GALADA POWER AND TELECOMMUNICATION LTD

P2/6 IDA BLOCK 111 UPPAL HYDERABAD TELENGANA 500039
Corporate Identity Number:L64203TG1972PLC001513; Tel.Nos.040-27766225/226
E-mail I.D: fa@galadapower.com; Website:www.galadapower.com

AUDITED STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2021

Amount in Rs/Lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(UNAUDITED)			AUDITED	
I.	Revenue from Operations					
	(a) Net Sales/Income from Operations	-	-	-	-	1
	(b) Other Operating Income	-	-	-	-	-
II.	Other Income:					
	a) Gain/(loss) of foreign exchange transactions	-	-	-	-	-
	b) Others	-	-	-	2	20
III.	Total Revenue (I+II)	-	-	-	2	21
IV.	Expenses					
	(a) Cost of Materials consumed	-	-	-	-	-
	(b) Purchase of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods,	-	-	-	-	-
	(d) Other direct expenses	-	-	-	-	-
	(e) Employee benefits expense	11	11	6	45	83
	(f) Finance Costs	5	4	1	15	119
	(g) Depreciation and amortisation expense	11	17	17	62	69
	(h) Other expenses	22	20	32	85	133
	Total Expenses (a to h)	49	52	56	207	404
V.	Profit before exceptional and extraordinary items and tax (III-	(49)	(52)	(56)	(205)	(383)
VI.	Exceptional Item - Income/(Expenditure)	(24)	-	-	(24)	-
VII.	Profit before extraordinary items and tax (V-VI)	(73)	(52)	(56)	(229)	(383)
VIII.	Extraordinary items	-	-	-	-	-
IX.	Profit before tax (VII-VIII)	(73)	(52)	(56)	(229)	(383)
X	Tax expense					
	- Current Tax	-	-	-	-	-
	- Deferred Tax	-	-	-	-	-
	- Earlier Years	-	-	-	-	-
	- MAT Credit Entitlement	-	-	-	-	-
	Net Tax	-	-	-	-	-
XI.	Net Profit/(Loss) from ordinary activities after tax (IX-X)	(73)	(52)	(56)	(229)	(383)
XII.	Net Profit/(Loss) attributable to :	(73)	(52)	(56)	(229)	(383)
	- Non-controlling interest	-	-	-	-	-
XIII.	Total other comprehensive income, net of income tax	1	-	3	2	1
XIV.	Total comprehensive income for the period	(72)	(52)	(53)	(227)	(382)
XV.	Net Profit/(Loss) attributable to :	(72)	(52)	(53)	(227)	(382)
	- Non-controlling interest	-	-	-	-	-
XVI	Paid-up equity share capital (Face value:Rs.10/-per share)	748.99	748.99	748.99	748.99	748.99
XVII	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	(6,079)	(5,852)
XVIII	Earnings per Share (of Rs.10/-each)[not annualised]					
	(a) Basic	(0.96)	(0.69)	(0.71)	(3.03)	(5.10)
	(b) Diluted	(0.96)	(0.69)	(0.71)	(3.03)	(5.10)
	(Calculated on net profit for the period attributable to Shareholders of the Company)					

Contd...2.

STATEMENT OF ASSETS AND LIABILITES

Sl No	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
A	**ASSETS**		
1.	**Non Current Assets**		
	a) Property, Plant and Equipment	605	690
	b) Financial Assets		
	Other financial assets	-	1
		605	**691**
2.	**Current Assets**		
	(a) Inventories	9	15
	(b) Financial Assets		
	(i) Trade receivables	-	-
	(ii) Cash and cash equivalents	6	22
	(iii) Bank balances other than above	-	-
	(iv) Others financial assets	13	13
	(c) Current Tax Assets (Net)	2	21
	(d) Other current assets	164	152
	Total Current Assets	194	223
	TOTAL ASSETS	**799**	**914**
B	**EQUITY AND LIABILITIES**		
1.	**Equity**		
	(a) Equity share capital	749	749
	(b)Other equity	(6,079)	(5,852)
	Total Equity	**(5,330)**	**(5,103)**
2.	**Liabilities**		
	Non-current liabilities		
	(a) Financial Liabilities		
	Borrowings	-	-
	(c) Provisions	15	14
	Total Non Current Liabilities	**15**	**14**
	Current Liabilities		
	a) Financial Liabilities		
	(i) Borrowings	2,658	2,658
	(ii) Trade payables	260	269
	(iii) Other financial liabilities	3,159	3,037
	(b) Other Current Liabilities	9	13
	(c) Provisions	28	26
	Total Current Liabilities	**6,114**	**6,003**
	TOTAL EQUITY AND LIABILITIES	**799**	**914**

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V.Subramanian
CFO & Secretary

Place : Hyderabad
Date : 31.07.2021

Nitin V Panchal
Resolution Professional

28. 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 ₹ 2,106.48 crores are not provided in the books of account. Further, interest on claims of financial creditors aggregating to Rs. 3.25 crores from 01.10.2019 to 31.03.2021 including Rs. 2.06 crores for the year ended 31.03.2021 is not provided in the books of account.

29. During the month of July 2020, theft was detected in the Silvassa unit of the company and internal parts of certain machines were stolen. As the company's insurance policies in force do not cover the burglary, the company could not file an insurance claim for the same. Hence, the loss caused by theft being the written down value (WDV) of the parts stolen is charged to the statement of profit and loss as an exceptional item.

30. 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 2021. 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.

31. Considering the Request for Resolution Plan (RFRP) which contemplates the revival of operations, the company is of the view that it can fully utilise the balance lying in the GST input account grouped under the balance with statutory authorities.

32. 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 ₹ 332.60 lakhs up to 31st March 2020 and ₹ 13.87 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.

33. 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/- 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/- 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.

34. 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.

35. Movements in Provisions: **Amount in ₹**

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Gratuity: (Refer Note: 36 also)		
At the beginning of the year	2,882,908	4,751,965
Charge for the year	141,429	322,393
Released during the year	(2,372)	(2,191,450)
At the end of the year	**3,026,709**	**2,882,908**
Compensated Absences:		
At the beginning of the year	1,101,787	1,190,404
Charge for the year	137,730	(14,863)
Released during the year	--	(73,754)
At the end of the year	**1,239,517**	**1,101,787**

36. Retirement and other Benefit Obligations: **Amount in ₹**

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Defined Contribution Plan (Expenses)**		
	Contribution to Provident Fund	160,958	239,096
	Contribution to Employee State Insurance	8,712	9,717

B. Post – employment Defined Benefit Plan (Gratuity)

1. Movement in Obligation **Amount in ₹**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present Value of Obligation at the beginning of year	3,275,870	5,664,234
Current Service Cost	136,208	133,198
Past Service Cost	--	--
Interest Cost	222,104	325,667
Benefits Paid	--	(2,761,673)
Actuarial (Gain)/Loss on Obligation	(187,719)	(85,556)
Present Value of Obligation at the end of year	**3,446,463**	**3,275,870**

2. Changes in fair value of plan assets

Particulars		
Opening fair value of plan assets	392,962	912,269
Expected return on plan assets	26,643	47,683
Re-measurements – return on Plan Assets	2,522	3,232
Contributions by employer	--	2,191,451
Benefits paid (including transfer)	(2,373)	(2,761,673)
Closing fair value of plan assets	**419,754**	**392,962**

3. Expenses recognised in Profit and Loss Statement:

Particulars		
Current Service Cost	136,208	133,198
Interest Cost on Obligation	222,104	325,984
Expected return on plan assets	(26,643)	(47,683)
Past Service Cost	--	--
Expense for the year	**331,669**	**411,182**

4. Recognised in Other Comprehensive Income:

Particulars		
Actuarial (gain)/loss arising during year	(187,719)	(85,556)
Re-measurements – return on Plan Assets	(2,522)	(3,232)
Total Expenditure/(income) recognised	**(190,241)**	**(88,789)**

5.	**Amount Recognised in Balance Sheet**		**Amount in ₹**
	Particulars	**For the Year Ended March 31, 2021**	**For the Year Ended March 31, 2020**
	Defined benefit obligation	3,446,463	3,275,870
	Fair value of plan assets	(419,754)	(392,962)
	Plan (Asset) / Liability	**3,026,709**	**2,882,908**

6.	**Actuarial Assumptions for estimating Company's Defined Benefit Obligation:**		
	a. Attrition Rate	5%	5 %
	b. Discount Rate	6.31%	6.78%
	c. Expected Rate of Increase in Salary	4.00%	4.00%
	d. Retirement Age	58 years	58 years
	e. Mortality Rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.
	f. Expected Average remaining working lives of employees (years)	10.10	10.97

7.	**Sensitivity Analysis**			**Amount in ₹**
	Sensitivity	**Change**	**Effects on obligation**	
	Discount Rate	+1%	(75,496)	(79,570)
		-1%	82,914	87,500
	Salary Escalation Rate	+1%	107,406	111,343
		-1%	(100,523)	(103,985)

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 ₹

8.	**Expected Payout - Gratuity**	**For the Year Ended March 31, 2021**	**For the Year Ended March 31, 2020**
	Expected payments – 1st Year	1,810,967	1,763,955
	Expected payments – 2nd Year	954,171	103,641
	Expected payments – 3rd Year	61,960	902,180
	Expected payments – 4th Year	61,528	56,624
	Expected payments – 5th Year	213,554	56,230
	Expected payments – 6th year to 10th Year	526,183	543,881

9. 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:

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity: -		
a. Current Portion	1,810,967	1,763,955
b. non-current portion	1,215,743	1,118,953
Compensated Absences: -		
a. Current Portion	1,017,463	804,221
b. non-current portion	222,054	297,566

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.

37. Income tax expense and Deferred Taxes

Amount in ₹

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
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, 2021	For the year ended March 31, 2020
Effective Tax Reconciliation: -			
a.	Net Profit/(Loss) before taxes	(22,712,626)	(38,197,799)
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**

38. Fair Value of financial instruments:

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets: -		
At Amortised Cost		
Security Deposits	45,000	45,000
Carrying Value		
Security Deposits	45,000	45,000
Financial Liabilities: -		
At Amortised Cost		
Repayable Security Deposits	1,268,874	3,268,874
Rupee Term Loans	161,564,000	161,564,000
Short term Borrowings	264,135,400	264,135,400
Carrying Value		
Repayable Security Deposits	1,268,874	3,268,874
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 financials 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.

39. 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, 2021:

Amount in ₹

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	1,268,874	--	1,268,874
Rupee Term Loans	161,564,000	--	161,564,000
Short Term Borrowings	264,135,400	--	264,135,400

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

Amount in ₹

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

40. 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, 2021**	**For the year ended March 31, 2020**
India	--	107,172
Outside India	--	--
Total	**--**	**107,172**
Revenue from One Customer	**--**	**73,401**

Non-Current Operating Assets	**As at March 31, 2021**	**As at March 31, 2020**
India	60,460,006	69,030,075
Outside India	--	--
Total	**60,460,006**	**69,030,075**

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

41. 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
Sri V Subramanian	Chief Financial Officer and Secretary

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:	31.03.2021 ₹	31.03.2020 ₹
Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	--	315,401
Sri Devendra Galada		
Managerial Remuneration	--	315,583
Payments made on our behalf	1,012	--
Sri V Subramanian		
Remuneration	393,300	447,725
Relatives of Key Management Personnel		
Sri Ewanth Kumar Parekh		
Remuneration	--	677,852

c. Balances due from / (due to) as at the year end		
Sri Dharam Chand Galada	(2,679,579)	(2,679,579)
Sri Devendra Galada	(1,213,517)	(1,212,505)
Smt. Snehalata Galada	(226,800)	(226,800)
Sri Ewanth Kumar Parekh	(1,845,741)	(1,845,741)
Sri Shashi Galada	(1,500)	(1,500)
Sri V Subramanian	(1,319,762)	(1,155,887)

42. 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.

Amount in ₹

Particulars	On demand	< 12 months	1 to 5 years	Total
Year ended 31 March, 2021				
Borrowings – Non-Current	161,564,000	--	--	**161,564,000**
Borrowings – Current	265,816,040	--	--	**265,816,040**
Trade Payables	25,968,276	--	--	**25,968,276**
Other financial liabilities	154,356,055	--	--	**154,356,055**
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	142,164,984	--	--	**142,164,984**

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.

43. 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.

Amount in ₹

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
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	(607,885,494)	(585,172,868)
Total Equity	**(532,986,694)**	**(510,274,068)**
Gearing ratio	(4.05)	(5.16)

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, 2021 and 31 March, 2020.

44. Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

i. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

iii. Specified format for disclosure of shareholding of promoters.

iv. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development

v. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

vi. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

i. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency as specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

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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 : 31.07.2021