
- c) The certified copies of the above orders of the Tribunal or of such other authority having jurisdiction under law being filed with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad.

16. COSTS, CHARGES AND EXPENSES

Respective costs, charges and expenses (other than stamp duty and registration charges, if any, of or in respect of any deed, document, instrument or orders of the Tribunal which shall be borne by the Transferor Company) in relation to or connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme shall be borne and paid by the Transferor Company.

17. REVOCATION AND SEVERABILITY

- 17.1. In the event of any of the sanctions and approvals referred to in the aforesaid Clause 15 not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority, this Scheme shall stand revoked and cancelled and shall be of no effect.
- 17.2. In the event of the revocation under sub-clause 17.1, no right and liabilities whatsoever shall accrue to or be incurred *inter se* by the Transferor Company or the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated here under or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, the Transferor Company shall bear all costs incidental to or arising out of such revocation / cancellation of the Scheme.

SCHEME OF ARRANGEMENT

- 17.3. If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the entire Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about such modification in the Scheme as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.
- 17.4. The Board of Directors of the Transferor Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect, if the Board of Directors are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Company and/or the Resulting Company even after the Scheme has been sanctioned by the Tribunal but before the same has been actually given effect to.

SCHEDULE 1

Investments and other assets pertaining to the Demerged Undertaking to be transferred to the Resulting Company

Rs in Lakhs

S.No	Particulars	Book value as on 31.03.17
a	<u>Investments</u>	
1	15,50,371 Equity Shares of Rs.10/- each held in NCL Industries Ltd	707.57
2	9,13,154 Equity Shares of Rs.100/- each held in Kakatiya Industries Pvt Ltd	913.15
3	1,61,050 Equity Shares of Rs.100/- each held in NCL Green Habitats Pvt Ltd	620.30
4	6,36,000 Equity Shares of Rs.10/- each held in Suncrop Sciences Pvt Ltd	63.60
5	5,29,994 Equity Shares of Rs.10/- each held in Eastern Ghat Renewable Energy Ltd	53.00
	Sub Total	2357.62
b	<u>Long Term Loans, advances and ICDs given to subsidiaries</u>	
1	Kakatiya Industries Pvt Ltd	97.68
2	NCL Green Habitats Pvt Ltd	2262.32
3	Eastern Ghat Renewable Energy Ltd	189.00
4	Suncrop Sciences Pvt Ltd	297.93
	Sub Total	2846.93
c	Grand Total (a+b)	5204.55

REPORT ON EFFECT OF ARRANGEMENT ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS AS REQUIRED BY THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

- a. This Report has been adopted by the Board of Directors of NCL Alltek & Seccolor Limited ("**Board**") in connection with the proposed Scheme of Arrangement between NCL Alltek & Seccolor Limited ("**Transferor Company**" / "**Demerged Company**") and NCL Holdings (A&S) Limited ("**Transferee Company**" / "**Resulting Company**") and their respective shareholders and creditors ("**Scheme**").
- b. In terms of Section 232(2)(c) of Companies Act, 2013 (the "**Act**"), this Report, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders, has to be circulated for the meetings ordered by the Tribunal.

2. Valuation

a. Effect of Share Exchange Ratio

No valuation report has been prepared since every shareholder of the Transferor Company will be allotted one (1) equity share in the Transferee Company for every one (1) equity share held by it / him / her in the Transferor Company, such that the number of shares the shareholder holds in the Resulting Company would be identical to its / his / her shareholding in the Transferor Company as on the record date.

b. Special Valuation Difficulties, if any

Not applicable, since no valuation exercise had been undertaken as it was not warranted for the reason mentioned hereinabove.

3. Effect of the Scheme on:

a. Directors and Key Managerial Personnel:

The Directors and Key Managerial Personnel of the Transferor Company shall cease to be responsible for the management of the investments / assets transferred to the Resulting Company, unless they are also appointed as Directors / KMPs of the Resulting Company.

b. Promoters & Non - Promoter Members / Equity Shareholders:

The Transferor Company has only one class of equity shareholders. All the Promoters and Non - Promoter Members of the Transferor Company will be issued shares in the Resulting Company in the same proportion as they hold in the Transferor Company.

4. **Conclusion:**

While deliberating on the Scheme, the Board had also considered the impact of the same on all the Stakeholders of the Transferor Company. This Scheme is in the best interests of the shareholders, creditors and employees of the Transferor Company and they shall not be prejudiced by the Scheme. The Scheme does not seek any waiver of any rights or outstanding obligations towards the creditors and shareholders of the Transferor Company.

**For and on behalf of the Board
For NCL Alltek & Seccolor Limited**

**Sd/-
K Madhu
Managing Director**

PROVISIONAL BALANCE SHEET AS AT 15TH MARCH 2018

STANDALONE

Rs. in lakhs

		Note No.	AS AT 15.03.2018	AS AT 31.03.2017
I	EQUITY AND LIABILITIES			
1.	SHAREHOLDERS' FUNDS			
	a) Share Capital	2	578.49	578.49
	b) Reserves and surplus	3	15401.90	10277.70
			15980.39	10856.19
2.	NON-CURRENT LIABILITIES			
	a) Long-term Borrowings	4	1390.55	2418.12
	b) Deferred tax Liabilities (Net)	5	425.33	398.13
	c) Long-term Provisions	6	574.17	473.76
			2390.04	3290.01
3.	CURRENT LIABILITIES			
	a) Short-term Borrowings	7	519.11	2704.01
	b) Trade Payables	8	1540.70	1786.63
	c) Other Current Liabilities	9	2890.71	2948.00
	d) Short-term Provisions	10	699.89	811.71
			5650.42	8250.35
	TOTAL		24020.85	22396.54
II	ASSETS			
1.	NON-CURRENT ASSETS			
	a) Fixed assets	11		
	(i) Tangible assets		7646.16	6937.46
	(ii) Intangible assets		1.64	2.56
	(iii) Capital work-in-progress		745.17	248.79
			8392.96	7188.81
	b) Non Current Investments	12	3558.32	4406.84
	c) Long-term Loans and Advances	13	614.38	593.11
			12565.66	12188.76
2.	CURRENT ASSETS			
	a) Inventories	14	2502.67	1980.22
	b) Trade Receivables	15	4513.19	4577.82
	c) Cash and Cash Equivalents	16	1049.84	365.91
	d) Short-term Loans and Advances	17	2871.92	2835.69
	e) Other Current Assets	18	517.57	448.14
			11455.19	10207.78
	TOTAL		24020.85	22396.54

PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 01.04.2017 TO 15.03.2018

STANDALONE

Rs. in lakhs

		Note No.	From 01.04.2017 to 15.03.2018	Year Ended 31.03.2017
1	Revenue from Operations (Gross)	19	23253.97	19312.97
	Less: Excise Duty		584.28	2127.98
	Revenue from Operations (Net)		22669.69	17184.99
2	Other Income	20	81.94	571.51
3	Total Revenue (1+2)		22751.63	17756.49
4	Expenses			
	a) Cost of Materials Consumed	21	10071.16	8198.27
	b) Purchases of Traded Goods	22	3797.39	2886.30
	c) Changes in inventories of Finished Goods, Work-in-progress	23	(91.73)	(352.39)
	d) Employee Benefits Expenses	24	2681.80	2391.47
	e) Finance Costs	25	515.29	734.54
	f) Depreciation and Amortisation Expenses	11	390.14	324.47
	g) Other Expenses	26	2615.53	1903.50
	Total Expenses		19979.60	16086.18
5	Profit before Exceptional/ Extraordinary items (3 - 4)		2772.02	1670.31
6	Exceptional/ Extraordinary items Profit / (Loss) on Sale of Assets	27	3879.41	160.34
7	Profit Before Tax (5+6)		6651.44	1830.65
8	Tax Expenses :			
	a) Less : Current Tax		1492.60	410.93
	b) Add: MAT Credit		0.00	292.33
	c) Deferred Tax Asset/(Liability)		(27.20)	(319.10)
	d) Add: Prior Year Tax		(7.44)	58.45
9	Profit for the year (7-8)		5,124.20	1,451.39

Note No.		As at 15-03-2018		As at 31-03-2017	
		No. of Shares In Lakhs	Amount Rs. in Lakhs	No. of Shares In Lakhs	Amount Rs. in Lakhs
2	SHARE CAPITAL				
	2.1 Authorized Shares				
	Equity Shares of Rs.10/- each	150.00	1500.00	150.00	1500.00
	2.2 Issued Shares				
	Equity Shares of Rs.10/- each	69.60	696.04	69.60	696.04
	2.3 Subscribed and Paid up Shares				
	Equity Shares of Rs.10/- each	57.85	578.49	57.85	578.49
	Total	57.85	578.49	57.85	578.49
	2.4 Reconciliation of Shares outstanding at the beginning and at the end of the reporting period				
	Opening number of Shares Outstanding	57.85	578.49	57.85	578.49
	Closing number of Shares Outstanding	57.85	578.49	57.85	578.49
	2.5 Aggregate Number of bonus shares issued, for consideration other than cash .				
	a) Equity shares allotted as fully paid bonus shares by capitalization of reserves	4.00	40.00	4.00	40.00
	b) Equity shares issued as fully paid pursuant to amalgamation of NCL Seccolor Ltd	12.88	128.76	12.88	128.76
	2.6 Terms/ rights attached to equity shares				
3	RESERVES AND SURPLUS				
	3.1 Capital Reserve		1502.14		1502.14
	3.2 General Reserve				
	Opening Balance	8635.00		7635.00	
	Add: Transferred from Surplus	4300.00		1000.00	
	Closing Balance		12935.00		8635.00
	3.3 Surplus				
	Opening Balance	140.56		72.10	
	Add/(Less) : Profit/(Loss) during the year	5124.20		1451.40	
	Less: Transfer to General Reserve	(4300.00)		(1000.00)	
	Proposed Dividend	0.00		(318.17)	
	Tax on Proposed Dividend	0.00		(64.77)	
	Closing Balance		964.76		140.56
	Total		15401.90		10277.70

NOTES TO PROVISIONAL FINANCIAL STATEMENTS - 15TH MARCH 2018

Note No.		As at 15-03-2018 Amount Rs. in lakhs		As at 31-03-2017 Amount Rs. in lakhs	
		Non Current	Current	Non Current	Current
4	LONG TERM BORROWINGS				
4.1	Secured Loans				
	a) Term Loan from Hero Fincorp / IFCI Ltd.	780.97	765.00	1148.00	624.00
	b) Term Loan from S.B.H	0.00	0.00	23.90	288.00
	c) Hire Purchase	432.96	117.80	23.33	31.02
4.2	Unsecured Loans				
	Fixed Deposits from Share Holders*	32.87	171.55	1082.38	297.25
	Loans from Banks & Others	0.00	49.74		
	Deposits from Dealers	143.74	0.00	140.50	0.00
		1390.55	1104.09	2418.12	1240.27
	Less: Amount shown under other current liabilities (Note No.10)	0.00	1104.09	0.00	1240.27
	Total	1390.55	0.00	2418.12	0.00
5	DEFERRED TAX LIABILITIES (NET)				
5.1	Deferred Tax Liabilities Impact of Difference between tax depreciation and depreciation charged in the financial statement		673.50		626.91
	Gross Deferrred Tax Liability		673.50		626.91
5.2	Deferred Tax Asset Impact of Expenditure charged to Statement of Profit & Loss but allowed only on actual payment for tax purpose		248.17		228.78
	Gross Deferrred Tax Asset		248.17		228.78
5.3	Deferred Tax Liabilities (Net)		425.33		398.13
6	LONG TERM PROVISIONS				
	For Employee Benefits				
	Gratuity & Unavailed Leave		574.17		473.76
	Total		574.17		473.76
7	SHORT TERM BORROWINGS - From Banks				
	Secured				
7.1	Working Capital Loans		519.11		2204.84
7.2	Corpo Mortgage Cash Credit Loan (CMTCC)		0.00		499.17
	Total		519.11		2704.01

Rs in lakhs

Note No.		As at 15.03.2018	As at 31-03-2017
8	TRADE PAYABLES		
	Total	<u>1540.70</u>	<u>1786.63</u>
		<u>1540.70</u>	<u>1786.63</u>
9	OTHER CURRENT LIABILITIES		
9.1	Current maturities of long-term borrowings (Refer Note No 4)	1104.09	1240.27
9.2	Interest accrued but not due on borrowings	10.38	9.17
9.3	Unpaid dividends #	76.70	70.64
9.4	Others		
	- Creditors for capital goods	5.26	83.40
	- Statutory Dues	286.09	254.61
	- Advance from Customers	569.72	572.22
	- Advances Received	150.00	435.00
	- Outstanding Expenses	688.46	282.69
	*(The same is not due for payment to Investors Education and Protection Fund)		
	Total	<u>2890.71</u>	<u>2948.00</u>
10	SHORT TERM PROVISIONS		
	Provision for Employee Benefits	210.67	216.35
	Taxation (net)	489.22	212.42
	Proposed Dividend	0.00	318.17
	Tax on proposed dividend	0.00	64.77
	Total	<u>699.89</u>	<u>811.71</u>

Note No : 11

FIXED ASSETS

Rs. in lakhs

Sl. No.	DESCRIPTION NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.2017	Additions	Deletions	As at 15.03.2018	For the Year	Adjustments	As at 15.03.2018	As at 31.03.2017
(I)	Tangible Assets								
1	Land	1282.30	0.00	34.92	1247.38	0.00	0.00	1247.38	1282.30
2	(a) Factory Buildings	1303.69	298.42	0.00	1602.10	37.11	0.00	1267.51	1006.20
	(b) Non Factory Buildings	528.75	0.00	4.38	524.37	8.02	2.40	474.45	484.45
3	Plant & Equipment	5546.43	361.18	22.88	5884.73	280.59	22.48	3932.61	3852.43
4	Spray Equipment	101.47	0.00	0.00	101.47	7.63	0.00	6.55	14.18
5	Lab Equipment	12.62	1.79	0.00	14.41	0.87	0.00	9.34	8.42
6	Furniture	113.04	2.39	0.00	115.43	7.12	0.00	22.47	27.21
7	Vehicles	724.31	484.18	227.54	980.95	40.34	201.05	663.09	245.74
8	Office Equipment	40.38	2.83	0.10	43.10	1.62	0.10	9.22	8.02
9	Computers	46.90	10.64	0.00	57.52	5.60	0.00	13.53	8.50
	TOTAL	9699.89	1161.41	289.83	10571.45	388.91	225.04	7646.16	6937.47
	Previous Year	5872.99	4162.80	335.89	9699.90	323.23	88.25	6937.46	3345.53
(II)	Intangible Assets								
	Computer Software	12.58	0.32	0.00	12.89	1.24	0.00	1.64	2.55
	Previous Year	9.00	3.57	0.00	12.58	3.53	0.00	3.79	3.75

Rs in lakhs

Note No.		As at 15.03.2018	As at 31-03-2017
12	NON CURRENT INVESTMENTS:		
12.1	QUOTED: a) NCL Industries Limited 15,50,371 Equity shares of face value of Rs.10/- each	707.57	707.57
12.2	UNQUOTED: Investment in Subsidiary Companies: i) NCL Wintech India Limited 1737004 Equity shares of Rs.10/- each 4494795 Equity shares @ 21.29 /- each ii) Spantile Mfg. Co. Pvt. Ltd. 20,460 Equity shares of Rs.342.13/- each iii) NCL Green Habitats Pvt. Ltd. 36,050 Equity shares @ Rs.333.70/- each 1,25,000 Equity shares @ Rs.400/- each iv) Eastern Ghat Renewable Energy Ltd. 5,29,994 Equity shares of Rs.10/- each v) Kakatiya Industries Pvt. Ltd. 9,13,154 Equity shares of Rs.100/- each vi) Suncrop Sciences Pvt. Ltd. 6,36,000 Equity shares of Rs.10/- each	1130.70 70.00 620.30 53.00 913.15 63.60	1979.22 70.00 620.30 53.00 913.15 63.60
	Total	<u>3558.32</u>	<u>4406.84</u>
13	LONG TERM LOANS AND ADVANCES (Unsecured)		
13.1	Advances- considered good a) Advance for Investments b) Capital advances	97.68 496.28	97.68 480.74
13.2	Security Deposits - Considered good	20.42	14.70
	Total	<u>614.38</u>	<u>593.11</u>
14	INVENTORIES (Valued at lower of Cost and Net Realisable Value)		
	Raw Materials & Packing Materials	1297.64	1044.25
	Finished Goods	838.00	746.27
	Stores & Spares	367.02	189.69
	Total	<u>2502.67</u>	<u>1980.22</u>

NOTES TO PROVISIONAL FINANCIAL STATEMENTS - 15TH MARCH 2018

Rs in lakhs

Note No.		As at 15.03.2018	As at 31-03-2017
15	TRADE RECEIVABLES - (Unsecured)		
	- Exceeding Six Months	606.98	726.31
	- Considered good	0.00	0.00
	- Doubtful	606.98	726.31
	Less : Provision for Doubtful Receivables	0.00	0.00
	- Other Receivables considered good	606.98	726.31
	Total	3906.21	3851.52
16	CASH AND CASH EQUIVALENTS		
	16.1 Cash and Cash Equivalents		
	Cash on Hand	5.52	3.94
	16.2 Balances with Banks		
	in current accounts	513.80	37.65
	in Dividend accounts	70.64	70.64
	Total	589.95	112.23
16.3	Others		
	Margin Money	212.89	193.68
	(against Bank Guarantees)		
	Deposit with Banks (more than 12 months maturity)	247.00	60.00
Total	1049.84	365.91	
17	SHORT TERM LOANS AND ADVANCES (Unsecured)		
	Loans /ICDs Given *	2749.25	2749.25
	Deposits *	7.53	18.79
	Deposit with Others	28.44	14.78
	Advance to Suppliers & Services	76.18	30.93
	Advance to Staff	10.51	21.94
Total	2871.92	2835.69	
18	OTHER CURRENT ASSETS		
	Deposits with Government Authorities	136.47	128.54
	EMD & Security Deposits	4.67	1.67
	MAT Credit Entitlement	219.62	292.33
	Interest Receivable	4.41	3.51
	Prepaid Expenses	152.40	22.10
Total	517.57	448.14	

NOTES TO PROVISIONAL FINANCIAL STATEMENTS - 15TH MARCH 2018

Rs in lakhs

Note No.		Period Ended 15-03-2018	Year Ended 31-03-2017
19	REVENUE FROM OPERATIONS		
19.1	Sale of Manufactured Products		
	- Spray Plasters	4173.86	4137.96
	- Paints	901.90	947.94
	- Skim Coat	1389.90	1490.16
	- Flyash Bricks	4492.73	1793.84
	- Profiles	2732.87	2667.01
	- Doors & Windows (Steel & UPVC)	10333.30	6281.86
	- Job Work & Fabrication Receipts	120.21	341.66
19.2	Sale of Traded Products		
	- Accessories, Spares and Infill	2249.06	2441.90
19.3	Other Operating Revenue		
	- Sale of Containers & Scrap	42.88	33.63
	- Installation	513.21	680.64
	GROSS SALES	26949.92	20816.61
	Less : Sales Tax	3695.94	1503.63
		23253.97	19312.97
	Less : Excise Duty	584.28	2127.98
	NET SALES	22669.69	17184.99
20	OTHER INCOME		
	Interest	4.18	496.25
	Dividend	38.73	31.01
	Rent & others	39.03	44.25
	Total	81.94	571.51
21	COST OF MATERIALS CONSUMED		
21.1	Opening Stock	1044.25	912.96
	Add : Purchases	10324.56	8329.55
		11368.81	9242.51
	Less : Closing Stock	1297.64	1044.25
	Cost of material consumed	10071.16	8198.27
21.2	Details of Raw Materials consumed		
	Chemicals	3947.97	2787.95
	Colourents	114.39	146.60
	Fillers	501.11	667.95
	Packing Materials	461.90	537.31
	ABS Materials	216.27	130.84
	Steel Coils & Others	2093.81	1460.55
	UPVC Profiles & Accessories	2735.71	2467.06
	Total	10071.16	8198.27

Rs in lakhs

Note No.		Period Ended 15-03-2018	Year Ended 31-03-2017
	21.3	DETAILS OF INVENTORY	
		252.84	227.82
		40.38	27.97
		113.40	152.19
		108.63	115.63
		169.51	90.62
		258.48	197.67
		354.41	232.33
		Total	1044.25
22		DETAILS OF TRADED GOODS PURCHASED	
		3145.80	2388.44
		651.59	497.87
		Total	2886.30
23	23.1	CHANGES IN INVENTORIES OF FINISHED GOODS	
		746.27	393.89
		838.00	746.27
		Change	(352.39)
	23.2	FINISHED GOODS AND BY-PRODUCTS	
		28.86	53.48
		37.99	65.07
		19.30	32.68
		166.55	192.24
		585.30	402.79
		Total	746.27
24		EMPLOYEE BENEFIT EXPENSES	
		2122.18	1860.11
		195.42	190.50
		237.06	235.93
		127.14	104.93
		Total	2391.47
25		FINANCE COST	
		515.29	734.54
		Total	734.54

NOTES TO PROVISIONAL FINANCIAL STATEMENTS - 15TH MARCH 2018

Rs in lakhs

Note No.		Period Ended 15-03-2018		Year Ended 31-03-2017	
26	OTHER EXPENSES				
	Power & Fuel		543.47		335.59
	Consumption of Stores & Spares		48.03		19.86
	Freight, Packing, Forwarding & loading Charges		163.30		83.90
	Repairs & Maintenance :				
	a) Plant & Equipment	123.79		91.83	
	b) Buildings	11.55		4.12	
	c) Others	1.01	136.35	3.32	99.27
	Auditors' Remuneration :				
	a) Audit fee		2.64		2.50
	b) Tax Audit		0.93		0.95
	c) Out of Pocket Expenses		0.62		0.33
	Bad debts written off		123.90		122.04
	Bank charges		37.90		23.34
	Cost Audit Fee		0.40		0.40
	CSR Expenses		30.64		15.68
	Directors Sitting Fee		5.75		5.10
	Directors Travelling & Conveyance		3.11		0.41
	Donations		0.20		0.09
	Duties & Taxes		10.43		14.75
Freight outward		533.52		395.92	
Admn & Selling Expenses		974.34		783.37	
	Total		2615.53		1903.50

27	Annexure to Exceptional/Extraordinary Items	Rs. in lakhs
i	Profit on Sale of shares held in M/s. NCL Wintech India Ltd.	3096.83
ii	Profit on sale of land	736.08
ii	Profit on sale of Building	46.51
	Total	3879.41

For and on behalf of the Board
For NCL Alltek & Seccolor Limited

Sd/-
K. Madhu
Managing Director

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD**

CA(CAA)No.333/230/HDB/2018

In the matter of the Companies Act, 2013

[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

Between

NCL ALLTEK & SECCOLOR LIMITED

And

NCL HOLDINGS (A&S) LIMITED

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NCL ALLTEK & SECCOLOR LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 4th Floor, Plot No.1, Ganga Enclave, Kompalli Road, Petbasheerabad, Hyderabad – 500067, Telangana, India.

... .. **Transferor Company / Demerged Company**

PROXY FORM – FOR SECURED CREDITORS

I / We, _____ the undersigned Secured Creditor(s) of NCL Alltek & Seccolor Limited, being the Transferor Company above named, do hereby appoint Mr / Ms. _____ of _____ and failing him / her, Mr / Ms. _____ of _____ as my / our proxy, to attend, act and vote (on a poll) on my / our behalf at the National Company Law Tribunal directed meeting of the Secured Creditors of the Transferor Company to be held on Saturday, the 4th day of August, 2018 at 12 Noon, at KLN Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No.11-6-841, Red Hills, Hyderabad - 500 004, Telangana, India, and at any adjournment thereof, in respect of the resolution for the matter mentioned below:

For approval of the Scheme of Arrangement between NCL Alltek & Seccolor Limited and NCL Holdings (A&S) Limited and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Signed this _____ day of _____, 2018

Signature of Secured Creditor: _____

Signature of Proxy Holder: _____

Affix One Rupee Revenue Stamp

Notes:

1. **This form of proxy in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Transferor Company, not later than 48 hours before the commencement of the meeting.**
2. Please affix revenue stamp before signing.
3. Alterations, if any, made in the Form of Proxy should be initialled.
4. A proxy need not be a Secured Creditor of the Transferor Company.
5. The submission by a Secured Creditor of this form of Proxy will not preclude such Secured Creditor from attending in person and voting at the Meeting.
6. The Proxy-holder should prove his / her identity at the time of attending the meeting.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD**

CA(CAA)No. 333/230/HDB/2018

In the matter of the Companies Act, 2013

*[Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read
with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]*

Between

NCL ALLTEK & SECCOLOR LIMITED

And

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And

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... .. **Transferor Company / Demerged Company**

ATTENDANCE SLIP

**MEETING OF THE SECURED CREDITORS OF THE TRANSFEROR COMPANY
DIRECTED TO BE CONVENED BY THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, HYDERABAD BENCH ON 4th AUGUST 2018 AT 12 NOON**

Secured Creditor's Name & Address	
Amount Due (In Rs)	
Proxy's Name (To be filled in if the proxy attends instead of the Secured Creditor)	

I hereby record my presence at the meeting of the Secured Creditors of the Transferor Company held on Saturday, the 4th day of August 2018 at 12 Noon, at KLN Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No.11-6-841, Red Hills, Hyderabad - 500 004, Telangana, India.

(Signature of the Secured Creditor / Proxy attending the meeting)

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall.

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ROUTE MAP TO THE VENUE OF THE MEETING





ncl alltek & seccolor Ltd.



CIN: U72200TG1986PLC006601

Regd. Office: 4th Floor, Plot No.1, Ganga Enclave, Kompally, Road, Petbasheerabad, Hyderabad – 500 067
Tel: 040-4969 3333 / 2716 5186, E-mail: contactus@alltekcoating.com; companysecretary@nclseccolor.com
Website: www.nclalltek.com; www.nclseccolor.com