



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 and nine months ended 31st December 2021 ("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. The appropriateness of preparation of financial results on going concern basis is critically dependent upon outcome of the CIRP as specified in the code.*





- 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. 2,106.48 crores along with interest payable thereon for the nine months amounting to Rs. 1.56 crores 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 No. 6 to the Unaudited Financial Results, The Company has not assessed the plant and machinery and other fixed assets situated at and relating to the Silvassa Plant for the impairment and the impairment loss, if any, 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 and read with our comment 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 invited to Note No. 11 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

for K.S. Rao & Co.,  
Chartered Accountants  
Firms' Registration Number: 003109S

*T. Sukesh Kumar*  
(T. SUKESH KUMAR)

Partner

Membership Number: 229963  
UDIN:22229963ABOELI8054

Place : Hyderabad  
Date : 12.02.2022



# GALADA POWER AND TELECOMMUNICATION LTD

P2/G IDA BLOCK 111 UPPAL HYDERABAD TELENGANA 500039  
Corporate Identity Number: L642031G1972PLC001513, Tel Nos: 040-27766225/226  
E-mail: I.D. fa@galadapower.com, Website: www.galadapower.com

## UNAUDITED STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS PERIOD ENDED DECEMBER 31, 2021

Sl. No.	Particulars	Amount Rs./Lakhs				
		Quarter ended			Nine Months period ended	
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020
		(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	AUDITED
I.	Revenue from Operations					
	(a) Net Sales/Income from Operations	-	-	-	-	-
	(b) Other Operating Income	-	-	-	-	-
II.	Other Income:					
	(a) Gain/(loss) of foreign exchange transactions	-	-	-	-	-
	(b) Others	3	-	-	3	2
III.	Total Revenue (I+II)	3	-	-	3	2
IV.	Expenses					
	(a) Cost of Materials consumed	-	-	-	-	-
	(b) Purchase of stock-in-trade	-	-	-	-	-
	work-in-progress and stock-in-trade	-	-	-	-	-
	(d) Other direct expenses	-	-	-	-	-
	(e) Employee benefits expense	12	12	11	35	34
	(f) Finance Costs	9	7	4	22	10
	(g) Depreciation and amortisation expense	15	16	17	47	51
	(h) Other expenses	20	23	20	66	63
	Total Expenses (a to h)	56	58	52	170	158
V.)		(53)	(58)	(52)	(167)	(205)
VI.	Exceptional Item - Income/(Expenditure)	-	-	-	-	(24)
VII.	Profit before extraordinary items and tax (V-VI)	(53)	(58)	(52)	(167)	(229)
VIII.	Extraordinary items	-	-	-	-	-
IX.	Profit before tax (VII-VIII)	(53)	(58)	(52)	(167)	(229)
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)	(58)	(52)	(167)	(229)
XII.	- Shareholders of the Company	(53)	(58)	(52)	(167)	(229)
	- Non-controlling interest	-	-	-	-	-
XIII.	Total other comprehensive income, net of income tax	-	1	-	1	2
XIV.	Total comprehensive income for the period	(53)	(57)	(52)	(166)	(227)
XV.	- Shareholders of the Company	(53)	(57)	(52)	(166)	(227)
	- 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)
XVIII.	Earnings per Share (of Rs.10/-each)[not annualised]					
	(a) Basic	(0.71)	(0.76)	(0.69)	(2.22)	(3.03)
	(b) Diluted	(0.71)	(0.76)	(0.69)	(2.22)	(3.03)
	(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 (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 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. In response to the application dated 03.12.2020 filed by the RP seeking the exclusion of COVID lockdown period, NCLT, Hyderabad bench vide its order dated 10.06.2021 has granted exclusion period of 106 days on account of COVID 19 with a direction to complete CIRP within the excluded period of 106 days with effect from 10.06.2021 i.e., 23.09.2021

The Resolution Professional received Resolution Plans from three applicants and e-voting was concluded on 17.09.2021. However Canara Bank (erstwhile Syndicate Bank) served an application on 16.09.2021. The said application was mentioned before Hon'ble NCLT, Hyderabad Bench on 17.09.2021 (Ref. IA 520/2021) and the Hon'ble Bench directed not to declare the result of voting till 22.09.2021, when the matter was posted for hearing. However the matter was heard on 23.09.2021 and during this hearing the bench directed declaration of e-voting results.

The CoC members approved the Resolution Plan submitted by M/s Amrutha Constructions Private Limited with requisite majority of voting share as per the IBC and the Resolution Professional submitted the approved plan vide IA 583/2021 to the Hon'ble NCLT on 05.10.2021.

Southern Power Distribution Company of Telangana ( TSSPDCL ) has filed IA bearing no .631/2021 for seeking to set aside the rejection of claim by the RP

M/s Jiva Internet Solutions Private Limited, the unsuccessful Resolution Applicant on 29.10.2021 has filed IA 663/2021 objecting to the resolution plan approved by the CoC.

On 08.12.2021, the Resolution Professional received communication from Office of the Commissioner of Customs (NS-II) stating that the Aluminium Casting & Rolling Line imported by the Corporate Debtor and kept under bond with Central Warehousing Corporation has been disposed off by the disposal section. Since this disposal was made in contravention of moratorium declared vide Section 14 of IBC 2016, the RP has filed IA bearing No.15/2022 on 27.01.2022.

All the above-mentioned matters are presently pending before the Hon'ble NCLT, Hyderabad Bench.

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 the 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. 2,106.48 crores are not provided in books of account. Further, interest on claims of financial creditors aggregating to Rs. 4.81 crores from 01.10.2019 to 31.12.2021 including Rs. 0.52 crores for the quarter ended 31.12.2021 is not provided in the books of account.
04. The has RP filed Miscellaneous Application IA 89/2020 with the Hyderabad Bench of the Hon'ble NCLT, against the company, contesting 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 and the proceedings are in progress.
05. The confirmations and reconciliation of balances with banks, trade receivables, trade and other payables and loans and advances are pending.
06. 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.
07. Interest on unpaid dividend is not provided to the extent of Rs. 356.90 lakhs up to 31.12.2021 including Rs. 3.48 Lakhs for the quarter ended 31.12.2021.
08. Complaints received from the shareholders during the period under report: Nil.
09. No segmental reporting is required as the Company is exclusively engaged in the manufacture of Conductors and related products.
10. Accounting policies declared by the Company in Annual Accounts for the year ended 31st March 2021 have been consistently followed.
11. 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 31 December 2021 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.





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



Place : Hyderabad  
Date : 12.02.2022

V. Subramanian  
CFO & Secretary

Nitin V Panchal  
Resolution Professional