



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To the Resolution Professional of **GALADA POWER AND TELECOMMUNICATION LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **GALADA POWER AND TELECOMMUNICATION LIMITED**, B-6/3, I.D.A. Uppal, Hyderabad - 500 039, Telangana ("the Company") for the quarter ended 30th June 2020 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This Statement which is the responsibility of the Company's Management and has been signed by the CFO & Secretary of the company and taken on record by the Resolution Professional ('RP') (appointed by the Hyderabad Bench of National Company Law Tribunal ('NCLT') vide its order dated 14th August 2019 under Insolvency and Bankruptcy Code, 2016) , has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement, in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Basis for Qualified Conclusion:*
 - a. *As mentioned in Note Nos. 1 and 2 to the Unaudited Financial Results, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are no operations in the company and the net worth of the company as on the reporting date is negative and it continues to incur losses. Since the CIRP is currently in progress, as per the code, it is required that the company be managed as a going concern during the CIRP Period. Accordingly, the financial results are continued to be prepared on going concern basis. However, there exists a material uncertainty about the company's ability to continue as a going concern since the same is dependent upon the resolution plan and its concurrence from the Committee of Creditors (COC) and NCLT and as on the reporting date there are no resolution plans pending for consideration before COC and CIRP period is already over and the extension of CIRP period sought by RP is pending before NCLT. The appropriateness of preparation of financial results on going concern basis is critically dependent upon outcome of the proceedings before the NCLT.*



- b. As mentioned in Note No. 3 to the Unaudited Financial Results, as part of CIRP, various claims have been submitted by the financial creditors, operational creditors, employees, and other creditors to the RP. Pending reconciliations and final outcome of the CIRP, accounting impact in the books of accounts has not been considered in respect of excess, short, or non-receipts of claims for operational and financial creditors. Claims received from aforesaid creditors in excess of the amounts appearing in books of account amounting to Rs. 2,106.06 crores along with interest payable thereon for the quarter amounting to Rs. 52 lakhs were not provided in the books of account resulting in understatement of Net Loss and Liabilities to that extent.
- c. As mentioned in Note No. 5 to the Unaudited Financial Results, the balance confirmations have not been received in respect of balances with banks, trade receivables, trade and other payables and loans and advances. Accordingly, we are unable to comment on the possible financial impact, presentation, and disclosure in the financial statements.
- d. As mentioned in Note Nos. 6 and 7 to the Unaudited Financial Results, The Company has not accounted for the cost of the stolen machinery Parts at its Silvassa Plant and has also not assessed the plant and machinery and other fixed assets related to the Silvassa Plant for the impairment and the impairment loss has not been ascertained. The consequent effect of the same is not ascertainable.
4. Based on our review conducted as stated above and to the best of our information and according to the explanations given to us, *except for the effects of matters described in the Basis for Qualified Conclusion above, the impact of which on the results of the company is unascertainable read with our comments under Emphasis of Matter paragraph below*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. *Emphasis of Matter:*
- Attention is also invited to Note No. 12 to the Unaudited Financial Results, describing the responsibility and liability of the Resolution Professional with regard to the preparation and presentation of these financial results and the adequacy of internal financial controls with reference to the financial statements.*
- Our conclusion is not modified in respect of the above matters*

Place : Hyderabad
Date : March 17, 2021

for K.S. Rao & Co.,
Chartered Accountants
Firms' Registration Number: 0031095


(T. SUKESH KUMAR)

Partner

Membership Number: 229963
UDIN:21229963AAAAAI9231



UN- AUDITED STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

Sl. No.	Particulars	Amount in Rs.Lakhs			
		Quarter ended		Year ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(UNAUDITED)		AUDITED	
I.	Revenue from Operations				
	(a) Net Sales/Income from Operations	-	-	1	1
	(b) Other Operating Income	-	-	-	-
II.	Other Income:				
	(a) Gain/(loss) of foreign exchange transactions	-	-	-	-
	(b) Others	1	-	3	20
III.	Total Revenue (I+II)	1	-	4	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	7	36	83
	(f) Finance Costs	2	1	59	119
	(g) Depreciation and amortisation expense	17	17	17	69
	(h) Other expenses	24	31	46	133
	Total Expenses (a to h)	54	56	158	404
V.	Profit before exceptional and extraordinary items and tax (III-	(53)	(56)	(154)	(383)
VI.	Exceptional Item - Income/(Expenditure)	-	-	-	-
VII.	Profit before extraordinary items and tax (V-VI)	(53)	(56)	(154)	(383)
VIII.	Extraordinary items	-	-	-	-
IX.	Profit before tax (VII-VIII)	(53)	(56)	(154)	(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)	(53)	(56)	(154)	(383)
XII.	Net Profit/(Loss) attributable to :	(53)	(56)	(154)	(383)
	- Non-controlling interest	-	-	-	-
XIII.	Total other comprehensive income, net of income tax	0	3	(1)	1
XIV.	Total comprehensive income for the period	(53)	(53)	(155)	(382)
XV.	Net Profit/(Loss) attributable to :	(53)	(53)	(155)	(382)
	- Non-controlling interest	-	-	-	-
XVI.	Paid-up equity share capital (Face value:Rs.10/-per share)	748.99	748.99	748.99	748.99
XVII.	Reserve excluding Revaluation Reserves as per	-	-	-	(5,852)
	Balance Sheet of previous accounting year				
XVIII.	Earnings per Share (of Rs.10/-each)[not annualised]				
	(a) Basic	(0.70)	(0.71)	(2.07)	(5.10)
	(b) Diluted	(0.70)	(0.71)	(2.07)	(5.10)
	(Calculated on net profit for the period attributable to Shareholders of the Company)				

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UN- AUDITED STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30 , 2020

Sl. No.	Particulars	Amount in Rs.Lakhs			
		Quarter ended			Year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(UNAUDITED)			AUDITED
I.	Revenue from Operations				
	(a) Net Sales/Income from Operations	-	-	1	1
	(b) Other Operating Income	-	-	-	-
II.	Other Income:				
	(a) Gain/(loss) of foreign exchange transactions	-	-	-	-
	(b) Others	1	-	3	20
III.	Total Revenue (I+II)	1	-	4	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	7	36	83
	(f) Finance Costs	2	1	59	119
	(g) Depreciation and amortisation expense	17	17	17	69
	(h) Other expenses	24	31	46	133
	Total Expenses (a to h)	54	56	158	404
V.	Profit before exceptional and extraordinary items and tax (III-IV)	(53)	(56)	(154)	(383)
VI.	Exceptional Item - Income/(Expenditure)	-	-	-	-
VII.	Profit before extraordinary items and tax (V-VI)	(53)	(56)	(154)	(383)
VIII.	Extraordinary items	-	-	-	-
IX.	Profit before tax (VII-VIII)	(53)	(56)	(154)	(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)	(53)	(56)	(154)	(383)
XII.	Net Profit/(Loss) attributable to :	(53)	(56)	(154)	(383)
	- Non-controlling interest	-	-	-	-
XIII.	Total other comprehensive income, net of income tax	0	3	(1)	1
XIV.	Total comprehensive income for the period	(53)	(53)	(155)	(382)
XV.	Net Profit/(Loss) attributable to :	(53)	(53)	(155)	(382)
	- Non-controlling interest	-	-	-	-
XVI.	Paid-up equity share capital (Face value:Rs.10/-per share)	748.99	748.99	748.99	748.99
XVII.	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	(5,852)
XVIII.	Earnings per Share (of Rs.10/-each)[not annualised]				
	(a) Basic	(0.70)	(0.71)	(2.07)	(5.10)
	(b) Diluted	(0.70)	(0.71)	(2.07)	(5.10)
	(Calculated on net profit for the period attributable to Shareholders of the Company)				

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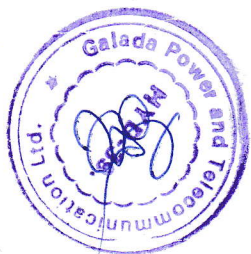


NOTES:

01. On 14th August 2019 Hon'ble National Company Law Tribunal (NCL T), 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 14th August 2019 and appointed Mr. Nitin Panchal as the Interim Resolution Professional (IRP) in terms of IBC. Mr. Nitin Panchal was subsequently confirmed by the Committee of Creditors (CoC) as the Resolution Professional (RP). By an order dated 07th February 2020 NCLT has extended the CIRP period by another 60 days with effect from 10th February 2020. The resolution plans submitted by Resolution Applicants were not approved by CoC. The RP further sought exclusion of COVID lockdown period and extension of 90 days of CIRP period and the matter is pending with the Hyderabad Bench of NCLT. The case listed for hearing on April 9, 2021.

The resolution professional has relied upon the representations, clarifications and explanations provided by CFO and Secretary of the company in relation to the review of the aforesaid unaudited financial results and approved the same only to the limited extent of discharging the powers of the Board of Directors of the company which has been conferred upon him inter alia in terms of provisions of Section 17 of the Code.

02. Though there are no operations in the company and the net worth of the company as on the reporting date is negative and it continues to incur losses, the financial statements are being prepared on a going concern basis since Corporate Insolvency Resolution Process (CIRP) is currently in progress and as per the Code, it is required that the Company be managed as going concern during CIRP. The Company continues the process for ascertaining the realisable value for its Current Assets (inventories, trade, and other receivables) and necessary adjustments to the carrying value will be affected in due course, the impact of which is not ascertainable at this stage.
03. Pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees, and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, accounting impact in the books of accounts 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 Rs. 2,106.06 crores are not provided in books of account. Further, interest on claims of financial creditors aggregating to Rs. 1.71 crores from 01.10.2019 to 30.06.2020 including Rs. 0.52 crores for the quarter ended 30.06.2020 is not provided in the books of account.
04. The RP has filed two Miscellaneous Applications IA 1107/2019 and IA 88 & 89/2020 with the Hyderabad bench of NCLT, against the company, contesting the payments made to GPTL Employees Group Gratuity Trust amounting to Rs. 22.00 lakhs and the payment of remuneration and repayment of unsecured loans to Managing Director and Executive Director respectively as 'Preferential Payments' invoking the applicable provisions of IBC, 2016. IA 1107/2019 was disposed of by NCLT in favour of the company vide its order dated 18.05.2020 and the proceedings are in progress in respect of IA 88 & 89/2020. The case listed for hearing on April 9, 2021.



AP Panchal




05. The confirmations and reconciliation of balances with banks, trade receivables, trade and other payables and loans and advances are pending.
06. During the month of July 2020, there was a theft occurred in the Silvassa unit of the company and internal parts of certain machines were reportedly stolen, the replacement cost of those parts was valued to be Rs. 1.05 crores as per the valuation report of an independent registered valuer. The necessary adjustments will be carried out in due Course.
07. The Company has not assessed the plant and machinery and other fixed assets related to the Silvassa Plant for impairment and the impairment loss has not been ascertained.
08. Interest on unpaid dividend is not provided to the extent of Rs. 336 lakhs up to 30.06.2020 including Rs. 3.50 lakhs for the quarter.
09. Complaints received from the shareholders during the period under report: Nil.
10. No segmental reporting is required as the Company is exclusively engaged in the manufacture of Conductors and related products.
11. Accounting policies declared by the Company in Annual Accounts for the year ended 31st March 2020 have been consistently followed.
12. Because of the inherent limitations of financial controls with reference to the financial statements, including possibility of collusion or improper management, override controls, material misstatements due to error or fraud may occur and may not be detected.

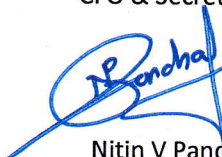
The statement of accounts enclosed herewith are accepted by the Resolution Professional in his fiduciary capacity without accepting any personal liability and only for the purpose of statutory requirement. The resolution professional is not liable for any error or misstatement of the facts and figures, if any, in the accounts of M/s. Galada Power & Telecommunication Limited for the period ended 30 June 2020 and the same are only for the purpose of statutory compliance. This certificate is to be accepted as mere statutory compliance and not to be relied upon for taking any financial decision.

13. Figures of previous year have been re-arranged wherever necessary without any financial impact on the results.




V. Subramanian
CFO & Secretary




Nitin V Pandhal
Resolution Professional

Place : Hyderabad

Date : 17.03.2021