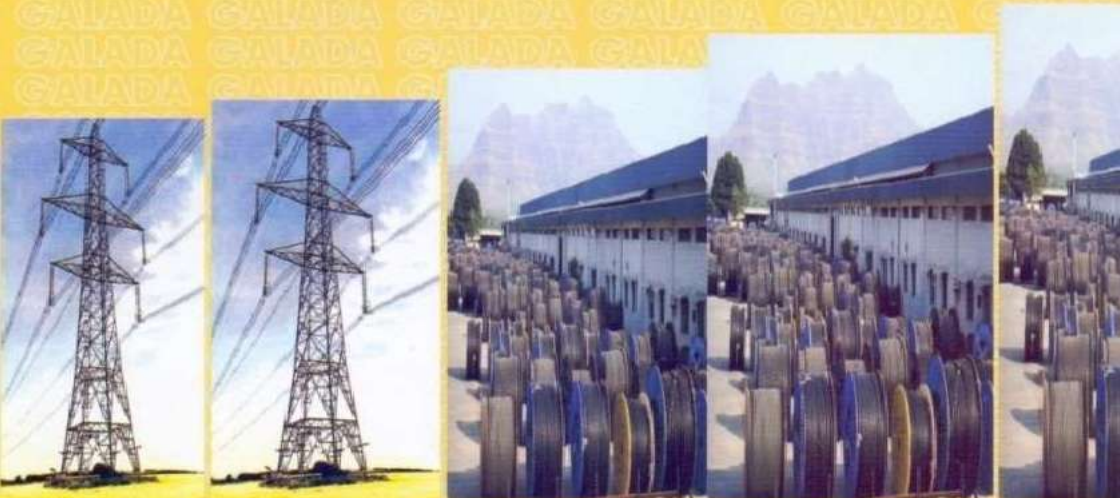


48 th ANNUAL REPORT
2019 - 2020



GALADA

POWER AND TELECOMMUNICATION LTD.



NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the Company will be held on Thursday, the 03rd December, 2020 through Video Conferencing (VC) at 11 a.m to transact the following items of business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2020 and the Reports of the Resolution Professional' and Auditors thereon.

Place: Hyderabad
Date : 23.10.2020

Sd/-
Nitin V Panchal
Resolution Professional

NOTES:

1. The register of members will be closed from 27.11.2020 to 02.12.2020
2. The equity shares of the Company are listed at BSE Limited .
3. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes
4. EVEN of Galada Power and Telecommunication Ltd is 114831
5. The instructions for shareholders voting electronically are as under:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the **Annual General Meeting (AGM)** by electronic means and the **business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).**

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the **Annual General Meeting (AGM)** of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com>.

The e-voting period commences on 30.11.2020 (10:00 am) and ends on 02.12.2020 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 26.11.2020.** Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **26.11.2020,** may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

The facility for voting through **remote e-voting** shall be made available at the **AGM** and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :

- a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box .
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail (svacharyandco@gmail.com) to with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

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**BOARD OF DIRECTORS
(SUSPENDED) & KMP**

Shri S.M.Kankaria	Chairman
Shri. D.C.Galada	Managing Director
Shri.Devendra Galada	Executive Director
Shri.M.L.Sachdeva	Director
Shri.Shashi Galada	Director
Shri.V.Subramanian	Vice President ,Company Secretary & Chief Financial Officer

The above list of Directors and Key managerial Personnel are as on date.

RESOLUTION PROFESSIONAL

Mr. Nitin Vishwanath Panchal

IP Registration no. IBBI/IPA-001/IP-P00777/2017-18/11350

REGISTERED OFFICE

P 2/6 ,I.D.A.,Block 111
Uppal, Hyderabad-500039

ADMINISTRATIVE OFFICE

3rdFloor,GaladaTowers,Begumpet
Hyderabad-500016

Ph:9821884172
Email: ip.galadapower@gmail.com
Website : www.galadapower.com

FACTORY

Village Khadoli,Silvassa
UT of Dadra & Nagar Haveli

STATUTORY AUDITOR

M/s K.S.Rao & Co.
Chartered Accountants
flat no 602, Golden green apartments, Erramanzil
colony,
HYD 500082

Registrar & Transfer Agent

Venture Capital And Corporate Investment pvtLtd
12-10-167 Bharatnagar , Hyderabad-500018

Ph: 04023818475/76
Email :
online@vccilindia.com:pvsrinivas@vccilindia.com

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DIRECTORS' REPORT

Dear Shareholders,

Mr Nitin V Panchal, Resolution Professional, presents the 48th Annual Report and the audited financial statements for the financial year ended March 31, 2020

BACKGROUND:

This is to appraise the members that pursuant to an application filed by Stressed Assets Stabilization Fund (SASF) before the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") in terms of Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed there under ("Code"), NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("CIR Process") of Galada Power and Telecommunication Limited ("GPTL/Corporate Debtor/Company") vide its order dated 14th August 2019 ("Admission Order"). NCLT had, pursuant to the Admission Order, appointed Mr. Nitin V Panchal as an interim resolution professional (IRP) for the Corporate Debtor. In terms of the Admission Order, inter alia, the management of the affairs of the Corporate Debtor was vested with IRP. Thereafter, the Committee of Creditors (CoC) of the Corporate Debtor appointed Mr. Nitin V Panchal as the resolution professional for the Corporate Debtor ("RP").

In terms of Section 17 of the Code, on commencement of CIRP, the powers of the Board of Directors of GPTL stand suspended and the same are exercised by RP. The management of the affairs of GPTL has also been vested with RP till the time resolution plan is approved by CoC and further approved by NCLT under the Code

FINANCIAL RESULTS

The financial statements for the financial year ended March 31, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (IndAS) as notified by the Ministry of Corporate Affairs

The Company's financial performance, for the year ended 31st March, 2020 and period ended 31st March, 2019 is summarized below:-

Rs.Lacs

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sales	21	465
Gross Profit	(195)	(42)
Interest	119	234
Cash Profit	(314)	(276)
Depreciation	69	72
Exceptional Item	---	---
Profit Before Tax	(383)	(348)
Profit After Tax	(383)	(348)
Dividend	---	---

OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY:

The Company is in CIRP under the Code and during the period under review, the Company did not have any business activity and the period ended with a loss of Rs. 383 lakhs as compared to the previous year loss of Rs. 348 lakhs.

The present pandemic situation on account of COVID-19 has been a challenge for the people, communities, business, countries and the world as a whole. It has disruptive impact beyond any parallel. However, during the entire lockdown, our team has handled all the functions in compliance with the Code.

DIVIDEND & TRANSFER TO RESERVE:

During the year under review, since the Company is in CIRP and due to current year losses, no dividend on the equity shares of the Company has been recommended and no amount is proposed to be transferred to the reserves.

STATUS OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

During CIRP, RP with the concurrence of CoC invited Expression of Interest (EOI) for resolution plan. Two Resolution Applicants (RA) submitted their resolution plans compliant with the Code

and the same were presented to CoC. However, these Resolution plans were rejected by CoC and the result of e-voting was communicated to the Resolution Applicants.

Post communication of the rejection of the plans to the Resolution Applicants, they expressed their willingness to improve their offer. These communications were placed before CoC and the Resolution Professional was authorized to file Miscellaneous Application before Hon'ble NCLT Hyderabad Bench seeking permission / directions as to whether re-negotiations / revised resolution plans be considered by CoC with the same RAs whose plans were already rejected by CoC.

Miscellaneous Application as mentioned above was filed with the Hon'ble NCLT, Hyderabad Bench on 18th May 2020 through e-filing followed by separate petition on 27th May 2020 for early hearing of the same. The matter is reserved for Order since then.

RP has filed Miscellaneous Application before Hon'ble NCLT, Hyderabad bench against the Ex-Management, contesting the payments of remuneration and repayment of unsecured loans to Managing Director and Executive Director respectively as 'Preferential Payments' invoking the applicable provisions of the Code and the proceedings are in progress for the same.

SHARE CAPITAL:

During the period under review, there was no change in the Authorized and Paid Up Share Capital of the Company. The Authorized Share Capital of the Company is Rs.11 Crores. The Paid Up Equity Share Capital of the Company is Rs. 7.49 Crores as on 31st March, 2020.

Extract of Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2019-20 is put up on the Company's website and can be accessed at <https://www.galadapower.com>

Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties, were in the ordinary course of business and on an arm's length basis. Your attention is drawn to Note 40 to the financial statement which sets out related party disclosures.

Material Development in Human Resources /Industrial Relations.

The Company values human resources as one of the most important asset. The Company has always had an excellent track record of cordial and harmonious industrial relations. There are 20 employees as on date. During the Financial year 2019-20, there were changes in the remuneration drawn by certain employees wef 1st November 2019 as per the discussion held during the 3rd CoC Meeting held on 14th November 2019 and the same was approved by resolution as required by Section 28 of the Insolvency and Bankruptcy Code, 2016.

In view of the General Circular No.20/2020 dated 5th May 2020 issued by Ministry of Company Affairs and prevailing situation owing to the difficulties involved in dispatching physical copies, the financial statements (including RP's Report , Auditor's Report and other documents) are sent only by email to the members and to all the other persons entitled

Auditors & Auditors Report

M/s.K.S.Rao & Co. , Chartered Accountants (Firm Registration No. 003109S) hold the office from the conclusion of AGM until conclusion of the next AGM and they confirmed their eligibility to the effect that their appointment if made would be within the prescribed limits under the Act and they are not disqualified for the appointment. They were appointed till 2023 and ADT-1 was filled accordingly. They will be paid remuneration as mutually discussed and approved by the Committee of Creditors.

Explanation to Auditor's Remarks

The Report of the Auditor is given as an annexure which forms part of the Annual Report. There were no qualification or adverse remarks made in the Auditors' Report. Hence, no comments under Section 134 (1) of the Companies Act, 2013 are called for.

Material Changes affecting the Financial Position of the Company

Except as disclosed in this report, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

As the Company does not carry on any manufacturing activity, most of the information of the Company as required under Section 134(3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in the documents forming part of this Report.

Details of Subsidiary, Joint Venture or Associates

The company has no subsidiaries, joint ventures or associate companies during the financial year 2019-20

Consolidated Financial Statements

The Company doesn't have any subsidiaries. Hence, there is no need to prepare consolidated financial statement for the financial year 2019-20

BOARD OF DIRECTORS

During the year Ms.AmeetTrehan , an Independent Director had submitted her resignation on 28th February 2020 as a Director of the Company.As required under the Companies Act,2013, the Company had filed the necessary eForm DIR -12 with Registrar of Companies (ROC).However as required under Section 28(1) (2) of the Insolvency and Bankruptcy Code, 2016, the Resolution Professional put up the same before the Committee of Creditors for seeking their vote on the same in their meeting held on 16th April 2020.The CoC did not approve the resignation of Ms.AmeetTrehan , an Independent Director of the Company.The DIR -12 was filed with the ROC along with the outcome of the above referred COC meeting.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company is in CIRP and the Board is suspended. The powers of the management are vested in RP.Provisions of Section 152 (6) of the Companies Act, 2013 regarding retirement of directors by rotation is not applicable to the company.

DECLARATION OF INDEPENDENT DIRECTORS:

As the Board is suspended due to commencement of CIRP, the provisions relating to declaration of Independent Directors are not applicable.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW:

The Board Meeting were conducted for the first quarter and second quarter on 28.05.2019 and 14.08.2019 respectively.

No further meeting of Board of Directors or Committee was held after the commencement of Corporate Insolvency Resolution Process (CIRP).

Board Evaluation

Due to suspension of the Board, these provisions are not applicable.

Details of significant & material orders passed by the regulators or courts or tribunal.

Except as disclosed in this report, no orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation .

Corporate Social Responsibility (CSR) Policy

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company manages , monitors and reports on the principal risk and uncertainties that can impact its ability to achieve its strategic objectives. The company's management systems , organization structure , processes standards, code of conduct and behavior govern the business of the company and manage associated risks.

Directors Responsibility Statement

Before the commencement of Insolvency Process Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Directors hereby confirm that:

- i in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- i they have selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit/loss for the year ended on that date.
- i they have made proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

The Company is not operational and there are 20 workers & employees working at present in the Company. All responsibilities related to Accounts, Finance, Compliances and all other work related to the Company were on the Directors of the Company . Hence , Directors of the company are responsible for all the acts of the Company prior to the CIRP commencement date."

Cautionary Statement

During CIRP, the Resolution Professional has relied upon the representations, clarification and

explanations provided by the CFO & Company Secretary in relation to the Audit of Financial Statements and approved the same only to the limited extent of discharging the powers of the Board of the Company which has been conferred upon him inter alia in terms of the provisions of Section 17 of IBC-2016

It is pertinent to note that the Resolution Professional made all practical and reasonable efforts from time to time to facilitate information / data from the officials / public domain / suspended directors of the company in relation to preparation of the financial statements of the company and also to provide the information required by the auditors for the purpose of carrying out the audit. The RP has tried his best to prepare the financial accounts based on the available records in various forms and the explanations given to him. The RP also confirms that no assets belonging to third party were in the possession of the company on the date of admission for CIRP as well as handing over of the charge to him.

RP has not personally verified the information found through various sources and placed reliance/confidence on the available data/ information produced before him and the explanations given to him.

Because of the inherent limitations of the financial control with reference to the financial statements including the possibility of the collusion or improper management & override controls, material misstatements due to error or fraud may occur and may not be detected.

The Financial statements have been signed by the Resolution Professional in his fiduciary capacity and only for the statutory requirement without accepting any personal responsibility. The resolution professional is not liable for any error or misstatement of the facts and figures if any in the accounts of M/s Galada Power and Telecommunication Limited for the year ended 31st March 2020 and the same are only for the purpose of statutory compliance. Resolution professional should be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements are advised to do their due diligence before arriving at any conclusion. The Resolution Professional has signed the Financial Statements to facilitate the CIR Process and to facilitate the Statutory requirements without any liability of the same.

COST RECORD

The Provisions of Section 148(1) of the Act are not applicable to the Company and accordingly, the Company has not maintained cost accounts and records for the year ended March 31, 2020.

SECRETARIAL AUDIT & SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Resolution Professional had appointed M/s S.V.Achary & Co, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial

Audit Report submitted to the Company. The Secretarial Audit Report is attached herewith as Annexure I.

Corporate Governance

The Company is exempted from "Corporate Governance Report " as the paid-up equity share capital is less than Rs 10 crores and net-worth is less than Rs 25 crores in terms of clause 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.

Particulars of Employees and related disclosures

Provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules), as amended, regarding particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is not applicable to the Company.

Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year no such complaints was received.

The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 .

General

The Resolution Professional States that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. Details relating to deposits covered under Chapter V of the Act
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (Including Sweat Equity Shares) to employees of the company under any scheme
4. Neither the Managing Director nor the Whole Time Director of the company has received any commission from the company.

ACKNOWLEDGEMENT:

The RP of the Company would like to express sincere appreciation for the cooperation and assistance received from shareholders, bankers, regulatory bodies, employees and other business constituents during the year under review. The RP looks forward their support in future.

For and on behalf of Galada Power &Telecommunication Limited

Nitin Vishwanath Panchal

Resolution Professional

Galada Power And Telecommunication Limited

(Under Corporate Insolvency Resolution Process)

IP registration no. IBBI/IPA-001/IP-P00777/2017-2018/11350

Email ID: ip.galadapower@gmail.com

(Galada Power and Telecommunication Limited is inCorporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr.NitinV.Panchal, appointed by the National Company Law Tribunal by Order dated 14th August 2019and continued as Resolution Professional by the Committee of Creditors in its meeting held on 20th September 2019under the provisions of the Code.)

Signed without any liability for administrative purpose only, as review period also contains period prior to appointment of Insolvency professional / commencement of corporate insolvency resolution process.

PLACE: MUMBAI

DATE: 23.10.2020

Form No. MR-3

Secretarial Audit Report for the Financial Year ended 31st March, 2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To
The Members,
M/s Galada Power And Telecommunication Limited
(CIN: L64203TG1972PLC001513)
P2/6, IDA Block III, Uppal,
Hyderabad, Telangana, 500039 India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Galada Power And Telecommunication Limited (hereinafter referred to as the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion the Company has, during the financial year ended on 31st March, 2020 (audit period), complied with all the statutory provisions listed hereunder and proper CIRP-processes and compliance-mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter:

1) I have examined the secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company 'as per Annexure I' for the financial year ended on 31st March, 2020 according to the provisions of;

- i) The Companies Act 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
- iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The industry specific Acts, labour and other applicable laws as provided by the management of the Company.

2) We have also examined compliance with the applicable clauses of:-

(i) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

3) I further report that:-

i) I have examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) The Company being a Listed Company complies with all the Clauses of Listing Agreement.

iii) Adequate notice is given to all Committee of Creditors (COC) to schedule the COC Meetings, agenda and detailed notes on agenda were sent at least three days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



iv) Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

Inter alia, SASF made an application before National Company Law Tribunal (NCLT), Hyderabad Bench to initiate Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016 claiming default by the company in repayment of dues. The company filed the counter praying for dismissal of the application and for a direction to be issued to SASF to honour their commitment of considering its OTS proposal. NCLT advised both the parties to mutually negotiate and settle the matter before admitting the application made by SASF and posted the case for hearing on 04.06.2019. On 14th August 2019, Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench had admitted the petition for initiating Corporate Insolvency Resolution process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) vide its order dated 14.08.2019 and appointed Mr. Nitin Viswanath Panchal as the Interim Resolution Professional (IRP) in terms of IBC. Mr. Nitin Viswanath Panchal was subsequently confirmed by the Committee of Creditors (CoC) as the Resolution Professional (RP). RP has taken over the charge of the affairs of the Company by suspending the Board with effect from 29.08.2019. By an order dated 07.02.2020, NCLT has extended the CIRP time period by another 60 days with effect from 10.02.2020.

v) Company has filed forms as required under the provisions of the act.

4) During the period under review Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards.

- Contracts or arrangements made with related parties.
- The Company has obtained all necessary approvals under various provisions of the Act where necessary.

5) I further report that:-

i) The IRP constituted the Committee of Creditors under CIRP procedure under IBC code and appointed Resolution Professional. The Company appointed NITIN VISHWANATH PANCHAL as Chief Executive Officer with the approval of Committee of Creditors on 30/08/2019.

ii) The Company complies with the provisions of section 177 of Companies Act, 2013, read with Rule 6 and 7 of Companies (Meetings of the Board and its Powers) Rules, 2013.

iii) The Company complies with the provisions of section 178(1) of Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee.

6) I further report that during the audit period, there were no instances of:

i) Redemption of buy-back of securities.

ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

iii) Merger / amalgamation / reconstruction etc.

iv) Not declared any dividends during the financial year.



v) Corporate Social Responsibility initiatives as the said provisions are not applicable.

vi) Neither accepted nor renewed any deposits during the period under review.

vii) Company has not Created, Modified and Satisfied any charge on the assets of the Company during the year.

7) I further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



For S.V. Achary & Co
Company Secretaries

A handwritten signature in black ink, appearing to read "S.V. Narayana Charyulu".

S.V. NARAYANA CHARYULU
Membership Number: 5981
Certificate of Practice Number: 4768

Place: Hyderabad

Date: 23rd October 2020

**ANNEXURE - I TO THE SECRETARIAL AUDIT REPORT
LIST OF DOCUMENTS VERIFIED**

1. Memorandum and Articles of Association of the Company, Bye Laws, Rules and Policies of the Company.
2. Annual Reports for the Financial Year ended 31st March, 2020; 31st March, 2019 and 31st March, 2018.
3. Minutes of the meetings of the COC.
4. Minutes of General Body Meetings held during the Financial Year under review.
5. Statutory Registers viz.
 - Register of Directors and KMP.
 - Register of Directors' Shareholding.
 - Register of Charge.
 - Register of Contracts.
 - Register of Members
 - Register of loans, guarantees, securities and acquisitions made by the Company.
 - Register of Transfers.
6. All statutory forms filed by the Company under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under review.
9. ROC file, Books of Accounts and other documents as provided by the Company for the year under review.



**To,
The Members,
Galada Power And Telecommunication Limited**

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

- a) The maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d) Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- f) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.



For S.V. Achary & Co
Company Secretaries

A handwritten signature in black ink, appearing to read "S.V. Narayana Charyulu".

S.V. NARAYANA CHARYULU
Membership Number: 5981
Certificate of Practice Number: 4768

Place: Hyderabad
Date: 23rd October 2020

ANNEXURE II TO THE REPORT OF RESOLUTION PROFESSIONAL

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on 31.03.2020

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L64203TG1972PLC001513
2.	Registration Date	24-06-1972
3.	Name of the Company	GALADA POWER AND TELECOMMUNICATION LTD
4.	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
5.	Address of the Registered office & contact details	P 2/6, IDA, BLOCK III, UPPAL, HYDERABAD - 500039 PHONE NO - 9392525064
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	VENTURE CAPITAL AND CORPORATE INVESTMENT LTD, 12-10-167, BHARATHNAGAR, HYDERABAD 500 018 PHONE - 9848037429

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
ALUMINIUM WIRE RODS / CONDUCTORS	242- MANUFACTURE OF NON- FERROUS METALS	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
Sub -total (A) (1)	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
(2) Foreign	0	0	0	0	0	0	0	0	0
Sub -total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
B. Public Shareholding									
Institutions									
Banks / FI	722172	1200	723372	9.65	677294	1200	678494	9.06	-0.59
Sub-total (B)(1):-	722172	1200	723372	9.65	677294	1200	678494	9.06	-0.59
2. Non-Institutions									
Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2377586	832648	3210234	42.86	2384902	831348	3216250	42.94	(+)0.08
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2391207	0	2391207	31.93	2430069	0	2430069	32.44	(+)0.51
Sub-total (B)(2):-	4768793	832648	5601441	74.79	4814971	831348	5646319	75.38	(+)0.59
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5490965	833848	6324813	84.44	5492265	832548	6324813	84.44	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6656032	833848	7489880	100.00	6657332	832548	7489880	100.00	0

(ii) Shareholding of Promoter-

Sl no	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase /decrease in share holding during the year (2019-20)		
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	Date	No. of Shares	Reason
1	Amita Galada	143987	1.92	143987	1.92			
2	Aditya Kumar Kankaria	19000	0.25	19000	0.25			
3	Binod Chand Kankaria	30400	0.41	30400	0.41			
4	Biraj Kavar Galada	67000	0.89	67000	0.89			
5	Chandra Kant Kankaria	38000	0.51	38000	0.51			
6	Devendra Galada	145090	1.94	145090	1.94			
7	Dharam Chand Galada	187530	2.50	187530	2.50			
8	Gaurav Kankaria	5500	0.07	5500	0.07			
9	Lalit Kumar Kankaria	46670	0.62	46670	0.62			
10	M C Galada	59045	0.79	59045	0.79			
11	Manisha Kankaria	9000	0.12	9000	0.12			
12	Manohar Kumar Kankaria	35960	0.48	35960	0.48			
13	Phool Kumari Kankaria	28350	0.38	28350	0.38			
14	Pramila Kankaria	51664	0.69	51664	0.69			
15	Sandip Kumar Kankaria	17000	0.23	17000	0.23			
16	Sardarmull Kankaria	36023	0.48	36023	0.48			
17	Shail Galada	27391	0.37	27391	0.37			
18	Shashi Kankaria	39000	0.52	39000	0.52			
19	Snehlata Galada	141737	1.89	141737	1.89			
20	Subhas Chand Kankaria	32000	0.43	32000	0.43			
21	D C Galada HUF	2520	0.03	2520	0.03			
22	Shail Galada HUF	2200	0.03	2200	0.03			
	Total	1165067	15.56	1165067	15.56			

NIL

Change in Promoters' Shareholding

Sl No	Particulars	No. of shares	% of total shares of the company
	At the beginning of the year	1165067	15.56
	Increase / Decrease in Promoters Shareholding during the year	0	0
	At the end of the year	1165067	15.56

(iii) Shareholding Pattern of top ten Shareholders:

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

Sl No	Name	No. of shares (as on 31.03.2020)	No of shares (as on 31.03.2019)	Increase / decrease in shareholding during the year (2019-20)	
				No of shares	Reason
1	GIICL	178465	178465	No change	
2	DD Investment and Leasing Pvt Ltd	498136	498136	No change	No change
3	IDBI	626086	670964	(-)44878	Transfer
4	Ecoman Vinimay P Ltd	100000	100000	No change	
5	Bhauvesh kumar bansal	99809	99809	No change	No change
6	Hemant Kumar Gupta	467102	457646	(+)9456	Transfer
7	Sharon Gupta	129972	152103	(-)22131	Transfer
8	Shweta Mehul Shah	113280	113280	No change	No change
9	Preeti Mishra	75742	75742	No change	No change
10	Mehul R Shah	111200	111200	No change	No change
11	Mehul R Shah HUF	111000	111000	No change	No change

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name	Shareholding at the beginning of the year (as on 01.04.2019)	Change during the year (2019-20)	Shareholding at the end of the year (as on 31.03.2020)
1	Dharam chand Galada	187530	0	187530
2	Devendra Galada	145090	0	145090

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	425699400	8702673	0	434402073
ii) Interest due but not paid	88900156	0	0	88900156
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	514599556	8702673	0	523302229
Change in Indebtedness during the financial year				
* Addition	11794815	0	0	11794815
* Reduction	0	0	0	0
Net Change	11794815	0	0	11794815

Indebtedness at the end of the financial year				
i) Principal Amount	425699400	8702673	0	434402073
ii) Interest due but not paid	100694971	0	0	100694971
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	526394371	8702673	0	535097044

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Dharam chand Galada	Devendra Galada	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	287000	280000	567000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28401	35583	63984
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	315401	315583	630984
	Ceiling as per the Act	900000	900000	1800000

B. Remuneration to other directors

Sl No	Particulars of Remuneration	Name of the Directors			Total Amount
		M L Sachdeva	Ameeta Trehan		
1	Independent Directors				
	Fee for attending board committee meetings	2000	2000	4000	
	Commission	0	0	0	
	Incidental Expenses	0	0	0	
	Total (1)	2000	2000	4000	
2	Other Non-Executive Directors	S M Kankaria	Shashi Galada		
	Fee for attending board committee meetings	0	1000	1000	
	Commission	0	0	0	

Incidental Expenses	0	0	0
Total (2)	0	1000	1000
Total (B)=(1+2)	2000	3000	5000
Total Managerial Remuneration			630984
Overall Ceiling as per the Act			1805000

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

Sl no	Particulars of Remuneration	CS & CFO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	447725
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	
	- as % of profit	0
	others, specify...	0
5	Others, please specify	0
	Total	447725

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NIL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALADA POWER AND TELECOMMUNICATION LIMITED, HYDERABAD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **GALADA POWER AND TELECOMMUNICATION LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS), of the state of affairs of the Company as at March 31, 2020, its loss, the total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that the company has net accumulated losses of Rs. 10,693.53 lakhs as at the year ended March 31, 2020 and as of that date the company's current liabilities exceeded its total assets by Rs. 5,088.57 lakhs. These conditions, along with other matters as set forth in the said Note, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter:

We draw attention to the following matters in the Notes to the financial statements:

- a. Note 30 to the financial statements regarding the Claims received by Resolution Professional
- b. Note 31 to the financial statements on non-compliance with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special Bank Account.
- c. Note 32 to the financial statements regarding the appointment and payment of Managerial Remuneration.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit Matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report

KAM Title

Valuation of Deferred Tax Assets

KAM Description

The company has not recognised deferred tax asset for deductible temporary differences and unused tax losses. As the utilisation of deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilise deductible temporary differences and tax losses before they expire. We determined this to be a key audit matter due to the inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and utilisation of tax losses.

Management has supported the non-recoverability of the deferred tax assets mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.

Our Response

Our audit procedures included, among others, evaluating the projected tax computations prepared by the company to assess the recognition and measurement of the current and deferred tax assets and liabilities and evaluate the compliance with the tax legislation. We paid attention to the long-term forecasts and critically assessed the assumptions and judgments underlying these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We assessed the adequacy and the level of estimation involved.

Other Information

The Company's Resolution Professional is responsible for the other information. The other information comprises the information included in the company's annual report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Resolution Professional is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Resolution Professional is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The Board of Directors of the Company is suspended by NCLT vide its Order dated 14 August 2019 and the Company is in Corporate Insolvency Resolution Process under IBC 2016, Hence, Comment relating to Directors disqualification as per Sub-Section (2) of Section 164 is not applicable.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, refer to our comment made in clause (c) under 'Emphasis of Matter' paragraph.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note 31 to the Financial statements)

for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 003109S

Place : Hyderabad
Date : 23.10.2020

(T. SUKESH KUMAR)
Partner
Membership Number: 229963
UDIN:

Annexure -A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **GALADA POWER AND TELECOMMUNICATION LIMITED**, HYDERABAD, for the year ended March 31,2020,

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification between the physical stocks and book records.
3.
 - a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b. In view of our comment in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv)of the of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. In view of the overall turnover of the Company from all its products and services is less than the stipulated amount, the provisions relating to maintenance of cost records under sub-section (1) of 148 section of the Companies Act, 2013 are not applicable to the Company.

7. a. According to the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as of March 31, 2020 for a period of more than six months from the date they became payable are as follows.

Nature of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Due date	Date of payment
The Companies Act, 1956	Investor Education and Protection Fund #	11,556,699	1996	30.12.2003	Not yet paid
APGST Act	IFST Loan Differed Sales Tax Sales tax	311,190 6,710,843 100,000	1988 1996 2000	25.07.1997 01.04.2001 01.08.2001	Not yet paid
The Dadra and Nagar Haveli VAT Regulation, 2005	CST	13,500	May, 2017	20.06.2017	Not yet paid

refer note 31 to the financial Statements

- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
8. As the Company is in Corporate Insolvency Resolution Process under IBC 2016, paragraph 3 (viii) of the Companies (Auditor's Report) Order 2016 is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for remuneration during the year, to the Managing Director and to the Executive Director amounting to Rs. 315,401/- and Rs. 315,583/-respectively, which is subject to the approval of the Central Government, as the company has defaulted in repayment of its debts in the preceding financial year before the date of their appointment. As such the payment of remuneration is not in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for K.S.RAO& CO;
Chartered Accountants
Firm's Registration Number: 003109S

(T. SUKESH KUMAR)
Partner
Membership Number: 229963
UDIN:

Place : Hyderabad
Date : 23.10.2020

Annexure – B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of **GALADA POWER AND TELECOMMUNICATION LIMITED**, HYDERABAD ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Meaning of Internal Financial Controls with Reference to the Financial Statements:

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to the Financial Statements:

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 03109S

(T. SUKESH KUMAR)
Partner
Membership Number: 229963
UDIN:

Place : Hyderabad
Date : 23.10.2020

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No: L64203TG1972PLC001513
BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	69,030,075	75,972,978
Financial Assets			
Other financial assets	5	45,000	3,436,876
Deferred Tax Assets(net)	6	-	-
		<u>69,075,075</u>	<u>79,409,854</u>
Current assets			
Inventories	7	1,536,957	2,216,431
Financial Assets			
Trade receivables	8	-	2,034,826
Cash and cash equivalents	9	2,168,766	832,754
Others financial assets	10	1,326,874	1,326,874
Current Tax Assets (Net)		2,138,764	2,119,770
Other current assets	11	15,160,832	15,528,054
		<u>22,332,193</u>	<u>24,058,709</u>
Total Assets		<u>91,407,268</u>	<u>103,468,563</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	74,898,800	74,898,800
Other Equity	13	(585,172,868)	(546,975,069)
		<u>(510,274,068)</u>	<u>(472,076,269)</u>
Liabilities			
Non - current liabilities			
Financial Liabilities			
Borrowings	14	-	-
Provisions	15	1,416,519	2,111,914
		<u>1,416,519</u>	<u>2,111,914</u>
Current liabilities			
Financial Liabilities			
Borrowings	16	265,816,040	265,816,040
Trade payables	17	26,896,785	21,179,861
Other financial liabilities	18	303,728,984	281,363,645
Other current liabilities	19	1,254,832	1,242,917
Provisions	20	2,568,176	3,830,455
		<u>600,264,817</u>	<u>573,432,918</u>
Contingent Liabilities and Commitments	21		
Total Equity and Liabilities		<u>91,407,268</u>	<u>103,468,563</u>
NOTES TO THE FINANCIAL STATEMENTS	1 - 42		

per our report of even date
for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 003109S

V SUBRAMANIAN
Vice President, Secretary & CFO

T SUKESH KUMAR
Partner
Membership Number: 229963

NITIN PANCHAL
Resolution Professional

Place: Hyderabad
Date : 23.10.2020

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No: L64203TG1972PLC001513
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note No.	Amount in ₹	
		for the year ended 31.03.2020	for the year ended 31.03.2019
Revenue from Operations	22	107,172	36,481,760
Other Income	23	1,999,483	10,007,095
Total Income		2,106,655	46,488,855
Expenses			
Employee Benefits Expense	24	8,290,006	17,468,894
Finance costs	25	11,885,942	23,417,349
Depreciation and amortisation expense	26	6,942,903	7,216,835
Other expenses	27	13,274,392	33,147,148
Total expenses		40,393,243	81,250,226
Profit before tax		(38,286,588)	(34,761,371)
Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
Profit for the Year		(38,286,588)	(34,761,371)
Other Comprehensive income	28		
Items that will not be reclassified subsequently to profit or loss		88,789	(62,648)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		88,789	(62,648)
Total Comprehensive Income for The Year		(38,197,799)	(34,824,019)
Earnings per equity share from Continuing operations:	29		
Basic & Diluted- ₹		(5.10)	(4.65)
NOTES TO THE FINANCIAL STATEMENTS	1 - 42		

per our report of even date
for K.S.RAO & CO.,
Chartered Accountants
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V SUBRAMANIAN
Vice President, Secretary & CFO

T SUKESH KUMAR
Partner
Membership Number: 229963

NITIN PANCHAL
Resolution Professional

Place: Hyderabad
Date : 23.10.2020

GALADA POWER AND TELECOMMUNICATION LIMITED

CIN No: L64203TG1972PLC001513

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**A. EQUITY SHARE CAPITAL**

Amount in ₹

Particulars	As at	
	31.03.2020	31.03.2019
i. At the beginning of the year	74,898,800	74,898,800
ii. Changes during the year		
iii. At the end of the year	74,898,800	74,898,800

B. OTHER EQUITY

Amount in ₹

Particulars	Capital Redemption Reserve	Shares Forfeited	Securities Premium	Capital Reserve	Retained Earnings	OCI Actuarial Gain(Loss)	Total
i. Balance as at April 1, 2019	100,000	7,500,000	137,336,800	339,242,926	(1,031,824,886)	670,091	(546,975,069)
Profit for the year	-	-	-	-	(38,286,588)	-	(38,286,588)
Other Comprehensive income for the year	-	-	-	-	-	88,789	88,789
ii. Balance as at March 31, 2020	100,000	7,500,000	137,336,800	339,242,926	(1,070,111,474)	758,880	(585,172,868)

per our report of even date
for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 003109S

V SUBRAMANIAN
Vice President, Secretary & CFC

T SUKESH KUMAR
Partner
Membership Number: 229963

NITIN PANCHAL
Resolution Professional

Place: Hyderabad
Date : 23.10.2020

GALADA POWER AND TELECOMMUNICATION LIMITED

CIN No: L64203TG1972PLC001513

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Amount in ₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<i>I. Cash flow from operating activities:</i>		
<i>Profit before tax</i>	(38,286,588)	(34,761,371)
Add: Other Comprehensive Income before Tax	88,789	(62,648)
	<u>(38,197,799)</u>	<u>(34,824,019)</u>
<i>Adjustment for non-cash transactions:</i>		
Depreciation and amortization expenses	6,942,903	7,216,835
Net Gain on Sale of Property, Plant and Equipment	-	(8,112,074)
Inventory written off	650,478	-
Debit Balances written off	448,656	(800,025)
Deposits written off	8,600	448,656
Amortisation of prepaid lease rentals	3,864	8,306
	<u>(30,143,298)</u>	<u>(36,062,321)</u>
<i>Adjustment for investing and financing activities:</i>		
Interest Income:		
From bank deposits and others	(57,900)	(228,215)
From financial assets	(5,613)	(6,557)
Interest on Term Loans	11,885,942	23,417,349
	<u>11,822,429</u>	<u>23,182,577</u>
<i>Adjustment for changes in working capital:</i>		
Decrease / (increase) in inventories	28,996	(349,894)
Decrease / (increase) in trade receivables	2,034,826	3,020,784
Decrease / (increase) in other current financial assets	-	2,071,380
Decrease / (increase) in other non current financial assets	3,388,889	(149,219)
Decrease / (increase) in other current assets	(85,298)	2,640,161
(Decrease) / Increase in trade payables	5,716,924	1,891,031
(Decrease) / Increase in other current financial liabilities	10,570,524	3,370,865
(Decrease) / Increase in other current liabilities	11,915	(864,824)
(Decrease) / Increase in long term provisions	(695,395)	192,477
(Decrease) / Increase in short term provisions	(1,262,279)	245,911
	<u>19,709,102</u>	<u>12,068,672</u>
<i>Cash generated from operations</i>	<u>1,388,233</u>	<u>(811,072)</u>
Less: Direct taxes paid (net of refunds)	(18,993)	66,531
<i>Net cash flow from operating activities (I)</i>	<u><u>1,369,240</u></u>	<u><u>(744,541)</u></u>

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No: L64203TG1972PLC001513
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Amount in ₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
II. Cash flows from investing activities		
Sale of Fixed Assets	-	10,339,999
Interest Income received	57,900	214,740
Net cash flow from/ (used in) investing activities (II)	57,900	10,554,739
III. Cash flows from financing activities		
Net Proceeds from Long Term Borrowings	-	(3,252,000)
Net Proceeds from Short Term Borrowings	-	(159,586)
Interest Paid	(91,127)	(5,823,015)
Net cash flow from/ (used in) financing activities (III)	(91,127)	(9,234,601)
IV. Net (decrease)/increase in cash and cash equivalents (I + II + I)	1,336,013	575,597
Cash and cash equivalents at the beginning of the year	832,754	257,157
V. Cash and cash equivalents at the end of the year	2,168,767	832,754
VI. Components of cash and cash equivalents:		
Cash on hand	447	42,544
With banks:		
On Current Account	2,168,319	790,210
Total cash and cash equivalents (Note no 9)	2,168,766	832,754

per our report of even date
for K.S. Rao & Co.,
Chartered Accountants
Firm's Registration Number: 003109S

V SUBRAMANIAN
Vice President, Secretary & CFO

T SUKESH KUMAR
Partner
Membership Number: 229963

NITIN PANCHAL
Resolution Professional

Place : Hyderabad
Date : 23.10.2020

1. Corporate information:

GALADA POWER AND TELECOMMUNICATION LIMITED was incorporated on 24.06.1972 and is listed on the Bombay Stock Exchange (BSE). At present the Company is engaged in the business of manufacturing Aluminum conductors and other allied products.

The Company has recorded a net Loss of Rs. 381.98 Lakhs for the year and it has accumulated losses of Rs. **10,693.53** Lakhs as of March 31, 2020, resulting in total erosion of net worth. Further the Company has suspended its operations.

As the Company defaulted in the payment of dues to Financial Institutions and Banks, they have initiated legal proceedings to recover their dues.

Inter alia, SASF made an application before National Company Law Tribunal (NCLT), Hyderabad Bench to initiate Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016 claiming default by the company in repayment of dues. The company filed the counter praying for dismissal of the application and for a direction to be issued to SASF to honour their commitment of considering its OTS proposal. NCLT advised both the parties to mutually negotiate and settle the matter before admitting the application made by SASF and posted the case for hearing on 04.06.2019.

On 14th August 2019, Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench had admitted the petition for initiating Corporate Insolvency Resolution process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) vide its order dated 14.08.2019 and appointed Mr. Nitin Viswanath Panchal as the Interim Resolution Professional (IRP) in terms of IBC. Mr. Nitin Viswanath Panchal was subsequently confirmed by the Committee of Creditors (CoC) as the Resolution Professional (RP). RP has taken over the charge of the affairs of the Company by suspending the Board with effect from 29.08.2019. By an order dated 07.02.2020, NCLT has extended the CIRP time period by another 60 days with effect from 10.02.2020.

The resolution plans submitted by Resolution Applicants were not approved by CoC. The Resolution Applicants made submissions to CoC for renegotiation and resubmission of Plans, which have been referred to NCLT by the Resolution Professional on 27.05.2020. The Application was last heard on 23.06.2020 which is reserved for Orders.

Though the above circumstances indicate that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, the Company is of the view that an acceptable Resolution Plan can be negotiated with CoC by the Resolution Applicants. Hence, the accompanying financial statements have been prepared on a "going concern" basis.

2. Basis of Preparation:

These statements are prepared complying in all material respects with the notified Accounting Standards by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India.

The financial statements have been prepared on historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as required by relevant Ind AS and as explained in the accounting policies mentioned below.

3. Significant Accounting policies:

a) Significant accounting estimates, assumptions, and judgements:

The preparation of Company's financial statements requires management to make accounting estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available/prevaling when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

vii. Lifetime Expected Credit Loss on Trade Receivables and Other Receivables:

Trade and Other Receivables do not carry any interest and are stated at their transaction value as reduced by lifetime expected credit losses ("LTECL"). Management has evaluated LTECL for different class of its debtors as follows:

Particulars	Up to 365 Days	365- 730 Days	730-1095 Days	Beyond 1095 Days
Expected loss Rate (%)	0.00	50.00	100.00	Write off

b) Current Vs Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies any of the following criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;

- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. However, a period of 12 months is considered as ultimate operating cycle.

c) Property, Plant, and Equipment:

Property, Plant and Equipment are stated at cost net of input credits, less accumulated depreciation, and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

The company adopted cost model as its accounting policy in recognition of the property, Plant and Equipment and recognises the transaction value as the cost.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Capital work in progress includes cost of property, plant, and equipment under installation/under development as at the balance sheet date.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

Depreciation on Property, Plant and Equipment is provided based on the useful lives of the assets as estimated by the Management, which are in line with Schedule II to the Companies Act, 2013

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered (Years)
Buildings	SLM	30 - 60
Plant and Equipment	SLM	5-25
Furniture and Fittings	SLM	10
Vehicles	SLM	8-10
Computers	SLM	3
Office Equipment	SLM	5

d) Impairment of non-financial assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or have decreased. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

e) Leases:

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Classification on inception of lease:

a. Operating lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

b. Finance Lease:

A lease is classified as a financial lease where the lessor transfers substantially all the risks and rewards incidental to the ownership of the leased item.

Accounting of Operating leases:

a. Where the Company is the lessee:

Lease payment in case of operating leases are charged to profit and loss statement on Straight Line Basis over the lease term. In case the escalation in operating lease payments are in line with the expected general inflation rate then the lease payments are charged to statement of profit and loss instead of straight-line method.

b. where the Company is the lessor:

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc., are added to the carrying amount of the leased asset and recognised as an expense over the lease term.

f) Inventories:

i. Raw Materials, Stores and Spares and Consumables are stated at lower of Cost and Net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost in which they will be incorporated and expected to be sold at or above cost. Cost is determined on FIFO basis.

ii. Work-in-progress and finished goods are stated at the lower of cost and net realizable value.

iii. Cost includes direct materials, labour and a proportion of manufacturing overheads based on actual production. Cost is determined on FIFO basis.

iv. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Revenue recognition:

Revenue from contracts with customers includes Sale of Goods and Services and is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Revenue is measured at the fair value of consideration received or receivable and is recognized when the control in all respects, over the Goods or Services is transferred to and accepted by the customer and the company has not retained any significant risks of ownership and future obligations with respect to such Goods or Services. Specifically, the following basis is adopted for various sources of income:

i. **Sale of goods:** Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and is disclosed net off discounts, taxes collected and returns.

ii. **Income from Services:** Revenue is recognized as and when the Services are rendered as per the terms of individual Service Contract.

iii. **Interest:** Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. **Other Sundry incomes:** Insurance claims, conversion escalations are accounted for on accrual basis.

h) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund/Employee State Insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. The company operates a gratuity plan which is in the nature of defined benefit obligation. The company's liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".
- iii. Gratuity liability is considered as post-employment benefit expense as per Ind AS -19. Accordingly, re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.
- iv. Accumulated leaves, which are expected to be utilised within the next twelve months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

j) Earnings Per Share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

k) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

l) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent assets or contingent liabilities.

m) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

n) Prior period items:

In case prior period adjustments are material in nature the company prepares restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods shown under respective items in the Statement of Profit and Loss.

o) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Segment Reporting:

Identification of Segments:

The company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate. Operating Segments are reported in a manner consistent with internal reporting provided to the Executive Manager/ Chief Operating Decision Maker (CODM).

The Board of Directors of the company has identified Managing Director as the CODM.

Allocation of Common Costs:

Common allocable costs are allocated to each segment according to relative contribution of each segment to the total common costs.

Unallocated Items:

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

q) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

a. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

b. Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in to following categories

- a. Debt instruments at amortised cost
- b. Debt Instruments at fair value through profit and loss (FVTPL)
- c. Equity instruments at fair value through profit and loss (FVTPL)

a. Debts Instruments at amortised cost:

A 'Debt Instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

b. Debt Instruments at Fair value through profit and loss (FVTPL):

As per the Ind AS 101 and Ind AS 109, the Company is permitted to designate the previously recognised financial asset at initial recognition irrevocably at fair value through profit and loss on the basis of fact and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

c. Equity instruments at fair value through profit and loss (FVTPL):

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

c. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

d. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial instruments.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as an adjustment from the specific financial asset.

Financial liabilities:

a. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss. The company does not designate any financial liability at fair value through profit or loss.

ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. Financial liability with maturity of less than one year is shown at transaction value.

c. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Reclassification:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

r) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- in the principal market for such asset or liability, or
- in the absence of a principal market, in the most advantageous market which is accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- c. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

GALADA POWER AND TELECOMMUNICATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4. PROPERTY, PLANT AND EQUIPMENT

Amount in ₹											
S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2019	ADDITIONS	DEDUCTIONS	AS AT 31.03.2020	UP TO 31.03.2019	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
1	Land	9,602,141	-		9,602,141	-	-	-	-	9,602,141	9,602,141
2	Buildings:										
	Factory	52,482,874	-	-	52,482,874	31,378,365	1,567,459	-	32,945,824	19,537,050	21,104,509
	Office	7,171,508	-		7,171,508	2,645,099	112,136	-	2,757,235	4,414,273	4,526,409
3	Plant and Equipment	206,610,920	-	-	206,610,920	166,489,935	5,026,386	-	171,516,321	35,094,599	40,120,985
4	Furniture and Fixtures	988,547	-	-	988,547	943,218	618	-	943,836	44,711	45,329
5	Vehicles	1,701,629	-	-	1,701,629	1,227,726	208,379	-	1,436,105	265,524	473,903
6	Office Equipment	1,075,643	-	-	1,075,643	975,941	27,925	-	1,003,866	71,777	99,702
7	Data Processing Equipment	1,026,328	-	-	1,026,328	1,026,328	-	-	1,026,328	-	-
	Total	280,659,590	-	-	280,659,590	204,686,612	6,942,903	-	211,629,515	69,030,075	75,972,978
	Previous Year	283,433,474	-	2,773,884	280,659,590	198,015,736	7,216,835	545,959	204,686,612	75,972,978	85,417,738

GALADA POWER AND TELECOMMUNICATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
5	Other financial assets - Non Current:		
	Security Deposits	45,000	141,962
	Bank Deposits for Power Supply	-	3,250,000
	Prepaid Lease Rentals	-	44,914
	Total	45,000	3,436,876
6	Deferred Taxes:		
	<i>Net deferred tax asset/ (liability) not recognised in Balance Sheet</i>		
	Accelerated depreciation	(9,845,366)	(10,659,843)
	Other disallowances	27,421,323	24,989,442
	Carry forward Losses	65,108,282	61,718,279
	Total	82,684,239	76,047,878
	In terms of Indian Accounting Standard (Ind AS 12) - "Income Taxes" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, there is a net deferred tax asset as on 31st March 2020. In the absence of convincing evidence regarding the availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to temporary differences and unused tax losses at present.		
7	Inventories:		
	At Cost:		
	Stores and Spares	1,536,957	2,216,431
	Total	1,536,957	2,216,431
8	Trade Receivables:		
	Unsecured, Considered Good		2,034,826
	Total	-	2,034,826
9	Cash and cash equivalents:		
	Balances with Banks		
	on Current Accounts	2,168,319	790,210
	Cash on Hand	447	42,544
	Total	2,168,766	832,754
10	Other financial assets - Current:		
	Claims receivable	1,326,874	1,326,874
	Total	1,326,874	1,326,874

GALADA POWER AND TELECOMMUNICATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
11 Other Current Assets:			
	Advance for Purchases and Expenses	-	7,564
	Balance with Statutory Authorities	15,142,454	14,816,075
	Prepaid Expenses	18,378	225,043
	Accrued Conversion Charges	-	465,897
	Prepaid Lease Rentals	-	13,475
	Total	15,160,832	15,528,054
12 Equity Share Capital:			
	Authorised Share Capital		
	10,900,000 Equity Shares of ₹ 10/- each	109,000,000	109,000,000
	10,000 - 9.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	Total	110,000,000	110,000,000
	Issued and Subscribed:		
	7,489,880 Equity Shares of ₹ 10/- each	74,898,800	74,898,800
	10,000 - 9.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	1,000,000	1,000,000
	Total	75,898,800	75,898,800
	Paid up:		
	7,489,880 Equity Share of ₹ 10/- each	74,898,800	74,898,800
	Total	74,898,800	74,898,800
	Reconciliation of the shares outstanding at the beginning and at the end of respective years:		
	In no. of Shares		
	At the Beginning and at the end of the year	7,489,880	7,489,880
	In value of Shares - ₹		
	At the Beginning and at the end of the year	74,898,800	74,898,800
	Rights attached to the Equity Shares		
	The company has only one class of equity shares having a face value of ₹ 10/- per share with one vote per each share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	Details of Shareholders holding morethan 5% shares in the company		
	Equity Shares of ₹ 10/- each fully paid:		
	M/s Industrial Development Bank of India, - In No.'s	626,086	670,964
	- In %	8.36	8.96
	M/s. DD Investment and Leasing Private Limited - In nos	498,136	498,136
	- In %	6.65	6.65

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
13	Other Equity:		
	Capital Redemption Reserve:		
	At the beginning and at the end of the year	100,000	100,000
	Shares Forfeited:		
	At the beginning and at the end of the year	7,500,000	7,500,000
	Securities Premium:		
	At the beginning and at the end of the year	137,336,800	137,336,800
	Capital Reserve:		
	At the beginning and at the end of the year	339,242,926	339,242,926
	Surplus in Statement of Profit and Loss		
	At the beginning of the year	(1,031,824,886)	(997,063,515)
	Profit for the year	(38,286,588)	(34,761,371)
	At the end of the year	(1,070,111,474)	(1,031,824,886)
	Other Comprehensive Income		
	On Actuarial Gain/(loss) on post employment benefits		
	At the beginning of the year	670,091	732,739
	for the year	88,789	(62,648)
	At the end of the year	758,880	670,091
	Total	(585,172,868)	(546,975,069)
14	Borrowings - Non Current:		
	Term Loans: (Secured)		
	From Financial Institutions		
	Edelweiss Asset Reconstruction Company Limited	6,864,000	6,864,000
	Less: Current maturities	6,864,000	6,864,000
		-	-
	Stressed Assets Stabilisation Fund	149,700,000	149,700,000
	Less: Current maturities	149,700,000	149,700,000
		-	-
	Unit Trust of India	5,000,000	5,000,000
	Less: Current maturities	5,000,000	5,000,000
		-	-
	Total	-	-

GALADA POWER AND TELECOMMUNICATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
15 Provisions - Non Current:			
	Provision for employee benefits		
	Provision for Gratuity (refer Note No:35)	1,118,953	1,728,063
	Provision for compensated absences	297,566	383,851
	Total	1,416,519	2,111,914
16 Borrowings - Current:			
	Secured		
	Working Capital Loans:		
	Cash Credit from Syndicate Bank	264,135,400	264,135,400
	Unsecured		
	Other Loans:		
	from directors	1,680,640	1,680,640
	Total	265,816,040	265,816,040
17 Trade Payables - Current:(refer Note : 33)			
	For Supplies and Services		
	Related parties	361,517	361,517
	Others	26,535,268	20,818,344
	Total	26,896,785	21,179,861
18 Other financial liabilities - Current:			
	Salaries and Wages payable		
	Directors	1,782,419	1,223,019
	Others	13,814,094	8,680,202
	Security Deposits		
	Others	3,268,874	1,300,000
	Current maturities of long term borrowings		
	Interest Free Sales Tax Loan	311,190	311,190
	Sales Tax Deferment	6,710,843	6,710,843
	Edelweiss Asset Reconstruction Company Limited	6,864,000	6,864,000
	Stressed Assets Stabilisation Fund	149,700,000	149,700,000
	Unit Trust of India	5,000,000	5,000,000
	Interest accrued and due on Term Loans	100,694,971	88,900,156
	CIRP Fund payable	2,660,145	-
	Interest on CIRP Fund	91,127	-
	Unpaid Dividends	11,556,699	11,556,699
	Other Payables	1,274,622	1,117,536
	Total	303,728,984	281,363,645

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2020	As at 31.03.2019
19	Other current liabilities:		
	Other liabilities:		
	Sales Tax Payable	113,500	113,500
	GST Payable	171,881	428,228
	Withholding Taxes payable	404,516	68,973
	Other Statutory dues	564,935	632,216
	Total	1,254,832	1,242,917
20	Provisions - Current:		
	Provision for employee benefits		
	Provision for Gratuity (refer Note: 35)	1,763,955	3,023,902
	Provision for compensated absences	804,221	806,553
	Total	2,568,176	3,830,455
21	Contingent Liabilities and Commitments:		
	Contingent Liabilities		
	Claims against the Company not acknowledged as debts		
	i. Claims Made by Ex-Employees of the Company	105,838,413	105,838,413
	ii. Claims Made by Transporters on the Company	940,172	940,172
	iii. Claims Made by Vendors on the Company	702,576	702,576
	iv. Sales Tax Claims	1,464,688	1,464,688
	Claims made by Term Lenders (refer Note:30)	21,023,818,150	8,421,977,972
	Claims made by Operational creditors and Others (refer Note:30)	36,817,926	-
	Total	21,169,581,925	8,530,923,821

Notes:

- i. There was a settlement with the Recognised Labour Union Viz., "GPTL Karmika Sangam" in the year 2001 and the settlement amount was paid and accepted by the workmen. The settlement covered 214 workmen against which 205 workmen accepted the payment. Out of 205 workmen, 139 workmen have filed for a further claim in 2017 before the Additional Labour Court alleging that the Company misled the workmen with the support of the President of Union. The case is in the hearing stage. Though the remaining 9 workmen were also part of the Recognised Union refused to accept the payment and abide by the terms of the settlement. The claim made by them towards the arrears of the emoluments is disputed by the Company and pending with the Hon'ble High Court of erstwhile AP.
- ii. Represents the claims made by the transporters on the company towards interest on the arrears of transport charges which is disputed by the company.
- iii. Represents interest claim made by the vendors on the company on delayed payments which is disputed by the company.
- iv. The sales made by Silvassa Unit were exempt from Sales Tax. During the assessment proceedings relating to the years 2008-09 and 2009-10 the company could not submit some of the C Forms and the assessment was completed based on the court direction with a stipulation that if any liability arises on account of non submission of C Forms to the extent of ₹ 1,464,688/- (including interest of ₹ 134,565/-)the same is to be discharged by the company.

GALADA POWER AND TELECOMMUNICATION LIMITED

CIN No: L64203TG1972PLC001513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		for the year ended 31.03.2020	for the year ended 31.03.2019
22	Revenue from Operations:		
	Sale of Services		
	Conductor Conversion Charges	107,172	36,481,760
	Total	107,172	36,481,760
23	Other Income:		
	Interest Income		
	on bank deposits	57,900	228,215
	on Income Tax	-	101,520
	on Financial Assets	5,613	6,557
	Other Non-operating Income (net of expenses)		
	Gain on Sale of Property, Plant and Equipment (Net)	-	8,112,074
	Credit balances written back	-	800,025
	Miscellaneous Income	1,935,970	758,704
	Total	1,999,483	10,007,095
24	Employee Benefits Expense:		
	Salaries, Wages and Bonus	7,572,689	15,754,169
	Contribution to Provident and Other Funds	248,813	915,201
	Staff Welfare Expenses	57,322	244,037
	Gratuity	411,182	555,487
	Total	8,290,006	17,468,894
25	Finance costs		
	Interest	11,885,942	23,417,349
	Total	11,885,942	23,417,349

GALADA POWER AND TELECOMMUNICATION LIMITED

CIN No: L64203TG1972PLC001513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

S.No	PARTICULARS	Amount in ₹	
		for the year ended 31.03.2020	for the year ended 31.03.2019
26	Depreciation and amortisation expense:		
	Depreciation on Property ,Plant and Equipment	6,942,903	7,216,835
	Total	6,942,903	7,216,835
27	Other expenses:		
	Stores Consumed	15,753	3,188,748
	Contract Labour	-	10,308,346
	Freight and Transport	1,490	47,280
	Rates and Taxes	249,098	222,733
	Power and Fuel	1,284,428	10,570,817
	Rent	705,053	421,065
	Amortisation of Prepaid Lease Rentals	3,864	8,306
	Bank charges and commission	37,335	13,384
	Insurance	178,239	137,599
	Travelling and Conveyance	491,182	1,616,688
	Vehicle Maintenance	115,185	570,576
	Legal and Professional Charges	4,373,878	939,192
	Payments to Auditors		
	as auditors	100,000	100,000
	for certification	14,000	14,000
	for Other Services	75,000	-
	Repairs and Maintenance to:		
	Machinery	29,200	1,051,229
	Office Buildings	74,260	107,841
	Other Assets	55,504	86,556
	Security Charges	1,898,825	2,186,289
	Deposits Written Off	8,600	-
	Liability for third Party materials	1,784,776	-
	Redundant Inventory Written off	650,478	-
	Miscellaneous Expenses	1,128,244	1,556,499
	Total	13,274,392	33,147,148
28	Other comprehensive income:		
	Actuarial Gain/(Losses) on Gratuity Expense for the year	88,789	(62,648)
	Deferred Taxes on above	-	-
	Total	88,789	(62,648)
29	Earnings Per Equity Share:		
	Total Comprehensive Income for the year	(38,197,799)	(34,824,019)
	Weighted average number of equity shares of ₹ 10/- each	7,489,880	7,489,880
	Earnings per share of par value ₹ 10/- per share	(5.10)	(4.65)

30. Consequent to the commencement of **Corporate Insolvency Resolution Process (CIRP)** under Insolvency and Bankruptcy Code, 2016, all the legal Proceedings initiated by Financial Institutions and Banks were stalled. The **Resolution Professional (RP)** has received various Claims from financial creditors, operational creditors, employees and other creditors. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending the outcome of CIRP, accounting impact in the books of account has not been considered in respect of excess, short or non-receipt of claims from operational and financial creditors. The difference between claims received by RP and the amounts already reflected in the books of account aggregating to ₹ 2,106.06 crores is not provided in the books of account. Further, interest on claims of Financial creditors aggregating to ₹ 1.19 crores was also not provided with effect from October 1, 2019 to March 31, 2020
31. The Company declared dividend for the year 1995-96 in the Annual General Meeting held on 30.12.96 and unpaid amount of ₹ 115,56,699/- has become due for transfer to Investor Education and Protection Fund. The Company has not complied with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special bank account and the interest payable for such noncompliance amounting to ₹ 318.69 lakhs up to 31st March 2019 and ₹ 13.91 lakhs for the year is not provided in the books of account. However, the Company is of the opinion that the said Provisions are not applicable to the Company, as the same is payable to the shareholders as per its rehabilitation proposal as payable at a later date.
32. Appointment and payment of Managerial Remuneration:
- a. The reappointment of Executive Director with effect from 01.04.2002 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to ₹ **11,722,515/-** and accordingly the provisions of Section 309(5A) of the Companies Act, 1956 are applicable. However, the said amount is charged to the profit and loss account as managerial remuneration, as the management is of the view that the said provisions are not applicable to the Company, as the matter is a part of Rehabilitation Scheme referred to **BIFR under** the Sick Industrial Companies (Special Provisions) Act, 1985.
- Payment of remuneration to the Executive Director with effect from 01.04.2017 amounting to ₹ **1,549,260/-** (including for Current year ₹ **315,583/-**) is subject to the approval of the Central Government, as per the provisions of the Section 197 of the companies Act, 2013 read with schedule V, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment.
- b. The appointment of Managing Director with effect 01.01.2006 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to ₹ **9,701,839/-** and accordingly the provisions of Section 309(5A) of the Companies Act, 1956 are applicable. However, the said amount is charged to the profit and loss account as managerial remuneration, as the management is of the view that the said provisions are not applicable to the Company, as the matter is a part of Rehabilitation Scheme referred to **BIFR under** the Sick Industrial Companies (Special Provisions) Act, 1985.

Payment of remuneration to the Managing Director with effect from 01.01.2015 amounting to ₹ 4,721,895/- (including for Current year ₹ 315,401/-) is subject to the approval of the Central Government, as per the provisions of the Section 197 of the companies Act, 2013 read with schedule V, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment.

33. Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” and relied upon by the Auditors. During the year, there were no transactions with Micro and Small Enterprises; hence the disclosures as per Micro, Small and Medium Enterprise Development Act, 2006, are not applicable to the Company for the time being.

34. **Movements in Provisions:**

Amount in ₹

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gratuity: (Refer Note:35 also)		
At the beginning of the year	4,751,965	4,133,830
Charge for the year	322,393	618,135
Released during the year	(2,191,450)	--
At the end of the year	2,882,908	4,751,965
Compensated Absences:		
At the beginning of the year	1,190,404	1,370,151
Charge for the year	(14,863)	7,358
Released during the year	(73,754)	(187,105)
At the end of the year	1,101,787	1,190,404

35. Retirement and other Benefit Obligations:

Amount in ₹

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
A.	Defined Contribution Plan (Expenses)		
	Contribution to Provident Fund	239,096	897,587
	Contribution to Employee State Insurance	9,717	17,614
B.	Post – employment Defined Benefit Plan (Gratuity)		
1.	Movement in Obligation		Amount in ₹
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Present Value of Obligation at the beginning of year	5,664,234	6,799,978
	Current Service Cost	133,198	217,878
	Past Service Cost	--	--
	Interest Cost	325,667	469,791
	Benefits Paid	(2,761,673)	(1,855,177)
	Actuarial (Gain)/Loss on Obligation	(85,556)	31,764
	Present Value of Obligation at the end of year	3,275,870	5,664,234
2.	Changes in fair value of plan assets		
	Particulars		
	Opening fair value of plan assets	912,269	2,666,148
	Expected return on plan assets	47,683	132,183
	Re-measurements – return on Plan Assets	3,232	(30,884)
	Contributions by employer	2,191,451	--
	Benefits paid (including transfer)	(2,761,673)	(1,855,177)
	Closing fair value of plan assets	392,962	912,269
3.	Expenses recognised in Profit and Loss Statement:		
	Particulars		
	Current Service Cost	133,198	217,878
	Interest Cost on Obligation	325,984	469,791
	Expected return on plan assets	(47,683)	(132,183)
	Past Service Cost	--	--
	Expense for the year	411,182	555,487
4.	Recognised in Other Comprehensive Income:		
	Particulars		
	Actuarial (gain)/loss arising during year	(85,556)	31,764
	Re-measurements – return on Plan Assets	(3,232)	30,884
	Total Expenditure/(income) recognised	(88,789)	62,648

5.	Amount Recognised in Balance Sheet	Amount in ₹	
	Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	Defined benefit obligation	3,275,870	5,664,234
	Fair value of plan assets	(392,962)	(912,269)
	Plan (Asset) / Liability	2,882,908	4,751,965

6. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:			
a.	Attrition Rate	PS: 0 to 40: 5 %	PS: 0 to 40: 5 %
b.	Discount Rate	6.78%	7.60%
c.	Expected Rate of Increase in Salary	4.00%	4.00%
d.	Retirement Age	58 years	58 years
e.	Mortality Rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
f.	Expected Average remaining working lives of employees (years)	10.97	13.75

7.	Sensitivity Analysis		Amount in ₹	
	Sensitivity	Change	Effects on obligation	
	Discount Rate	+1%	(79,570)	(118,465)
		-1%	87,500	129,946
	Salary Escalation Rate	+1%	111,343	175,006
		-1%	(103,985)	(164,074)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Amount in ₹			
6.	Expected Payout - Gratuity	Amount in ₹	
		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	Expected payments – 1st Year	1,763,955	3,023,902
	Expected payments – 2nd Year	103,641	188,027
	Expected payments – 3rd Year	902,180	1,446,115
	Expected payments – 4th Year	56,624	866,385
	Expected payments – 5th Year	56,230	65,378
	Expected payments – 6th year to 10th Year	543,881	574,662

7. Other Information:**i. Plan Assets:**

The plan assets are invested in a special fund managed by Life Insurance Corporation of India. Expected Return on Assets is based on rate of return declared by fund managers.

ii. Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year but using a member's final compensation projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

iii. Expected average remaining service Vs. Average Remaining Future Service:

The average remaining service can be arithmetically arrived by deducting current age from normal retirement age whereas the expected average remaining future service is arrived actuarially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

iv. Current and Non- Current Liability:

The total of current and non-current liability must be equal with the total of PVO (Present value obligation) at the end of the period. It has been classified in terms of "Schedule III of the Companies Act 2013.

Accordingly, below is the Current and Non-Current classification of Gratuity and Compensated Absences:

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
<u>Gratuity: -</u>		
a. Current Portion	1,763,955	3,023,902
b. Non-current portion	1,118,953	1,728,063
<u>Compensated Absences: -</u>		
a. Current Portion	804,221	806,553
b. Non-current portion	297,566	383,851

- v. The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is as certified by an actuary.

36. Income tax expense and Deferred Taxes

Amount in ₹

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Income Tax Expense: -			
a.	Current Tax	--	--
b.	Deferred Tax (arising on temporary differences)	--	--
Total Tax Expense for the year		--	--

Amount in ₹

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Effective Tax Reconciliation: -			
a.	Net Profit/(Loss) before taxes	(38,197,799)	(34,824,019)
b.	Tax rate applicable to the company as per normal provisions	26.00%	26.00%
c.	Tax expense on net profit (c = a*b)	NIL	NIL
d.	Tax as per normal provision under Income tax (c + d)	NIL	NIL

37. Fair Value of financial instruments:

Amount in ₹

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets: -		
At Amortised Cost		
Security Deposits	45,000	141,962
Carrying Value		
Security Deposits	45,000	202,100
Financial Liabilities: -		
At Amortised Cost		
Repayable Security Deposits	3,268,874	1,300,000
Rupee Term Loans	161,564,000	161,564,000
Short term Borrowings	264,135,400	264,135,400
Carrying Value		
Repayable Security Deposits	3,268,874	1,300,000
Rupee Term Loans	161,564,000	161,564,000
Short term Borrowings	264,135,400	264,135,400

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current assets/liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

Fair value of and security deposits have been calculated by discounting future cashflows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

a. Interest free Security Deposits (assets):

The carrying value is assumed to be the fair value of all non-current Security Deposits with no repayment terms.

b. Repayable Security Deposits (liabilities):

Since all the Security Deposits are current in nature the carrying value is assumed to be the fair value of such advances.

d. Rupee Term Loans:

Since all the Rupee Term Loans are either overdue or are current in nature as at the reporting dates, the carrying value is assumed to be the fair value of such term loans.

e. Short Term Borrowings:

Since the short-term borrowings are current in nature and overdue, the carrying value is assumed to be the fair value of such borrowings.

38. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Total	Fair Value measurement using	
		Quoted prices in active markets	Significant observable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	45,000	--	45,000
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	3,268,874	--	3,268,874
Rupee Term Loans	161,564,000	--	161,564,000
Short Term Borrowings	264,135,400	--	264,135,400

Amount in ₹

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Amount in ₹

Particulars	Total	Fair Value measurement using	
		Quoted prices in active markets	Significant observable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	141,962	--	141,962
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	1,300,000	--	1,300,000
Rupee Term Loans	161,564,000	--	161,564,000
Short Term Borrowings	264,135,400	--	264,135,400

39. Segment Information:

The executive management of company monitors the operating results of its business as a single unit for the purpose of resource allocation and performance assessment which is "Manufacture of Aluminum conductors and other allied products". Hence segment information is not applicable.

Entity Wide Disclosures:

Amount in ₹

Revenue from external customers	For the year ended March 31, 2020	For the year ended March 31, 2019
India	107,172	36,481,760
Outside India	--	--
Total	107,172	36,481,760
Revenue from One Customer	73,401	30,441,376

Non-Current Operating Assets	As at March 31, 2020	As at March 31, 2019
India	69,030,075	75,972,978
Outside India	--	--
Total	69,030,075	75,972,978

for Non-Current Operating assets, financial instruments, deferred tax assets, post-employment benefit assets have been excluded.

40. The details of related party transactions in terms of Accounting Standard (AS 18) are as follows:

a. Names of related parties and relation with the company:

i. Key Management Personnel:

Sri Dharam Chand Galada	Managing Director
Sri Devendra Galada	Executive Director

ii. Relatives of Key Management Personnel:

Smt. Snehalata Galada	Wife of Managing Director
Sri Shail Galada	Son of Managing Director
Sri Shashi Galada	Son of Managing Director
Sri Ewanth Kumar Parekh	Son - in - law of Managing Director

b. Particulars of Transactions during the year:	31.03.2020	31.03.2019
	₹	₹
Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	315,401	654,549
Un-Secured loan taken	--	650,000
Un-Secured loan repaid	--	159,586
Interest paid on Un-Secured loan	--	809,586
Sri Devendra Galada		
Managerial Remuneration	315,583	542,080
Un-Secured loan taken	--	6,035,000
Un-Secured loan repaid	--	6,035,000
Relatives of Key Management Personnel		
Sri Ewanth Kumar Parekh		
Remuneration	677,852	1,174,840
c. Balances due from / (due to) as at the year end		
Sri Dharam Chand Galada	(2,679,579)	(2,265,564)
Sri Devendra Galada	(1,116,221)	(772,812)
Smt. Snehalata Galada	(226,800)	(226,800)
Sri Ewanth Kumar Parekh	(1,811,556)	(1,133,704)

41. Financial Risk Management objectives and policies:

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial markets and seek to where appropriate minimize potential adverse effects on the financial performance of the company and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents are derived from its operations

The company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the mitigation of the risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management / board reviews and agrees policies for managing each of these risks, which are summarized below.

i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include loans and advances and deposits.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Borrowings, loans and advances given by the company and Cash and Cash equivalents.

Since all the company's long-term debt obligations are either overdue or payable within the next twelve months as at the respective reporting dates, the company is not exposed to significant interest risk.

b. Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

As there were no transactions denominated in foreign currencies in any of the reporting periods, the company is not exposed to any foreign currency risk as at the respective reporting dates.

c. Other price risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The company based on working capital requirement keeps its liquid funds in current accounts. The company doesn't have any significant other price risk.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and term deposits) the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

a. Exposure to credit risk:

At the end of the reporting period the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and term deposits that are neither past due nor impaired are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Amount in ₹			
	On demand	< 12 months	1 to 5 years	Total
Year ended 31 March, 2020				
Borrowings – Non-Current	161,564,000	--	--	161,564,000
Borrowings – Current	265,816,040	--	--	265,816,040
Trade Payables	26,896,785	--	--	26,896,785
Other financial liabilities	303,728,984	--	--	303,728,984
Year ended 31 March, 2019				
Borrowings – Non-Current	155,756,000	5,808,000	--	161,564,000
Borrowings – Current	265,816,040	--	--	265,816,040
Trade Payables	--	21,179,861	--	21,179,861
Other financial liabilities	278,946,109	2,417,536	--	281,363,645

Excessive Risk Concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Capital Management:

Capital includes equity attributable to the equity holders of the company. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is, debt divided by total capital plus debt. The Company's policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

₹ in lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
Total Borrowings #	427,380,040	427,380,040
Net Debt	427,380,040	427,380,040
Equity	74,898,800	74,898,800
Other Equity	(585,172,868)	(546,975,069)
Total Equity	(510,274,068)	(472,076,269)
Gearing ratio	(5.16)	(9.56)

Total Borrowings include Long Term borrowings, short term maturities of long term borrowings and working capital loans like Cash Credit and Buyers Credit.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2020 and 31 March, 2019.

per our report of even date

for K. S. Rao & Co.,

Chartered Accountants

Firms' Registration Number: 003109S

V SUBRAMANIAN

Vice President, Secretary & CFO

T. SUKESH KUMAR

Partner

Membership Number: 229963

NITIN PANCHAL

Resolution Professional

Place : Hyderabad

Date : October 23,2020