

# APHMEL

An ISO 9001 - 2015 Certified Company

Where the focus is on Technology



**AN OUTER CASING ON VERTICAL BORING MACHINE**

**ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LTD.**

(Subsidiary of SCCL, A Government Company)

# ANNUAL REPORT 2020-21

## Board of Directors

Sri S. Chandrasekhar	Chairman	From 17.05.2017
Sri G.S. Ramachandra Murthy	Managing Director	Upto 17.10.2020
Sri K. Prasada Rao	Managing Director	From 19.10.2020
Sri Manoj Kumar Prasad	SECL Nominee	From 01.04.2021
Sri S. Shankar		Upto 31.07.2020
Sri Antony Raja		Upto 30.04.2020
Sri K. Ravi Shankar		Upto 31.03.2021
Sri. CH. Narasimha Rao		From 22.09.2020
Sri Y.G.K. Murthy		From 17.10.2020
Sri Rajat Bhargava, IAS	APIDC Nominee	Upto 04.12.2020
Sri K. Rajendra Prasad	APIDC Nominee	From 03.10.2013
Sri Juvva Seshagiri Rao		From 24.09.2005
Sri Kuchipudi Srinivasa Rao		From 23.09.2006
Sri P.S.R. Koteswara Rao		From 24.09.2016

## Company Secretary

Sri V. Venkateswara Rao	Upto 22.9.2020
Sri G. Srinivas	From 23.9.2020

## Registered Office :

Administrative Office & Factory  
Kondapalli- 521228  
Ph:0866-2872241  
Fax:0866-2871350  
Email:aphmel@gmail.com  
Website:www.aphmel.com  
CIN:U29219AP1976SGC002071

## Bankers

State Bank of India  
Vijayawada – 520 007.

## Auditors

M/s P. SUBBARAYUDU & Co.,  
Chartered Accountants  
Door No. 33-16-9, 1<sup>st</sup> Floor, Usha Mansion,  
Ramanadham Street,  
Kasthuribhaipeta,  
Vijayawada – 520 010.  
Andhra Pradesh.

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**ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED**  
(U29219AP1976SGC002071)

**Registered Office:**KONDAPALLI – 521 228,Krishna District, Andhra Pradesh.

**Tel:** [0866-2872241](tel:0866-2872241), **Fax:** 0866-2871350, **E-mail:** [aphmel@gmail.com](mailto:aphmel@gmail.com), **Website:** [www.aphmel.com](http://www.aphmel.com)

**NOTICE OF 44<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the FORTY FOURTH (44<sup>th</sup>) Annual General Meeting of the Members of the **ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED** will be held on **Tuesday, the 28<sup>th</sup> day of December, 2021 at 3.00 p.m. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adapt the Audited Financial Statements which consist of Balance Sheet of the Company for the year ended on 31<sup>st</sup> March, 2021, the Statement of Profit & Loss and the Cash Flow Statement as on that date together with the Auditors Report, Non-review Certificate of Comptroller and Auditor General of India along with the replies and Report of Board.
2. To appoint a Director in place of Sri Ch. Narasimha Rao (DIN:06557315) who retires by rotation and is eligible for re-election.
3. To appoint a Director in place of Sri Kuchipudi Srinivasa Rao (DIN: 00767418) who retires by rotation and is eligible for re-election.
4. To authorize the Board of Directors to fix the remuneration payable to the Statutory Auditors of the Company who are appointed by the C&AG of India for the financial year 2021-22.

“Resolved that pursuant to the provisions of Section 142(1) and other applicable provisions if any, of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to Statutory Auditors of the Company who are appointed by the C&AG of India for the financial year 2021-22”.

**BY ORDER OF THE BOARD OF DIRECTORS**

G. Srinivas  
Company Secretary  
Membership No.FCS:6395

Place:Kondapalli.

Dated: 27<sup>th</sup> November 2021

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.



6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.aphmel.com](http://www.aphmel.com). The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. The Register of Members and the share transfer books of the Company will remain closed from **22<sup>nd</sup> December 2021 to 28<sup>th</sup> December 2021** (both days inclusive).
9. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. **28<sup>th</sup> December 2021**.
11. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report will also be available on the Company's website [www.aphmel.com](http://www.aphmel.com), and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. Members may note that the User ID and password will be sent to their e-mail which has been registered with the Company to avail remote e-voting facility and to attend AGM through VC/OAVM.
13. Members, whose email addresses are not registered with the Company, are requested to enter the necessary details like Folio No., Least Distinctive Number, PAN, AADHAR, etc., for Shareholder's E-mail Registration through Company website [www.aphmel.com](http://www.aphmel.com) under Investor Tab in the link of Shareholder's E-mail Registration, for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice and to attend the meeting through VC/OAVM.
14. As the resolutions as set out in this Notice are being conducted through e-voting in terms of the provisions of Section 108 of the Companies Act, 2013, the said resolutions will not be decided on a show of hands at the Meeting.

15. The Members are requested to intimate any change in their address to the Registered Office of the Company for sending all correspondence. The Members are requested to register their e-mail addresses and PAN /AADHAR with the Company.
16. In terms of Section 152 of the Act, Sri Ch. Narasimha Rao(DIN:06557315)and Sri KuchipudiSrinivasa Rao(DIN:00767418) Directorsretire by rotation at this Meeting and are eligible for re-appointment.
17. Members may note that as per the Articles of Association of the Company only the SCCL is having right to vote on item No.2 of the notice; and the members other than SCCL & APIDC are having right to vote on item No.3 of the notice.
18. Members other than SCCL and APIDC can send nominations for election of one post of Director (i.e. for item No.3 of the Notice) before **5.00 P.M 13<sup>th</sup> December 2021**. Only those who have obtained Director Identification Number from Ministry of Corporate Affairs, Government of India are eligible for the post of Director.
19. Sri BVS Linga Murthy, Proprietor; Bondada& Associates, Chartered Accountant, Vijayawada has been appointed as the “Scrutinizer” to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
20. Members may note that the Company is providing e-voting facility for business of the notice of the meeting and the complete instructions on e-voting facility provided by the Company are furnished hereunder.
21. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Friday, the 24<sup>th</sup> December 2021 at 9.00 A.M. and ends on Monday, the 27<sup>th</sup> December 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 21<sup>st</sup> December 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21<sup>st</sup> December 2021.

21.1. How do I vote electronically using NSDL e-Voting system?

**How to Log-in to NSDL e-Voting website?**

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- B. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- C. A new screen will open. You will have to enter your User ID, your Password/OTP 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.*

- D. Your User ID details are given below :

**Your User ID is:**

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\*\*\*

E.Password details for shareholders other than Individual shareholders 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 to 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 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 folio number. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

Enter the necessary details like Folio No., Least Distinctive Number, PAN, AADHAR, etc., for Shareholder’s E-mail Registration through Company website [www.aphmel.com](http://www.aphmel.com) under Investor Tab in the link of Shareholder’s E-mail Registration.

- F. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:



- a) **Physical User Reset Password?**” option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- b) If you are still unable to get the password, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your folio number, your PAN, your name and your registered address etc.
- c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- G After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- H. Now, you will have to click on “Login” button.
- I. After you click on the “Login” button, Home page of e-Voting will open.

### **21.2 Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- i. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- ii. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- iii. Now you are ready for e-Voting as the Voting page opens.
- iv. 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.
- v. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **21.3 General Guidelines for Shareholders**

#### **General Guidelines for shareholders**

- i. 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 to [lingamurthy@yahoo.com](mailto:lingamurthy@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. 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 “Physical User Reset Password?” option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) to reset the password.



- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**21.4 Process for registration of e mail ids for e-voting for the resolutions set out in this notice:**

- i. Members, whose email addresses are not registered with the Company, are requested to enter the necessary details like Folio No., Least Distinctive Number, PAN, AADHAR, etc., for Shareholder's E-mail Registration through Company website [www.aphmel.com](http://www.aphmel.com) under Investor Tab in the link of Shareholder's E-mail Registration, for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice and to attend the meeting through VC/OAVM.
- ii. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

**21.5 THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**21.6 INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting

menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- ii. Members are encouraged to join the Meeting through Laptops for better experience.
  - iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Members are encouraged to submit in advance their questions on the items of business to be transacted at this AGM, from their registered e-mail address, mentioning their Name and Folio Number to reach the Company's e-mail address at [aphmel@gmail.com](mailto:aphmel@gmail.com) **before 3.00 p.m (IST) on 21<sup>st</sup> December 2021**. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
  - vi. Those Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mention their names and Folio Number at [aphmel@gmail.com](mailto:aphmel@gmail.com) between **22<sup>nd</sup> December 2021 and 25<sup>th</sup> December 2021**. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 22.** 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 i.e **21<sup>st</sup> December 2021**. A person, whose name is recorded in the Register of Members 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. Any person who has ceased to be the member of the Company before the cut-off date will not be entitled for remote e-voting or voting at the meeting. Any person, who becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, should follow the same procedure for e-voting mentioned above.

23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes earlier by availing the remote e-voting facility. The remote e-voting module shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
24. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
25. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.aphmel.com](http://www.aphmel.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him.

On behalf of the Board of Directors

G. Srinivas  
Company Secretary  
Membership No.FCS:6395

Place: Kondapalli

Date: 27<sup>th</sup> November 2021

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## BOARD'S REPORT

To  
The Members  
A.P. Heavy Machinery & Engineering Limited  
**KONDAPALLI – 521 228**

Your Directors have pleasure in presenting the Forty Fourth (44<sup>th</sup>) Annual Report of your company with the Audited Accounts for the financial year ended on 31<sup>st</sup> March 2021.

The Company achieved turnover of Rs.5,412.20 lakhs against the target of Rs.7,293.50 lakhs. The Company could not achieve the target by Rs. 1,881.30 lakhs during the year under review due to Corona pandemic situation.

### REVIEW OF FINANCIAL RESULTS & PRESENT SCENARIO

The summarized financial results are as under:

	<i>(Rupees in lakhs)</i>	
	<b>2020-21</b>	2019-20
Turnover of the Company	<b>5412.20</b>	7280.72
Gross Profit/loss (-) before interest and depreciation	<b>-621.05</b>	-305.57
Less: Interest	<b>0.98</b>	6.61
Depreciation	<b>16.01</b>	21.12
Profit/loss (-) for the year before charging provisions	<b>-638.04</b>	-333.30
Net Profit/loss (-) for the year after charging prior period adjustments and provisions	<b>-638.04</b>	<b>-333.30</b>
Profit/loss (-) after Tax	<b>-750.79</b>	-349.86

The net loss for the financial year under review is Rs.750.79 lakh against the loss of Rs. 349.86 lakh of the previous year.

### FUTURE OUTLOOK

Marketing efforts are being strengthened through publication of brochures and interaction with customers. Vigorous campaign by way of discussions, power point presentations is organized with various prospective customers.

Manufacture and fabrication of Belt Conveyor Drive Heads of various capacities, Armoured Chain Conveyors and Men transport systems are continued and expansion in these lines is under progress.

Repairs and overhauling works of Drive heads are continued. The company expects increase in demand for man riding systems from coal producing companies in India. Man riding car system with endless haulage of 150 HP capacity has been designed and developed.

Efforts are being made to take up turnkey projects for coal handling systems in association with other reputed firms.

The Management is making efforts constantly for development and diversification. It is optimistic about positive results for the efforts being put in.

The Company has entered in to an agreement among Indian Institute of Technology (Indian School of Mines), Dhanbad and M/s Jaya Bharat Equipment Pvt. Limited for execution of R & D project on Design, development and manufacturing of 4 nos. of 500 Ton capacity SAGES compatible with continuous miners in extraction of coal pillars as S & T project.

### CONTRIBUTION TO EXCHEQUER

During the year under review, the Company contributed an amount of Rs.305.30 lakh to Government by way of taxes and duties compared to previous year amount of Rs. 337.99 lakh.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure - 1" as addendum to the Board's Report.

**Details of load power consumption as shown below:**

	<u><b>2020-21</b></u>	<u>2019-20</u>
A) Annual Consumption in KWH	<b>598934</b>	774993

During the year 2020-21, the Company has made production of Rs.5425.40 lakh (previous year Rs.6899.97 lakh).



## DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of section 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## EMPLOYMENT

As on 31-3-2021 the total number of employees is 141 as against 171 at the end of previous year.

## INDUSTRIAL RELATIONS

During the year under review, the industrial relations were cordial and peaceful.

## SAFETY

Continuous efforts are made to ensure adherence to safety measures at work places and safety record consequently is quite satisfactory.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors hereby confirm that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## BOARD OF DIRECTORS

The Singareni Collieries Company Limited (SCCL) has withdrawn its nomination of Sri Antony Raja as part time director on the board of the company with effect from 01.05.2020. The Singareni Collieries Company Limited (SCCL) has withdrawn its nomination of Sri S. Shankar, as part time Director on the Board of the Company with effect from 01.08.2020. The Singareni Collieries Company Limited (SCCL) has withdrawn its nomination of Sri. G.S.R. Murthy as Managing Director of the company with effect from 17-10-2020 and nominated Sri K. Prasada Rao in his place who has taken charge as Managing Director on 19-10-2020. The Singareni Collieries Company Limited (SCCL) has nominated Sri. CH. Narasimha Rao, Sri. Y.G.K. Murthy General Managers as part time Directors of the company who were appointed on the Board w.e.f. 22-9-2020 and 17-10-2020 respectively. The Singareni Collieries Company Limited (SCCL) nominated Sri. Manoj Kumar Prasad, Director (Technical) (Operations) as part-time Director who has been appointed on the Board w.e.f. 01.04.2021.

Dr. Rajat Bhargava, Chairman & Managing Director, APIDC, has ceased as part-time Director on the Board of the Company with effect from 04.12.2020 as per withdrawal of his nomination by The Andhra Pradesh Industrial Development Corporation Limited (APIDC).

The Board of Directors placed on record its appreciation of the services rendered to the Company by Sri S. Shankar, Sri. G.S.R. Murthy, Sri Antony Raja, and Sri. K. Ravi Shankar and Sri Rajat Bhargava as Directors during their tenure.

Sri K. Rajendra Prasad and Sri Kuchipudi Srinivasa Rao, Directors are due to retire by rotation and are eligible for re-election in the ensuing 44<sup>th</sup> Annual General Meeting.

## INDEPENDENT DIRECTORS

Appointment of Independent Directors as per the provisions of the Companies Act, 2013 is under process.

## KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act 2013, the Company is having Key Managerial Personnel i.e. Managing Director, Chief Financial Officer and Company Secretary.

## NUMBER OF MEETINGS OF THE BOARD:

The Board met 4 times during the year from 1.4.2020 to 31.3.2021, i.e. 30<sup>th</sup> June 2020, 13<sup>th</sup> August 2020, 19<sup>th</sup> October 2020, 13<sup>th</sup> January 2021.

### Board Meetings held during the year

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
30 <sup>th</sup> June 2020	8	4
13 <sup>th</sup> August 2020	7	6
19 <sup>th</sup> October 2020	10	9
13 <sup>th</sup> January 2021	9	9

## AUDIT COMMITTEE

The Board of Directors constituted the Audit Committee in compliance with the provisions of section 177 of the Companies Act, 2013 to exercise powers and discharge functions as stipulated in that section.

The Audit Committee consists of the following three Directors during the year under review:

1. Sri S. Shankar up to 31.7.2020 ... Chairman of the Committee
2. Sri S. Chandrasekhar from 19.10.2020 ... Chairman of the Committee
3. Sri G.S.R. Murthy, up to 17.10.2020 ... Member
4. Sri K. Prasada Rao, from 19.10.2020 ... Member
5. Sri Juvva Seshagiri Rao, ... Member

Three Meetings of the Audit Committee were held during the financial year under review.

### Audit Committee Meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
30 <sup>th</sup> June 2020	3	3
13 <sup>th</sup> August 2020	3	3
13 <sup>th</sup> January 2021	3	3

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board of Directors constituted the Corporate Social Responsibility (CSR) Committee in compliance with the provisions of section 135 of the Companies Act, 2013 to exercise powers and discharge functions as stipulated in the Act and Rules made thereunder. The Board approved the CSR Policy and the same has been hosted in the Company's Website.

The Committee consists of the following three Directors during the year under review:

1. Sri G.S.R. Murthy up to 17.10.2020
2. Sri K. Prasada Rao from 19.10.2020
3. Sri K. Rajendra Prasad
4. Sri K. Srinivasa Rao

Meetings were not held during the year since there were no CSR budget allocations in view of continuous losses being incurred by the Company.

The provisions of the Companies Act, 2013 relating to the Corporate Social Responsibility are not applicable to the Company during the year 2020-21 as per The Companies (Amendment) Act 2017.

The Annual Report on CSR activities is annexed herewith as "Annexure – 2" to the Board's Report.

## SHARE TRANSFER COMMITTEE:

The Board of Directors constituted the Share Transfer Committee in compliance with the provisions of the Companies Act, 2013 to consider and approve the Share Transfer/Transmission applications and applications for issue of Duplicate Share Certificates of Members of the Company as per the procedure prescribed by the Board.

The Committee consists of the following three Directors during the year under review:

1. Sri S. Shankar up to 31.7.2020
2. Sri Y.G.K. Murthy from 17.10.2020
3. Sri K. Prasada Rao
4. Sri Juvva Seshagiri Rao

One Meetings of the Share Transfer Committee was held during the financial year under review.

### Share Transfer Committee Meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
30 <sup>th</sup> June, 2020	3	3

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors constituted the Stakeholders Relationship Committee in compliance with the provisions of section 178 of the Companies Act, 2013 to exercise powers and discharge functions as stipulated in the Act and Rules made thereunder. The Committee consists of the following three Directors:

1. Sri S. Shankar upto 31.7.2020
2. Sri Y.G.K. Murthy from 17.10.2020
3. Sri K. Rajendra Prasad
4. Sri Juvva Seshagiri Rao

None of the meetings were held during the year as the Company has not received grievances for consideration.

#### **NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee will be constituted after appointment of Independent Directors.

#### **RELATED PARTY TRANSACTIONS**

The Company is having related party transactions during the year under review with the Singareni Collieries Company Limited (CIN: U10102TG 1920SGC000571), which is Holding Company. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. Some of the related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business.

Board has reviewed the orders received on Nomination basis and ratified those related party transactions which are not in ordinary course of business or which are not on arm's length basis.

There are no materially significant Related Party Transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. Form AOC 2 is attached to the Board's Report as **Annexure – 3**.

#### **AUDITORS**

In terms of Sec.139(5) of the Companies Act, 2013, the Comptroller & Auditor General of India have appointed M/s P. Subbarayudu & Co., Chartered Accountants, Vijayawada as Statutory Auditors of the Company for the financial year 2020-21.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is attached to the Board's Report as "**Annexure - 4**".

#### **ACKNOWLEDGEMENTS**

Your Directors acknowledge with appreciation the co-operation and support extended by The Singareni Collieries Company Ltd. (Holding Company) and State Bank of India during the year under review. Your Directors are also grateful to the valued customers viz., SCCL, SECL, WCL, ECL, MCL, BCCL, NCL, BHEL, TATA, SMS Infra and others for the reliance & assurance reposed on APHMEL and for their continued patronage.

Your Directors gratefully acknowledge the valuable guidance extended by the Statutory Auditors and the Comptroller & Auditor General of India.

The Directors also deeply acknowledge the confidence and support received from all stakeholders of the Company. Your Directors also record their appreciation for the dedicated services rendered by the workers, staff and officers of the Company.

FOR AND ON BEHALF OF THE BOARD

**(S. CHANDRASEKHAR)**  
CHAIRMAN  
DIN: 07824215

**(K. PRASADA RAO)**  
MANAGING DIRECTOR  
DIN: 08923693

#### **Registered Office:**

KONDAPALLI-521 228,  
Krishna District. Andhra Pradesh.  
Email:aphmel@gmail.com  
Website:www.aphmel.com  
CIN:U29219AP1976SGC002071.

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## ANNEXURE – 1

### STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

#### FORM – A

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

- (a) Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.
- (b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- (c) Various on-going measures for conservation of energy include (i) use of energy efficient lighting and better use of natural lighting and (ii) reduction of energy loss. and (iii) replacement of outdated energy intensive equipment.
- (d) Total energy consumption and Rate per unit is given in the table below :

SL.NO	POWER & FUEL CONSUMPTION	CURRENT YEAR	PREVIOUS YEAR
1.	Electricity a. Purchased Total consumed Units (KWH) Total amount paid (Rs.)  b. Own generation i. Through diesel generator Unit (KWH) Units per litre of diesel oil (KWH) Cost/Unit (Rs.) ii. Through steam turbine/generator Units Units per litre of fuel oil/gas Cost/Unit	 <b>5,98,934</b> <b>74,19,582</b>	 7,74,993 85,66,091          } Not applicable
2	Coal Quantity (Tonnes) Total cost (Rs.) Average rate (Rs.)	} Not applicable	} Not applicable
3	Furnace oil Quantity (K. Litres) Total amount (Rs.) Average rate (Rs.)	} Not applicable	} Not applicable
4	Other/Internal generation Quantity Total cost (Rs.) Rate/Unit	} Not applicable	} Not applicable



**FORM – B:****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION :****RESEARCH AND DEVELOPMENT (R&D) :****1. Specific areas in which R&D carried out by the Company :**

Continuous R&D efforts to improve quality and reduce costs and to develop substitute for imported machine/equipment/parts.

**2. Contributions of R&D :**

Design, Development and manufacturing of 500 Ton capacity Sages for use with continuous Miners.

**3. Future plan of action :**

a) Continuous R&D efforts to improve quality and reduce costs and to develop substitute for imported machine/equipment/parts.

b) Manufacture of higher capacity Belt conveyor drive heads and Chain Conveyors.

c) Powered Roof Support.

**4. Expenditure on R&D :**

Expenditure on R&D is not being separately quantified since it is continuous exercise merged in the design, manufacturing, quality control and service activity.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**

The Company is developing and designing the manufacture of higher capacity Drive Units. Up gradation of Chair lift/ Chair car systems from time to time as per DGMS stipulations to improve safety in underground transportation system.

FOR AND ON BEHALF OF THE BOARD

**Sd/-**  
**(S. CHANDRASEKHAR)**  
CHAIRMAN  
DIN: 07824215

**Sd/-**  
**(K. PRASADA RAO)**  
MANAGING DIRECTOR  
DIN: 08923693

**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Board of Directors has approved the CSR Policy on the recommendation of CSR Committee of Board. The policy has been placed in Company's Website and its Weblink is – [www.aphmel.com>csr>csr](http://www.aphmel.com>csr>csr) policy.

The main objective of the APHMEL CSR Policy is to comply with the provisions of the Companies Act 2013 and Rules made there under relating to the Corporate Social Responsibility. All the CSR projects/ programmes shall be in consisting with the activities as specified in Schedule VII of the Companies Act 2013. Projects / programmes / activities will be identified by the Managing Director after examining the needs of the local public through self enquiry and the same will be submitted to the CSR Committee.

Priority shall be given to the projects /programmes/activities within radius of 5 Kilometers from the factory premises of the Company. However, the decision of the Board shall be final for selecting the Area of CSR activity.

2. The Composition of the CSR Committee : The Committee consists of the following three Directors:
  1. Sri K. Prasada Rao
  2. Sri K. Rajendra Prasad
  3. Sri K. Srinivasa Rao
3. Average net profit of the company for last three financial years: CSR Provisions are not applicable during the year 2020-21.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Not Applicable.
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year; Rs. Nil
  - (b) Amount unspent, if any; Nil
  - (c) Manner in which the amount spent during the financial year: Not Applicable

CSR provisions of the Companies Act 2013 are not applicable for the year 2020-21 as per The Companies (Amendment) Act 2017.

A responsibility statement of the CSR Committee: That the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-

Sd/-

**(S. CHANDRASEKHAR)**

**(K. PRASADA RAO)**

CHAIRMAN

MANAGING DIRECTOR

DIN: 07824215

DIN: 08923693

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

(a) Name(s) of the related party and nature of relationship: The Singareni Collieries Company Limited (SCCL), Holding Company;

(b) Nature of contracts/arrangements/transactions: Sale of Goods and providing services.

(c) Duration of the contracts / arrangements/transactions: Duration will be varied from order to order, goods will be supplied as per purchase order / contract.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any : Terms of the transaction will be varied from one purchase order to other order subject to respective Notice Inviting Tender. The value of all the transactions of SCCL is Rs.2542.32 lakhs.

(e) Justification for entering into such contracts or arrangements or transactions: There is no conflict of interest of the Company except order received on Nomination Basis and both the related parties are Government Companies.

(f) date(s) of approval by the Board: Ratification on 12.07.2021.

(g) Amount paid as advances, if any: Nil

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party and nature of relationship: The Singareni Collieries Company Limited (SCCL), Holding Company as well as Common Director.

(b) Nature of contracts/arrangements/transactions: Sale of the goods and providing services.

(c) Duration of the contracts / arrangements/transactions: Duration will be varied from order to order, goods will be supplied as per purchase order.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Terms of the transaction will be varied from one purchase order to other order subject to respective notice inviting Tender and the total value of the all transactions of SCCL is of Rs.486.45 lakhs.

(e) Date(s) of approval by the Board, if any : Not Applicable.

(f) Amount paid as advances, if any : Nil.

Sd/-

Sd/-

**(S. CHANDRASEKHAR)**

**(K. PRASADA RAO)**

CHAIRMAN

MANAGING DIRECTOR

DIN: 07824215

DIN: 08923693

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2021**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U29219AP1976SGC002071
2.	Registration Date	01.09.1976
3.	Name of the Company	Andhra Pradesh Heavy Machinery and Engineering Limited
4.	Category/Sub-category of the Company	State Government Company
5.	Address of the Registered office & contact details	Kondapalli – 521228, Ibrahimpatnam Mandal, Krishna Dist. Andhra Pradesh.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Drive Heads	292-2924-29249	25.58% (Rs.13,95,11,056)
2	Roof Bolts	292-2924-29246	22.01% (Rs.12,00,21,328)
3	Spares	292-2924-29246	27.47% (Rs.14,97,88,988)
4	Repairs	292-2924-29248	19.93% (Rs.10,86,64,409)

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Singareni Collieries Company Limited, Kothagudem – 507101, Bhadradri Kothagudem Dist. Telangana State.	U10102TG 1920SG C000571	Holding	81.54	2(46)



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

## Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year [Ason 31-March-2020]				No. of Shares held at the end of the year [Ason 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1 Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(S)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	14082700	14082700	81.54	-	14082700	14082700	81.54	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)</b>	-	14082700	14082700	81.54	-	14082700	14082700	81.54	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(S)	-	149010	149010	0.86	-	149010	149010	0.86	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	149010	149010	0.86	-	149010	149010	0.86	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1013221	1013221	5.87	-	1013221	1013221	5.87	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	2026362	2026362	11.73	-	2026362	2026362	11.73	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-

c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	-	<b>3039583</b>	<b>3039583</b>	<b>17.60</b>	-	3039583	3039583	17.60	-
Total Public Shareholding B=(B)(1)+ B(2)	-	<b>3188593</b>	<b>3188593</b>	<b>18.46</b>	-	3188593	3188593	18.46	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	<b>17271293</b>	<b>17271293</b>	<b>100</b>	-	17271293	17271293	100	-

#### B. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The Singareni Collieries Company Limited (LF No. SCCL1)	14082700	81.54	-	14082700	81.54	-	-

#### C. Change in Promoters' Shareholding (please specify, if there is no change) : NO CHANGE

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	14082700	81.54	14082700	81.54
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year	14082700	81.54	14082700	81.54

**D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Andhra Pradesh Industrial Development Corporation (LF NO. APIDC 1)				
	At the beginning of the year	1000000	5.79	1000000	5.79
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	1000000	5.79	1000000	5.79
2.	Government of Andhra Pradesh (LF NO. GAP 1)				
	At the beginning of the year	149010	0.86	149010	0.86
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	149010	0.86	149010	0.86
3.	YANDURI SREE ANJANEYULU (LF NO. Y00269)				
	At the beginning of the year	2900	0.01679	2900	0.01679
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2900	0.01679	2900	0.01679
4.	K. SWARNA LATHA(J/A) (LFNO.K07354)				
	At the beginning of the year	2600	0.01505	2600	0.01505
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2600	0.01505	2600	0.01505
5.	M/S THE ANDHRACEMENT CO., LTD., (T01973)				
	At the beginning of the year	2500	0.01447	2500	0.01447
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2500	0.01447	2500	0.01447
6.	ADUSUMILLI SEETHARAMAYYA (LF NO.A01951)				
	At the beginning of the year	2200	0.01273	2200	0.01273
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2200	0.01273	2200	0.01273
7.	T. LALAMMA (LF NO.T02166)				
	At the beginning of the year	2120	0.01227	2120	0.01227
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2120	0.01227	2120	0.01227

8.	S R M T LTD., (LF NO.S00081)				
	At the beginning of the year	2100	0.01215	2100	0.01215
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2100	0.01215	2100	0.01215
9.	CHILAKAPATY LAKSHMA RAYUDU (LF NO.(C00003)				
	At the beginning of the year	2100	0.01215	2100	0.01215
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2100	0.01215	2100	0.01215
10.	VEERAMACHANENI MALLESWARA RAO(LF NO.V03574)				
	At the beginning of the year	2028	0.01174	2028	0.01174
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2028	0.01174	2028	0.01174
11.	TIPIRNENI TATA PRAKASA RAO (T02030)				
	At the beginning of the year	2000	0.01158	2000	0.01158
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2000	0.01158	2000	0.01158
12.	SATYA BHUSHAN KALA NAURIA (LF NO.S03034)				
	At the beginning of the year	2000	0.01158	2000	0.01158
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2000	0.01158	2000	0.01158
13.	PINNAMANENI RAMA KRISHNA PRASAD (LF NO.P04418)				
	At the beginning of the year	2000	0.01158	2000	0.01158
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2000	0.01158	2000	0.01158
14.	MD. GHOUSE MOHIDDIN (LF NO.M04246)				
	At the beginning of the year	2000	0.01158	2000	0.01158
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2000	0.01158	2000	0.01158

**E. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sri S.Chandrasekhar (DIN:07824215)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
2.	Sri G.S. Ramachandra Murthy (DIN:08464979)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
3.	Sri K. Prasada Rao (DIN:08923693)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4.	Sri S. Shankar (DIN: 07743039)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Sri Antony Raja (DIN: 08129391)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Sri Ravi Shankar (DIN: 08923664)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7.	Sri CH. Narasimha Rao (DIN: 06557315)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

8.	Sri Y.G.K. Murthy (DIN:08924395)	-	-	-	-
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year				
9.	Sri Dr. Rajat Bhargava, IAS(DIN:08529091)	-	-	-	-
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year				
10.	Sri K. Rajendra Prasad (DIN:00143653)	-	-	-	-
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year				
11.	SRI JUVVA SESHAGIRI RAO (DIN: 00460552)				
	At the beginning of the year	150	0.000868	150	0.000868
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	150	0.000868	150	0.000868
12.	SRI KUCHIPUDI SRINIVASA RAO (DIN: 00767418)				
	At the beginning of the year	470	0.002721	470	0.002721
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	470	0.002721	470	0.002721
13.	Sri P.S.R. Koteswara Rao (DIN:06377073 )				
	At the beginning of the year	30	0.000174	30	0.000174
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	30	0.000174	30	0.000174
14.	Sri V. Venkateswara Rao, Company Secretary & Senior Manager(A)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
15.	Sri G Srinivas, Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
16.	Sri Y. Srinivasa Rao, Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1,00,00,000	-	1,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,00,00,000	-	1,00,00,000
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	1,00,00,000	-	1,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,00,00,000	-	1,00,00,000

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sl. No.	Particulars of Remuneration	Name of Managing Director		Total Amount (Rs.)
		Sri G.S.Ramachandra Murthy (DIN:08464979)	Sri K. Prasada Rao(DIN: 08923693)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,01,860	19,11,577	44,13,437
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,22,491	1,71,598	3,94,089
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission- as % of profit- others, specify...		-	-
5.	Others, please specify		-	-
	<b>Total (A) 20,99,545</b>	<b>27,24,351</b>	<b>20,83,175</b>	<b>48,07,526</b>
	Ceiling as per the Act	Not Applicable		

**B. Remuneration to other directors**
**1. Independent Directors: Not Appointed**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Fee for attending board committee meetings	-	-
2.	Commission	-	-
3.	Others, please specify	-	-
	<b>Total (1)</b>	<b>-</b>	<b>-</b>



**2. Other Non-Executive Directors**

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Sri S. Chandra Sekhar	Sri CH. Narsimha Rao	Sri Y.G.K. Murthy	Sri K. Ravi Shankar upto 31.3.2021	Sri K. Rajendra Prasad	Sri Juvva Seshagiri Rao	Sri. Kuchipudi Srinivasa Rao	Sri PSR Kote-swara Rao	Sri S. Shankar upto 31.07.2020	
1	Fee for attending board /committee meetings	-	2,000	2,000	2,000	3,000	8,000	3,900	3,000	3,000	26,900
2	Commission	-	-	-	-	-	-	-	-	-	-
3	Others (incidentals, travelling expenses, DA & Accommodation expenses)	0	300	300	0	0	9,000	8,100	64,583	600	82,883
	Total (2)	0	2,300	2,300	2,000	3,000	17,000	12,000	67,583	3,600	1,09,783
	Total (B)=(1)+(2)										
	Total Managerial	Rs. 49,17,309/-									
	Overall Ceiling (Rs.)	Not Applicable									
	Overall Ceiling as per the Act	Not Applicable									

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

(Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,05,433	36,97,493	61,02,926
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,60,401	4,94,365	6,54,766
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (C)	<b>25,65,834</b>	<b>41,91,858</b>	<b>67,57,692</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Not Applicable
Punishment	Nil	Nil	Nil	Nil	Not Applicable
Compounding	Nil	Nil	Nil	Nil	Not Applicable
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Not Applicable
Punishment	Nil	Nil	Nil	Nil	Not Applicable
Compounding	Nil	Nil	Nil	Nil	Not Applicable
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Not Applicable
Punishment	Nil	Nil	Nil	Nil	Not Applicable
Compounding	Nil	Nil	Nil	Nil	Not Applicable

**(S. CHANDRASEKHAR)**  
 CHAIRMAN  
 DIN: 07824215

**(K. PRASADA RAO)**  
 MANAGING DIRECTOR  
 DIN: 08923693

M/s. P. Subbarayudu & Co.,  
Chartered Accountants.

**33-16-9,**  
**CHARTERED ACCOUNTANTS**  
**Ramanadham Street, Kasthuribhaipeta,**  
**VIJAYAWADA – 520 010.**

## **Independent Auditor's Report**

To the Members of

**M/s.ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED**

### **Report on the Financial Statements**

We have audited the financial statements of "**M/s. ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED**", which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Income and Expenditure and cash flow statement for the year ended 31<sup>st</sup> March 2021, and a summary of the significant of accounting policies and other explanatory information.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, its income and Cash flows for the year ended on that date.

### **Basis for opinion**

We conducted our audit in accordance with the standards on auditing 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.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the 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.

Reporting of key audit matters as per SA 701, is not applicable to the Company as it is an unlisted company.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of The Companies Act, 2013 ("the Act") with respect to the preparation of financial statements that reflects a true and fair view of the financial position/financial performance of the Company in accordance with the Ind AS and other generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 misstatements, 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 board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility**

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 SAs, we exercise professional judgment and maintain professional skepticism through out 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, as amended 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 standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. The provisions of 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 is give in "Annexure B" a statement annexed herewith.
3. As required by Sec 143(5) of the Act. We report that we have considered the directions/sub directions issued by the comptroller and audit general of India, the action taken thereon and its impact on the financial statements of the company are given in Annexure C.

For P.SUBBARAYUDU & CO.,  
Chartered Accountants  
FRN: 004089S

(CAP.V. SATISH KUMAR F.C.A.)  
Partner  
Membership No. 233633  
UDIN:21233633AAAASD7617.

Place: Vijayawada  
Date:16/07/2021

## **Annexure A: to the Independent 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 over financial reporting of **M/s. ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED** ("the Company") as of 31 March 2021 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 over financial reporting 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 over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting : -**



A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting : -**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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 **P. SUBBARAYUDU & CO.,**  
Chartered Accountants  
**FRN: 004089S**

**Sd/-**  
**(CA.P.V.SATISH KUMAR, F.C.A.)**  
Partner  
Membership No. 233633  
UDIN:21233633AAAASD7617

Place: Vijayawada  
Date:16/07/2021

**Annexure 'B' to the Independent Auditors' Report**

The Annexure referred to in point 2 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Company on the financial statements for the year ended 31-03-2021, we report that :

- (i) According to the information and explanations given to us, in respect of Fixed Assets
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The Company's fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The title deeds of all immovable properties which are freehold, are held in the name of the company as at the balance sheet date.
- (ii) According to the information and explanations given to us, in respect of Inventory:
  - (a) As explained to us, the inventories of Finished Goods, Stores & Consumables were physically verified at regular intervals by the Management.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (iii) The Company has not granted unsecured loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore paragraph 3 (iii) of the order is not applicable
- (iv) In respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the companies act have been complied with.
- (v) The company has not received any public deposits during the year.
- (vi) As per books of records, produced before us and explanation offered thereon, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 have been made and maintained.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Tax deducted at sources, Professional Tax, value added tax (VAT) and other material statutory dues applicable to it, with the appropriate authorities.
  - (b) According to the information and explanations given to us, there were undisputed amounts payable in respect of Income-tax, GST and other material statutory dues in arrears were outstanding as at 31-03-2021 for a period of more than six months from the date they became payable. The details are given below

S.No	Name of Statute	Nature	Amount	Deposit Made	Assessment Year	From Where Dispute is pending
1.	Sales Tax	Sales Tax	4.59	2.75	1991-92	Appellate Tribunal
2.	Sales Tax	Sales Tax	4.59	2.75	1994-95	Appellate Tribunal
3.	ESI	ESI Contributions	131.91	0	01-01-1997 To 28-02-2002	Company Preferred to appeal before Honable High Court on the order of the EI Court
4.	Central Excise	Excise Duty	127.10	127.10	-	CESTAT
5.	Central Excise	Penalty	100.00	-	-	CESTAT
6.	Central Excise	Excise Duty	22.21	-	-	CESTAT
7.	Sales Tax	CST	1.58	0.40	2008-09	Appeal to be filed with appellate tribunal Vishakapatnam
8.	Sales Tax	CST	83.83	59.83	2014-15	Appellate Tribunal, Vishakapatnam
9.	Sales Tax	CST	17.29	-	2016-17	CTO
10.	Sales Tax	CST	0.56	0.06	2017-18	CTO

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks except the below said case. The company has received an interest free loan from govt of AP Rs. 100 Lakh vide IrNo. 23600/IFR/2002-03 dt 13-09-2003. Further request is made to extend schedule of repayment of loan.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments)
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, sec 197 of the companies act, 2013 read with schedule V, of order is not applicable.
- (xii) 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 Order is not applicable.
- (xiii) 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.
- (xiv) According to the information and explanations given 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.
- (xv) According to the information and explanation 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 Order is not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P.SUBBARAYUDU & CO.,  
Chartered Accountants  
FRN: 004089S

Place: Vijayawada  
Date: 16/07/2021

Sd/-  
(CAP.V. SATISH KUMAR, F.C.A.)  
Partner  
Membership No. 233633  
UDIN:21233633AAAASD7617

### ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

As referred to the Point (3) under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of the **M/s. ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED** on standalone financial statements for the year ended March, 31,2021,

As required by section 143(5) of the Companies Act, 2013 we report, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us during the course of our audit and the audit procedures conducted by us, on the directions and the sub-directions issued by Comptroller & Auditor General of India, to the extent applicable are:

Sl.No.	Directions & Sub-Direction	Our Comments
1)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanation provided to us, Company has a system to process all the transactions through IT System. To the best of our knowledge there is no accounting transactions being processed outside IT system.
2)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanation provided to us, there are no such instances of case of waiver/write off of debts/loans/interest etc., during F.Y.2020-21
3)	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanation provided to us, no funds have been received for any specific schemes from central /state agencies

Place: Vijayawada  
Date: 16/07/2021

For P. SUBBARAYUDU & CO.,  
Chartered Accountants  
FRN: 004089S  
(CAP.V. SATISH KUMAR, F.C.A.)  
Partner  
Membership No. 233633  
UDIN:21233633AAAASD7617



REPLIES OF THE MANAGEMENT TO THE COMMENTS OF STATUTORY AUDITORS M/S P. SUBBARAYUDU & CO. AS CONTAINED IN THE AUDITORS REPORT AND ANNEXURE TO THE REPORT BOTH DATED 16-07-2021.

COMMENTS REPLIES OF  
AUDITOR'S REPORT  
NIL

REPLIES OF THE MANAGEMENT  
NIL

FOR AND ON BEHALF OF THE BOARD

Sd/-  
(K. PRASADA RAO)  
MANAGING DIRECTOR

## Annexure - I

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of **Andhra Pradesh Heavy Machinery and Engineering Limited** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 16.07.2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Andhra Pradesh Heavy Machinery and Engineering Limited for the year ended 31 March 2021 under section 143 (6) (a) of the Act.

For and on behalf of the  
Comptroller and Auditor General of India

PLACE: VIJAYAWADA.  
DATE: 22-09-2021.

Sd/-  
(HEMA MUNIVENKATAPPA)  
ACCOUNTANT GENERAL / AUDIT

महालेखाकार / ले.प.

**ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED, KONDAPALLI**  
**BALANCE SHEET AS AT 31.03.2021**

Particulars	Note No.	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
<b>Assets</b>			
<b>1) Non-Current Assets</b>			
a) Property, plant and equipment	1	<b>1,36,26,643</b>	1,48,61,313
b) Financial Assets			
i) Loans	2	<b>19,64,942</b>	19,65,442
c) Deferred tax asset (net)	3	<b>89,30,198</b>	1,98,42,482
d) Other non-current assets	4	<b>74,85,414</b>	1,72,66,690
<b>Total Non-current assets</b>		<b>3,20,07,197</b>	5,39,35,927
<b>2) Current Assets</b>			
a) Inventories	5	<b>9,21,79,781</b>	19,75,94,220
b) Financial Assets			
i) Trade Receivables	6	<b>30,29,16,748</b>	39,96,33,022
ii) Cash & Cash equivalents	7 (i)	<b>67,16,770</b>	81,61,403
iii) Bank balance other than (ii) above	7 (ii)	<b>13,25,06,320</b>	1,55,29,776
iv) Loans	8	<b>1,26,44,654</b>	1,35,85,946
v) Other Financial Assets	9	<b>8,96,622</b>	9,95,024
c) Current tax asset (net)	10	<b>93,26,193</b>	1,07,01,798
d) Other Current assets	11	<b>1,27,73,525</b>	2,03,09,380
<b>Total Current Assets</b>		<b>56,99,60,613</b>	66,65,10,569
<b>Total Assets</b>		<b>60,19,67,810</b>	72,04,46,496
<b>Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity Share Capital	12	<b>17,27,12,930</b>	17,27,12,930
b) Other Equity	13	<b>25,83,50,095</b>	33,34,29,550
<b>Equity attributable to equity holders of the company</b>		<b>43,10,63,025</b>	50,61,42,480
<b>Total Equity</b>		<b>43,10,63,025</b>	50,61,42,480
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Provisions	14	<b>3,98,07,613</b>	5,00,45,269
<b>Total Non-current liabilities</b>		<b>3,98,07,613</b>	5,00,45,269
<b>2. Current liabilities</b>			
a) Financial liabilities			
i) Trade payables	15	<b>2,68,36,613</b>	5,46,98,860
ii) Other financial liabilities	16	<b>7,33,67,449</b>	7,66,86,994
b) Other current liabilities	17	<b>2,24,27,658</b>	1,47,60,802
c) Provisions	18	<b>84,65,451</b>	1,81,12,091
<b>Total Current liabilities</b>		<b>13,10,97,172</b>	16,42,58,747
<b>Total Liabilities</b>		<b>17,09,04,785</b>	21,43,04,016
<b>Total equity and liabilities</b>		<b>60,19,67,810</b>	72,04,46,496

Notes referred to above form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

**For M/s.P. Subbarayudu & Co.,**  
Chartered Accountants

Sd/-

Sd/-

Sd/-

Sd/-

Sd/-

**P.V. Satish Kumar**

**G. Srinivas**

**Y. Srinivasa Rao**

**S.Chandrasekhar**

**K. Prasada Rao**

Partner

Company Secretary

Chief Financial Officer

Chairman

Managing Director

Membership No.233633

FRN:004089S\

Kondapalli

Dated :15-07-2021

Kondapalli

Dated : 15-07-2021

**ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED, KONDAPALLI  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021**

Particulars	Note No.	for the year ended 31-03-2021 (Rs.)	for the year ended 31-03-2020 (Rs.)
<b>INCOME</b>			
I. Revenue from operations	19	<b>54,12,20,600</b>	72,80,72,353
II. Other Income	20	<b>1,37,30,528</b>	1,93,03,662
<b>III. Total Income (I + II)</b>		<b>55,49,51,128</b>	74,73,76,015
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	21	<b>31,27,76,433</b>	41,99,46,736
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	<b>(73,03,355)</b>	3,62,99,337
Employees Benefits Expenses	23	<b>17,45,99,688</b>	20,46,27,808
Finance Costs	24	<b>98,157</b>	6,60,550
Depreciation and Amortisation Expenses	1	<b>16,00,701</b>	21,12,064
Other Expenses	25	<b>13,69,84,065</b>	11,70,59,131
<b>Total Expenses :</b>		<b>61,87,55,689</b>	78,07,05,626
<b>V. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)</b>		<b>(6,38,04,562)</b>	(3,33,29,611)
<b>VI. PROFIT / (LOSS) BEFORE TAX</b>		<b>(6,38,04,562)</b>	(3,33,29,611)
<b>VII. Tax Expenses:</b>			
1. Current Tax		-	-
2. Deferred Tax		<b>(1,10,06,562)</b>	18,98,507
3. Tax Relating to Earlier Periods		-	-
Profit / (Loss) for the period from continuing operations (VI-VII)		<b>(7,48,11,124)</b>	(3,14,31,104)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		<b>(3,62,609)</b>	(48,04,132)
Less : Income tax relating to items that will not be reclassified to profit or (Loss)		<b>94,278</b>	12,49,074
Total comprehensive income for the period (Comprising profit / (loss) and other comprehensive income for the period		<b>(7,50,79,455)</b>	(3,49,86,162)
Basic and Diluted Earning per equity share (Rs.) Note No.27.16		<b>(4.33)</b>	(1.82)
Significant Accounting Policies	26		
Additional Notes to Accounts	27		

Notes referred to above form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of the Board**

**For M/s.P. Subbarayudu & Co.,**  
Chartered Accountants

Sd/-  
**P.V. Satish Kumar**  
Partner  
Membership No.233633  
FRN:004089S\  
Kondapalli  
Dated :15-07-2021

Sd/-  
**G. Srinivas**  
Company Secretary

Sd/-  
**Y. Srinivasa Rao**  
Chief Financial Officer

Sd/-  
**S.Chandrasekhar**  
Chairman

Sd/-  
**K. Prasada Rao**  
Managing Director

Kondapalli  
Dated : 15-07-2021



**ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LIMITED, KONDAPALLI**  
**Cash flow statement for the year ended 31st March 2021 (Indirect Method)**

(Rs.)

	2020-21		2019-20	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before exceptional items and extraordinary items		(6,41,67,171)		(3,81,33,743)
Adjustments for				
Depreciation	16,00,701		21,12,064	
Interest expenses	98,157		6,60,550	
Interest Income on Deposits	(23,71,596)		(39,88,971)	
Assets Written Off	-		96,804.50	
Non-Current Provisions	(1,02,37,656)		1,21,15,838	
Loss on sale of assets	-	1,09,10,394	-	1,09,96,286
Operating Profit before working capital changes		(7,50,77,565)		(2,71,37,458)
<b>Adjustments towards changes in</b>				
Inventories	10,54,14,438		1,31,64,746.98	
Trade Receivables	9,67,16,274		(13,05,15,289)	
Loans , Others, Other current assets,				
Other non-current assets, Financial assets -Loans	(9,72,43,615)		5,67,59,043.91	
Trade Payables	(2,78,62,247)		(1,52,50,705.20)	
Other financial liabilities, Current liabilities, Provisions Tax (Net)	(52,99,329)	7,17,25,523	1,08,71,933.51	(6,49,76,270)
<b>Net Cash Flow from Operating Activities</b>		(33,52,042)		(9,21,13,728)
Short/Excess of Earlier Tax	-		-	
Provision for Taxation	-	-	-	-
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		(33,52,042)		(9,21,13,728)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Increase in Fixed Assets	(3,66,029)		(3,05,068)	
Interest Income on Deposits	23,71,596		39,88,971	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		20,05,567		36,83,903
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Short Term Borrowings	-		-	
Interest expenses	(98,157)		(6,60,550)	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		(98,157)		(6,60,550)
<b>D) Net increase in Cash &amp; Cash equivalents (A+B+C)</b>		(14,44,632)		(8,90,90,375)
<b>E) Cash &amp; Cash equivalents at the beginning of the year</b>		81,61,402		9,72,51,777
<b>F) Cash &amp; Cash equivalents at the end of the year (D+E)</b>		67,16,770		81,61,402

As per our report of even date

For and on behalf of the Board

**For M/s.P. Subbarayudu & Co.,**  
Chartered Accountants

Sd/-  
**P.V. Satish Kumar**  
Partner  
Membership No.233633  
FRN:004089S\  
Kondapalli  
Dated :15-07-2021

Sd/-  
**G. Srinivas**  
Company Secretary

Sd/-  
**Y. Srinivasa Rao**  
Chief Financial Officer

Sd/-  
**S.Chandrasekhar**  
Chairman

Sd/-  
**K. Prasada Rao**  
Managing Director

Kondapalli  
Dated : 15-07-2021

Notes to Balance Sheet as at 31st March 2021

Other Equity

Consolidated statement of changes equity for the period ended 31st March 2021

A. Equity share capital

Balance as on 1st April 2020	Balance as on 31st March 2021
17,27,12,930	17,27,12,930

B. Other Equity

Particulars	General Reserve	Retained Earnings	Non-Controlling Interests	Share application money pending for allotment	Total
Balance at the beginning of the reporting period					
As at 1st April 2019	-	36,84,10,402	-	5,310	36,84,15,712
Balance at the beginning of the reporting period					
As at 1st April 2019	-	36,84,10,402	-	5,310	36,84,15,712
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	36,84,10,402	-	5,310	36,84,15,712
Lose for the year	-	(3,14,31,104)	-	-	(3,14,31,104)
Other comprehensive income (net of tax)	-	(35,55,058)	-	-	(35,55,058)
Transfer to retained earnings	-	(3,49,86,162)	-	-	(3,49,86,162)
Any other change	-	-	-	-	-
Balance as on 31st March, 2020	-	33,34,24,240	-	5,310	33,34,29,550
Loss for the year	-	(7,48,11,124)	-	-	(7,48,11,124)
Other comprehensive income (net of tax)	-	(2,68,331)	-	-	(2,68,331)
Transfer to retained earnings	-	(7,50,79,455)	-	-	(7,50,79,455)
Any other change	-	-	-	-	-
Balance as on 31st March 2021	-	25,83,44,785	-	5,310	25,83,50,095

## Notes to Balance Sheet as at 31st March 2021

### 1. Property, Plant and Equipment

(Rs.)								
Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Others	Total
<b>Gross Carrying Amount</b>								
As at 1 <sup>st</sup> April 2019	42,51,720	3,84,24,551	10,78,69,908	25,79,738	14,96,012	97,88,686	50,038	16,44,60,653
Additions	-	-	-	-	-	3,05,068	-	3,05,068
Deletions/Disposals	-	-	10,49,350	8,680	-	4,26,676	-	14,84,706
Adjustments	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2020	42,51,720	3,84,24,551	10,68,20,558	25,71,058	14,96,012	96,67,078	50,038	16,32,81,015
As at 1 <sup>st</sup> April 2020	42,51,720	3,84,24,551	10,68,20,558	25,71,058	14,96,012	96,67,078	50,038	16,32,81,015
Additions	-	30,000	1,62,700	-	-	1,73,329	-	3,66,029
Deletions/Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>42,51,720</b>	<b>3,84,54,551</b>	<b>10,69,83,258</b>	<b>25,71,058</b>	<b>14,96,012</b>	<b>98,40,407</b>	<b>50,038</b>	<b>16,36,47,044</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 1 <sup>st</sup> April 2019	-	3,29,19,588	10,21,28,956	24,48,280	6,79,705	94,68,974	50,035	14,76,95,538
Additions	-	5,51,869	11,32,031	60,733	1,39,738	2,27,693	-	21,12,064
Deletions/Disposals	-	-	9,52,564	8,678	-	4,26,660	-	13,87,902
Adjustments	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2020	-	3,34,71,457	10,23,08,424	25,00,334	8,19,443	92,70,006	50,034	14,84,19,699
As at 1 <sup>st</sup> April 2020	-	3,34,71,457	10,23,08,424	25,00,334	8,19,443	92,70,006	50,034	14,84,19,699
Additions	-	2,97,868	9,88,427	32,634	1,39,738	1,42,034	-	16,00,701
Deletions/Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>3,37,69,325</b>	<b>10,32,96,851</b>	<b>25,32,968</b>	<b>9,59,181</b>	<b>94,12,040</b>	<b>50,034</b>	<b>15,00,20,399</b>
<b>Net Carrying Amount</b>								
As at 31 <sup>st</sup> March 2021	42,51,720	46,85,226	36,86,407	38,090	5,36,831	4,28,367	2	1,36,26,643
As at 31 <sup>st</sup> March 2020	42,51,720	49,53,094	45,12,135	70,723	6,76,569	3,97,071	2	1,48,61,313

1.1 The Company has reviewed the carrying amounts of fixed assets based on internal valuation found that none of the fixed assets suffered an impairment loss and hence no provision/ write off of impaired assets in terms of IND AS-36.

## Notes to Balance Sheet as at 31st March 2021

### 2. Loans : Non-Current

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Deposit with Telephone department	82,497	82,997
Deposit with APSEB	18,52,275	18,52,275
Deposit with IOL	7,000	7,000
Deposit with Post office	2,000	2,000
Deposits	21,170	21,170
<b>Total</b>	<b>19,64,942</b>	<b>19,65,442</b>

### 3. Deferred Tax Asset (Net)

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
<b>a) Deferred Tax Asset</b>		
Gratuity, Leave encashment & other liabilities	40,62,433	1,42,41,999
On provisioins	53,22,325	61,81,712
Depreciation	-	-
<b>Total (a)</b>	<b>93,84,758</b>	<b>2,04,23,711</b>
<b>b) Deferred Tax Liability</b>		
Depreciation	4,54,560	5,81,229
<b>Total (b)</b>	<b>4,54,560</b>	<b>5,81,229</b>
<b>Total (a-b)</b>	<b>89,30,198</b>	<b>1,98,42,482</b>

### 4. Other Non-Current Assets

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
VAT Paid under protest	71,18,714	1,68,99,990
PF paid under protest	-	-
Service Tax under protest	-	-
Deposit with Court	3,57,700	3,57,700
Deposit with Labour Commissioner	9,000	9,000
<b>Total</b>	<b>74,85,414</b>	<b>1,72,66,690</b>

## Notes to Balance Sheet as at 31st March 2021

### 5. Inventories

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Stock of Raw Materials	2,00,48,466	7,69,75,543
Stock of Consumable Gases	1,26,571	1,49,194
Stock of Consumable Paints	2,82,351	4,58,863
Stock of Consumable Electrodes	13,30,611	34,52,312
Stock of Bought Out Items	3,83,03,069	9,08,24,861
Stock of Stock Items	74,26,084	98,53,379
Stock of Tools	47,02,323	46,81,018
Stock of Spares	45,24,059	45,11,867
Stock of Maintenance Materials	6,62,624	8,61,837
Stock of Scrap (Valued at Market Price)	1,02,22,180	42,38,820
Stock of Work-In-Progress (Valued at cost or market value which ever is less)	1,67,55,888	1,54,35,893
<b>Sub-Total</b>	<b>10,43,84,226</b>	<b>21,14,43,587</b>
<b>Less :</b>		
Provision for Non-Moving Items	1,22,04,445	1,38,49,367
<b>Sub Total</b>	<b>1,22,04,445</b>	<b>1,38,49,367</b>
<b>Total</b>	<b>9,21,79,781</b>	<b>19,75,94,220</b>

### 6. Trade Receivables : Current

Particulars	As at 31-03-2021 (Rs. )	As at 31-03-2020 (Rs. )
Unsecured Considered Good	30,29,16,748	39,96,33,022
<b>Total</b>	<b>30,29,16,748</b>	<b>39,96,33,022</b>

### 7. (i) Cash and Cash Equivalents

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Cash & Cash Equivalents		
<b>a) Cash On Hand</b>	<b>32,846</b>	<b>3,45,478</b>
<b>b) Bank Balances</b>		
Current Account with IDBI	18,457	18,457
Cash Credit Account SBI (Patamata)	48,85,526	77,66,843
Current Account with SBI (IBM)	17,53,810	-
Current Account SBH (Kothagudem)	26,131	26,780
Current Account SBI (Bilaspur)	-	3,846
<b>c) In Deposit Account (Maturity &lt; 3 months)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>67,16,770</b>	<b>81,61,404</b>

## Notes to Balance Sheet as at 31st March 2021

### 7. (ii) Other Bank Balances

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
c) In Deposit Account (Maturity > 3 months)	-	-
Margin Money Deposits (SBI)	1,75,06,320	1,55,29,776
Short Term Deposits	11,50,00,000	-
<b>Total</b>	<b>13,25,06,320</b>	<b>1,55,29,776</b>

### 8. Loans : Current

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
<b>Unsecured considered good :</b>		
Festival Advance to Staff	1,93,200	1,95,000
Advance for Rent	58,000	27,800
EMD on outside orders	2,10,000	2,10,000
Security Deposits	45,540	45,540
Dues Recoverable from Staff	15,171	21,730
Dues Recoverable from others	1,21,22,742	1,30,85,876
<b>Total :</b>	<b>1,26,44,654</b>	<b>1,35,85,946</b>

### 9. Other Financial Assets : Current

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Interest Accrued but not due on Loans and Advances	8,96,622	9,95,024
<b>Total</b>	<b>8,96,622</b>	<b>9,95,024</b>

### 10. Current tax asset (Net)

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Advance Tax	25,000	25,000
Advance to FBT	21,093	1,03,000
Income Tax Deducted at source	92,80,100	1,06,55,705
Provision for FBT	-	(81,907)
<b>Total</b>	<b>93,26,193</b>	<b>1,07,01,798</b>



## Notes to Balance Sheet as at 31st March 2021

### 11. Other Current Assets

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Advance for Materials	14,82,044	15,32,292
Advance for expenses	37,203	4,436
Advance for Local Purchases	17,178	5,730
Advance for Repairs & Others A/c	13,000	-
Advance for Suppliers & Contractors	1,75,483	2,00,684
Advance for Travelling expenses	40,343	64,628
Advance for Freight and Demurrages	22,552	1,11,300
Pre-paid expenses	20,34,283	27,63,752
Pre-paid Insurance	1,71,516	1,53,186
Advance to CGST Payable	5,24,809	16,87,086
Advance to SGST Payable	5,24,809	16,87,086
Advance to IGST Payable	30,73,401	75,78,407
CGST Credits Received Inputs	-	14,54,784
SGST Credits Received Inputs	19,54,895	29,02,784
IGST Credits Received Inputs	28,30,216	3,23,589
TCS US 206C (1H)	32,071	-
<b>Sub-Total (a)</b>	<b>1,29,33,891</b>	<b>2,04,69,746</b>
<b>Less: b) Provision for Adv.for Suppliers &amp; Contractors</b>	<b>1,60,366</b>	<b>1,60,366</b>
<b>Sub-Total (a-b)</b>	<b>1,27,73,525</b>	<b>2,03,09,380</b>

### 12.1. Equity Share Capital

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
<b><u>Authorised</u></b>		
20,000,000 Equity Shares of Rs. 10/- each	200,000,000	200,000,000
<b><u>Issued</u></b>		
Equity Shares of Rs. 10/- each 17,301,710 shares issued	173,017,100	173,017,100
<b><u>Subscribed and fully paid up of the above</u></b>		
1,72,71,293 Equity Shares of Rs. 10/- each fully paid up	172,712,930	172,712,930
<b>Total</b>	<b>172,712,930</b>	<b>172,712,930</b>

## Notes to Balance Sheet as at 31st March 2021

12.2 The Company has only one class of shares referred to as equity shares having par value Rs.10/- each holder is entitled to one vote per share.

### 12.3 Reconciliation of equity shares

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Shares outstanding at the beginning of the year	1,72,71,293	1,72,712,930	1,72,71,293	1,72,712,930
Shares issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	1,72,71,293	1,72,712,930	1,72,71,293	1,72,712,930

12.4 Equity Shares held by its Holding Company or its ultimate Holding Company (The Singareni Collieries Company Limited) is 14082700.

12.5 Details of shares held by each Share holder holding more than 5 percent:

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number of Shares held	% of holding	Number of Shares held	% of holding
<b>Equity Shares with voting rights :</b>				
The Singareni Collieries Company Limited	1,40,82,700	81.54	1,40,82,700	81.54
APIDC	10,00,000	5.79	10,00,000	5.79

12.6 As per G.O.No.227, dt.30.11.1996 write off proposal for Government of A.P. shareholdings of Rs.14.90 lakh (P.Y.Rs.14.90 lakh) was not carried out in the accounts since the Company requested the erstwhile Government of A.P. for amended action.

## 13. Other Equity

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
a) Share application money pending for allotment	5,310	5,310
b) Surplus -Retained earnings		
Opening Balance	33,34,24,240	36,84,10,402
Less/Add : Loss for the year	(7,50,79,455)	(3,49,86,162)
<b>Sub-Total (b)</b>	<b>25,83,44,785</b>	<b>33,34,24,240</b>
<b>Closing Balance (a+b)</b>	<b>25,83,50,095</b>	<b>33,34,29,550</b>

## 14. Provisions : Non-Current

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Leave Encashment (Unfunded)	1,69,78,720	1,33,78,623
Gratuity (to the extent unfunded)	2,28,28,893	3,66,66,646
<b>Total</b>	<b>3,98,07,613</b>	<b>5,00,45,269</b>

Notes to Balance Sheet as at 31st March 2021

### 15. Trade payables : Current

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Dues to Material Suppliers	64,76,129	3,50,87,445
Dues to M.S.M.E.	1,38,032	16,17,921
Dues to Suppliers & Contractors	1,98,95,876	1,69,92,423
Dues to Transport Contractors	3,36,576	10,01,070
<b>Total</b>	<b>2,68,36,613</b>	<b>5,46,98,859</b>

### 16. Other Financial liabilities : Current

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Security Deposit Payable	2,04,22,905	1,91,51,908
E.M.D.from Contractors	2,25,386	2,25,208
Current A/c with SBI (IBM) Material values	-	90,70,319
Salaries Payable	2,65,30,721	1,31,37,080
Wages Payable	1,32,734	5,95,463
Stipend Payable	71,637	2,31,517
LIC Premium Payable	3,50,741	3,86,549
Payable to Temple	-	7,300
Union Fund Payable	1,804	3,326
Association Fund Payable	14,220	15,820
Cycle Shed Rent Payable	2,110	2,380
DRF Payable	7,260	8,130
Payable to District Courts	-	8,663
Hire Vehicles Payable	1,97,485	1,69,427
Share Deposit Refundable	-	23,450
Share Deposit Suspense	-	11,954
OSL - Staff Benefits	17,72,822	18,58,738
OSL - For Others	2,36,37,624	3,17,79,763
<b>Total</b>	<b>7,33,67,449</b>	<b>7,66,86,995</b>

## Notes to Balance Sheet as at 31st March 2021

### 17. Other Current Liabilities

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Advance from Customers	46,99,177	1,86,088
E.S.I. Payable	921	3,401
E.S.I. Payable - Others	-	-
Professional Tax Payable	1,51,200	40,650
Income Tax Payable - Salaries	2,81,088	3,12,629
Income Tax Payable - Contractors	8,54,370	8,61,306
TCS US 206C (1H) Payable	1,02,084	-
TCS US 206C (1H)	-	-
TDS on CGST	42,930	76,100
TDS on SGST	42,930	76,100
TDS on IGST	4,96,878	11,21,002
APHMEL EPF Trust	-	-
APHMEL Gratuity Trust	1,00,267	1,00,267
CGST Payable	3,27,621	46,905
SGST Payable	3,27,975	46,905
IGST Payable	34,53,561	8,083
Payable to RPF Commissioner	15,46,656	18,81,366
Provident Fund Payable	-	-
Government of A.P. Loan (VRS)	1,00,00,000	1,00,00,000
<b>Total</b>	<b>2,24,27,658</b>	<b>1,47,60,805</b>

17.1 Interest free loan from Government of Andhra Pradesh Rs.100.00 lakh vide G.O.Ms.No.201 dated 21.08.1997 for implementing the Voluntary Retirement Scheme as a full and final settlement of the concessions was given to the Company.

The Company has implemented the voluntary retirement scheme in the year 1997 and schedule for repayment of loan was deferred till 2010-11 for revival of the Company vide Lr.No.23600/IFR/2002-03 dt.13.09.2003. Further request is made to extend schedule for repayment of loan.

### 18. Provisions : Current.

Particulars	As at 31-03-2021 (Rs.)	As at 31-03-2020 (Rs.)
Warranty Provisions on Sales	81,05,668	97,66,083
Leave Encashment (Unfunded)	3,59,783	83,46,008
<b>Total</b>	<b>84,65,451</b>	<b>1,81,12,091</b>

Notes to Statement of Profit & Loss Account for the year ended 31.03.2021

**19. Revenue from Operations**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31-03-2020 (Rs.)
<b>Sale of Products:</b>		
Material Handling Equipment	34,77,71,059	57,65,81,742
Spares	8,49,78,534	5,22,46,912
<b>Sale of Services:</b>		
Revenue from services	5,54,17,950	8,28,40,727
Income from Installation and Commissioning Services	5,71,63,942	1,66,04,723
<b>Total</b>	<b>54,53,31,485</b>	<b>72,82,74,105</b>
Add / Less : Sale in Transit	-	-
<b>Less: Sales Returns / Rejections</b>	<b>41,10,885</b>	<b>2,01,751</b>
<b>Net Sales</b>	<b>54,12,20,600</b>	<b>72,80,72,353</b>

**20. Other Income**

Particulars	For the year ended 31-03-2021 (Rs.)		For the year ended 31-03-2020 (Rs.)	
<b>Interest Income:</b>				
Interest on FDR's	23,25,756		38,83,985	
Interest on Security Deposit	-		1,04,986	
Interest on Income Tax Refund	45,840	23,71,596	-	39,88,971
<b>Other Non-Operating Income:</b>				
Freight on Sales	-		-	
Sale of Scrap	33,95,514		29,97,824	
Rent Received	-		45,00,000	
Miscellaneous Receipts	12,14,194		7,06,551	
Late delivery charges (Recovered from Suppliers)	28,76,820		56,61,461	
Damages for use of Company Land	2,57,934		2,71,802	
Liabilities Written Back	-		-	
Provisions and liabilities no longer required	36,14,470	1,13,58,932	11,77,053	
<b>Total</b>		<b>1,37,30,528</b>		<b>1,93,03,662</b>

Notes to Statement of Profit & Loss Account for the year ended 31.03.2021

21. Cost of Materials and other consumables

Particulars	2020 - 21 (Rs.)						2019 -20 (Rs.)					
	Opening Balance	Purchases	Total	Consumption	Others	Closing Balance	Opening Balance	Purchases	Total	Consumption	Others	Closing Balance
Raw Materials	7,69,75,543	11,09,56,399	18,79,31,942	16,78,83,476	-	2,00,48,466	8,44,80,829	20,74,35,960	29,19,16,789	21,49,41,246	-	7,69,75,543
Gases	1,49,193	4,39,712	5,88,905	4,62,334	-	1,26,571	1,40,923	8,50,250	9,91,173	8,41,979	-	1,49,193
Paints	4,58,863	10,55,492	15,14,355	12,32,004	-	2,82,351	4,42,576	14,63,648	19,06,225	14,47,361	-	4,58,863
Electrodes	34,52,312	35,75,496	70,27,809	56,97,198	-	13,30,611	22,12,071	1,11,38,915	1,33,50,986	98,98,673	-	34,52,312
Bought out Items	9,08,24,861	7,64,11,056	16,72,35,917	12,89,32,848	-	3,83,03,069	6,37,50,306	20,99,10,347	27,36,60,653	18,28,35,792	-	9,08,24,861
Stock Items	98,53,380	49,26,941	1,47,80,321	73,54,236	-	74,26,085	82,06,805	1,01,22,417	1,83,29,222	84,10,991	64,850	98,53,380
Tools	46,81,018	7,08,946	53,89,964	6,87,641	-	47,02,323	46,17,428	10,03,371	56,20,800	9,39,782	-	46,81,018
Spares	45,11,866	12,193	45,24,059	-	-	45,24,059	45,31,652	4,94,224	50,25,876	65,000	4,49,009	45,11,866
Maintenance Materials	8,61,837	3,27,483	11,89,320	5,26,696	-	6,62,624	8,98,475	24,26,898	33,25,373	5,65,911	18,97,625	8,61,837
<b>Total</b>	19,17,68,874	19,84,13,718	39,01,82,592	31,27,76,433	-	7,74,06,159	16,92,81,065	44,48,46,029	61,41,27,095	41,99,46,736	24,11,484	19,17,68,874

Notes to Statement of Profit & Loss Account for the year ended 31.03.2021

**22. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31-03-2020 (Rs.)
A) Opening Stock of Finished Goods	-	-
Opening Stock of Work-In-Progress	<u>1,54,35,893</u>	<u>5,35,11,068</u>
	1,54,35,893	5,35,11,068
B) Closing Stock of Finished Goods	-	-
Closing Stock of Work-In-Progress	<u>1,67,55,888</u>	<u>1,54,35,893</u>
	1,67,55,888	1,54,35,893
<b>C) (Increase)/Decrease in Stock (A-B)</b>	<b>(13,19,995)</b>	<b>3,80,75,175</b>
D) Opening Stock of Scrap	42,38,820	24,62,982
Closing Stock of Scrap	<u>1,02,22,180</u>	<u>42,38,820</u>
E) (Increase)/Decrease in Scrap	<u>(59,83,360)</u>	<u>(17,75,838)</u>
<b>F) (Increase)/Decrease in Stock (C+E)</b>	<b>(73,03,355)</b>	<b>3,62,99,337</b>

**23. Employees Benefit Expenses**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31-03-2020 (Rs.)
Salaries	11,07,09,052	12,84,27,333
Employees wage agreement salary arrears	1,61,38,344	40,87,065
Wages	54,91,491	60,99,019
Stipend	8,39,568	34,90,700
Bonus	8,263	15,041
Ex-Gratia	10,40,834	12,24,471
Incentive	-	10,48,639
Remuneration to Managing Director	44,13,436	46,48,731
HRA to Managing Director	3,27,045	3,51,600
Managing Director Perks Expenses	67,044	1,41,002
Employees State Insurance	81,018	1,55,012
Provident Fund	76,69,289	90,49,085
Family Pension Fund	22,45,817	26,51,585
Gratuity	57,19,984	80,82,634
Actuarial Valuation of Earned Leave Liability	33,33,988	79,83,415
Staff Welfare Expenses	28,08,963	31,82,408
Conveyance to Staff	30,88,644	37,17,093
Medical Expenses	81,408	2,84,721
D.R.F. Co. Contributions	-	1,12,000
Inspection charges on PF Trust	1,81,629	1,75,492
Employees Deposit Linked Insurance	1,34,750	1,59,098
HRA to Officials	9,00,449	10,42,583
Workmen Compensation	-	3,011
Hiring of Man power Supply	80,33,832	73,21,010
PF Employer Contribution on hiring of Man Power	10,27,782	9,43,761
ESI Employer contribution on hiring of man power	2,57,060	2,61,783
Other Expenses Under EPF Act	-	99,69,516
<b>Total</b>	<b>17,45,99,688</b>	<b>20,46,27,808</b>



**Notes to Statement of Profit & Loss Account for the year ended 31.03.2021**
**24. Finance Cost**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31-03-2020 (Rs.)
Interest on Cash Credit	26,711	4,78,678
Interest Others	<u>71,446</u>	<u>1,81,872</u>
<b>Total</b>	<b>98,157</b>	<b>6,60,550</b>

**25. Other Expenses**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31-03-2020 (Rs.)
Sub-Contracts	7,20,52,077	5,95,75,282
<b>Provisions</b>		
for Warranty on Sales	-	12,02,262
for Stores Non-Moving Items	-	-
for work - In - Progress Items	<u>-</u>	<u>12,02,262</u>
<b>Repairs and Maintenance</b>		
Buildings	19,200	34,220
Machinery	6,38,551	8,57,498
Vehicles	57,304	74,887
General	<u>14,12,888</u>	<u>21,27,943</u>
<b>Travelling Expenses</b>		
General	7,22,834	24,60,011
Transfer	5,30,189	1,25,924
Managing Director	48,308	1,86,788
Board of Directors	<u>78,083</u>	<u>13,79,414</u>
<b>Freight Expenses</b>		
Raw Materials	40,598	2,17,345
General Materials	69,405	2,28,440
Outside orders	<u>56,76,254</u>	<u>57,86,257</u>
<b>Insurance</b>		
On Fixed Assets	1,86,988	1,25,289
On Transit	59,122	84,907
On Others	<u>22,709</u>	<u>2,68,819</u>
VAT & CST Account	1,22,97,376	5,11,727
Electricity Charges	74,18,177	85,66,091
Printing & Stationary	2,79,557	8,46,963
Advertisement & Publicity	74,495	70,846
Liaisoning charges	6,84,000	17,85,196
Petrol, Oil & Lubricants	3,72,977	3,43,438
Water charges	13,000	15,600
AGM expenses	43,045	33,157
Rent Account	-	61,512
Postage & Telegraph expenses	<u>45,821</u>	<u>2,91,117</u>

**Notes to Statement of Profit & Loss Account for the year ended 31.03.2021**

**25. Other Expenses (Continued)**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31-03-2020 (Rs.)
Telephone & Telex charges	6,46,306	6,69,082
Excise Duty expenses	-	23,773
Fixed Assets Written off expenses	-	96,805
Board Meeting expenses	35,655	43,835
Directors Sitting Fee expenses	26,900	35,000
Consultancy charges	60,000	27,000
Conveyance charges	1,76,713	1,14,803
Commission on Scrap Sales	1,05,496	73,713
Directors Incidentals expenses	4,800	5,250
Audit Fee expenses	85,000	85,000
Professional charges	2,98,250	2,04,740
Legal expenses	-	10,000
Hospitality expenses	39,780	2,43,478
Books & Periodicals expenses	1,877	5,002
Subscription & Membership expenses	6,749	14,262
Conference, Seminar & Training expenses	-	34,901
Miscellaneous expenses	5,06,679	5,00,608
Late Delivery charges (Recovered by Customer)	2,57,21,440	1,29,68,512
Rates & Taxes	9,81,546	9,74,499
Licence & Renewals	47,653	47,829
Inspection & Testing charges	-	8,15,792
Filing Fee expenses	10,780	11,430
Hire Vehicles expenses	9,05,263	8,74,096
Computers Maintenance charges	1,29,671	1,30,766
Purchase of Tender Schedule expenses	-	1,06,057
Computers Software expenses	1,75,050	1,950
Statutory Auditors Expenses	-	-
Advances Written off expenses	-	-
Bank Charges	26,16,559	33,10,149
Penalties	73,312	48,061
Non Moving stores Written off	-	-
SBC Account	-	-
CGST Account	6,22,917	9,69,824
SGST Account	6,22,917	9,69,824
IGST Account	48,452	5,305
Service Tax Account	-	15,54,249
E-Procurement Transaction Fees	1,20,071	1,37,641
Security expenses	68,000	-
P.F.Penal Damages	3,272	-
Rounding off	(1)	-
<b>Total</b>	<b>13,69,84,065</b>	<b>11,70,59,131</b>

## Notes to Accounts as at 31<sup>st</sup> March, 2021

### Note No. 26

#### Note: 1 Corporate Overview

M/s. Andhra Pradesh Heavy Machinery & Engineering Limited is a subsidiary of The Singareni Collieries Company Limited, A Government Company with Head Office at Kondapalli, Andhra Pradesh.

The Company is mainly engaged in Designing, Manufacturing / Fabricating Heavy machinery / equipments used in Mining Industry viz., Man Riding Car, Man Riding Chair lift systems, Road Headers, Belt conveyor Drive Heads of various capacities, Haulers , Armored Chain Conveyors ,Roof Bolts, Coal Tubs etc., and also undertake Services like Erection & Commissioning, Repair & Overhauling, Machining, Assembly Testing and Supply Spare parts etc.,. The major consumers of the company is Coal sector...

#### Note 2: Significant Accounting Policies

##### 2.1. Basis of preparation of financial statements

###### ( a ) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015, Companies (Indian Accounting Standards) Amendment Rules and the relevant provisions of The Companies Act, 2013 from time to time.

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

The Company has adopted Ind AS 116 ‘Leases’ effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets, if any. The impact on the profit for the year is not material.

The Company has adopted a policy to apply recognition of exemption from Ind AS 116 for Leases for which the underlying asset is of low value leases i.e the amounts payable in respect of Low Value leases up to **Rs.2.00 lakhs/per month per Asset** and the Short term leases of 12 months or less are fully charged to expense.

###### ( b ) Basis of Measurement :

The financial statements have been prepared on historical cost basis of measurement, except for

- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments in para 2. 2.5)
- Defined benefit plans- plan assets measured at fair value;
- Inventories at Cost or NRV whichever is lower (refer accounting policy in para no.2.2.9)

###### ( c ) Functional or presentation currency.

The financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakh up to two decimal points except otherwise indicated.

###### ( d ) Use of estimates and judgment;

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis.

## 2.2 Summary of Accounting Policies:

### 2.2.1. SYSTEM OF ACCOUNTING OF CERTAIN SPECIFIC CLAIMS:

The Company is following mercantile system of accounting except in the following cases

- i) Insurance claims are accounted on actual receipt basis.
- ii) Claims for liquidated damages against the company, escalation in prices are accounted on payment basis.

### 2.2.2. Revenue recognition

#### Revenue from sale of Goods and Services

Revenue from Operations is recognised duly adopting the five step model specified in Ind AS 115 to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to a customer.

The Company exercises judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

#### a) Sale of Goods : Manufactured Items and Services

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Emphasis is also given towards ascertaining the probability of recovery for recognition of the revenue at the inception of the contract. Revenue from these sales is recognised based on the value as per Purchase Order, net of discounts, returns and Goods and Service Tax.

Revenue is measured at the standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment.

The company's obligation to make good the defects claimed during the warranty period is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### b) Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized with reference to the stage of completion of the transaction at the end of the reporting period.

#### c) Interest

Interest income is recognised using the Effective Interest Method.

### 2.2.3a. Property, Plant and Equipment (PPE)

- a) Recognition and measurement: Property, Plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1<sup>st</sup> April 2015, the date of transition.

- b) Depreciation on property, plant and equipment, except freehold land, is provided as per cost model on straight line basis over the estimated useful lives of the asset as per the Schedule II of the Companies Act, 2013 except assets whose actual cost does not exceed Rs.5000/- are depreciated on the basis of estimated life 1 year, which is lower than specified in Schedule-II. The estimated useful life of the assets is reviewed at the end of each financial year.

- c) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

#### **2.2.3b. Leases:**

- a) Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.
- b) The company has reviewed all the leasing arrangements in light of the new lease accounting rules in Ind AS 116. The standard will affect primarily the accounting for the company leases. The Company evaluates at the inception of a contract, whether the contract is, or contains, a lease, if the contract conveys the right to control the use of an identified Asset. Identification of a lease requires significant judgment. The cost of the right to use asset shall comprise of the amount. The Company determines the lease term as the non-cancellable period of a lease together with the periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. In the absence of the interest rates implicit in the Contracts, the Company adopts incremental borrowing rate as the discount rate.
- c) Lease liability is initially recognised and measured at an amount equal to the present value of lease payments to be made during the lease term and corresponding amount is recognized as Right of Use Asset which is measured at cost. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term on straightline basis.
- d) Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- e) The company has lease hold land, which is having low value lease consideration. Therefore the company has not applied IND AS-116 recognition and its requirements to the leased hold land and applied the recognition of exemption under Ind AS 116. As the amounts payable in respect of Low Value leases up to **Rs.2.00 lakhs/per month** per Asset and the Short term leases of 12 months or less are fully charged to expense.

#### **2.2.4. Impairment of Assets (Non- financial assets)**

The company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Statement of Profit and Loss.

#### **2.2.5. Financial Instruments**

##### **a) Classification :**

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**b) Initial Measurement:**

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset/liability (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets/liabilities. While, loans and borrowings and payable are recognised net of directly attributable transaction costs.

**c) Subsequent Measurement:**

For the purposes of subsequent measurement, financial instruments of the Company classified in the following categories non-derivative financial assets comprising amortised cost, non derivative financial liabilities at amortised cost.

**a) Non-derivative financial assets:****Financial assets at amortised cost.**

a) Financial asset shall be measured at amortized cost if both of the following conditions are met:

- i) The financial asset is held with a business model whose objective is to hold financial Assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial Assets at amortized cost are represented by security deposits, cash and equivalents, trade receivables & similar nature and eligible current and non-current assets.

**b) Non-derivative financial liabilities at amortized cost**

Financial liabilities at amortized cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

**2.2.6. Impairment of financial assets (other than fair value)**

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increase significantly, 12-month ECL is used to provide for impairment loss. However if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL's are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 (i.e all shortfalls). Discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance or reversal / recognised during the period is recognised as income / expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below.

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount, Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **2.2.7. Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

#### **A. Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis to realise the asset and liabilities simultaneously.

#### **B. Deferred Income tax**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

### **2.2.8. Employee Benefits**

#### **a) Short-term Benefits**

All short term employee benefits are recognized in the period in which they are incurred.

#### **b) Post-employment benefits and other long term employee benefits**

##### **i) Defined contributions plans**

Employer's contribution under Provident fund Act and ESI are defined contribution plans and the expenditure / provision on the above is charged to statement of profit & loss.



## ii) Defined benefits plans

- a) **Gratuity:** Gratuity is defined benefit scheme. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets.
- b) Leave encashment is provided based on actuarial valuation carried out at each balance sheet date.
- c) Re-measurement of the net defined benefit liability, which comprise actuarial gain and losses considering the return on plan assets (excluding interest) and the effects of the assets ceiling (if any, excluding interest) are recognised immediately in the other comprehensive income in case of post-employment defined benefit plans. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.
- d) When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the statement of profit and loss.

### 2.2.9. Inventories

- i) Inventories are valued at cost on Weighted Average basis.
- ii) Finished goods and work-in-progress are valued at lower of cost or market value whichever is less.
- iii) Scrap is valued at market price.
- iv) Stationery is accounted as expenditure in the year of purchase.
- v) Provision for slow, non-moving and obsolescence is made annually on review of stores and spares.

### 2.2.10. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risk specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 2.2.11. Earnings per share

Basic and Diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

### 2.2.12. Provision for warranties:

The Company provides warranty cost at 1% of the revenue progressively as and when it recognizes the revenue and maintain the same through out the warranty period

### 2.2.13. Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial instruments. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgment of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

**NOTES TO ACCOUNTS AS AT 31.3.2021**  
**ADDITIONAL NOTES-27**

**1. Fair Value measurement**

**(a) Financial Instruments by Category**

*(Rs. Lakhs)*

Particulars	31 <sup>st</sup> March 2021			31 <sup>st</sup> March 2020		
	FVP TL	FVT OC	Amortized Cost	FVP TL	FVT OC	Amortized Cost
<b>Financial Assets</b>						
Loans			<b>146.09</b>			155.51
Other financial assets			<b>8.97</b>			9.95
Trade receivables			<b>3029.17</b>			3,996.33
Cash & Cash Equivalents			<b>67.17</b>			81.61
Other Bank Balances			<b>1325.06</b>			155.30
<b>Financial Liabilities</b>						
Trade Payables			<b>268.36</b>			546.99
Other financial Liabilities			<b>733.67</b>			766.87

**(b) Fair value hierarchy**

Table below shows Judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**( a )** Recognized and measured at fair value – Nil

**( b )** Measured at amortized cost and for which fair values are disclosed in the financial Statements .

*(Rs. in lakh)*

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31 <sup>st</sup> March, 2021	31 <sup>st</sup> March 2021			31 <sup>st</sup> March 2020		
	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets at FVPTL</b>						
Loans	-	-	<b>146.09</b>	-	-	<b>155.51</b>
Others	-	-	<b>8.97</b>	-	-	<b>9.95</b>
Trade receivables	-	-	<b>3029.17</b>	-	-	<b>3,996.33</b>
Cash & cash equivalents	-	-	<b>67.17</b>	-	-	<b>81.61</b>
Other Bank Balances	-	-	<b>1325.06</b>	-	-	<b>155.30</b>
<b>Financial Liabilities</b>						
Trade payables	-	-	<b>268.36</b>	-	-	<b>546.99</b>
Other Liabilities	-	-	<b>733.67</b>	-	-	<b>766.87</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares borrowings, security deposits and other liabilities taken included in level 3.

**(c) Valuation technique used in determining fair value**

Valuation techniques used to value financial instruments include:

- The use of quoted market prices of instruments
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**(d) Fair value measurements using significant unobservable inputs**

At present there are no fair value measurements using significant unobservable inputs.

Fair values of financial assets and liabilities measured at amortised cost

- The carrying amounts of trade receivables, short term deposits, cash and cash equivalents, trade payables are considered to be the same as their fair values, due to their short-term nature.
- Other Financial assets accounted at amortised cost are not carried at fair value only if same is not material.
- The Company considers that the security deposit does not include a significant financing component. The milestone payments (security deposits) coincide with the company’s performance and the contract requires amounts to be retained for reasons other than the provision of finance. The withholdings of a specified percentage of each milestone payment is intended to protect the interest of the company, from the contractor failing to adequately complete it obligations under the contract. Accordingly transaction cost of security deposit is considered as fair value at initial recognition and subsequently measured at amortised cost.
- **Significant estimates:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. uses its judgment to select a method and makes suitable assumptions at the end of each reporting period.

**2. RISK ANALYSIS AND MANAGEMENT**

**Financial risk management objectives and policies**

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

The company is exposed to market risk, credit risk and liquidity risk. The company’s senior management oversees the management of these risks.. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

The Company is exposed to market risk, credit risk and liquidity risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, trade Receivables financial asset measured at amortized cost	Ageing analysis	Regular watch by Senior Management & Board.
Liquidity Risk	Borrowings and other liabilities	Periodic cash flows	Availability of committed credit lines and borrowing facilities
Market Risk - Interest rate	Cash and Cash equivalents, Bank deposits	Cash flow forecast sensitivity analysis	Regular watch and review by senior management , Audit Committee and Board.

The company risk management is carried out by the Board of Directors.

**A. Credit Risk:** Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks and financial institutions, as well as including outstanding receivables.

**Expected Credit losses for trade receivables under simplified approach**

*As on 31.03.2021 (Rs.in lakh)*

Ageing	Due for 3 months	Due for 3 to 6 months	Due for 6 months to 1 year	Due for 1 to 2 years	Due for 2 to 3 years	Due for more than 3 years	Total
Gross carrying amount	1141.39	376.50	361.16	584.87	235.12	330.13	3029.17
Expected loss rate	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expected credit losses( Loss allowance provision)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*As on 31.03.2020 (Rs.in lakh)*

Ageing	Due for 3 months	Due for 3 to 6 months	Due for 6 months to 1 year	Due for 1 to 2 years	Due for 2 to 3 years	Due for more than 3 years	Total
Gross carrying amount	1606.48	378.46	1290.64	292.37	70.96	357.42	3996.33
Expected loss rate	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expected credit losses( Loss allowance provision)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Significant estimates and judgements Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

**B. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors forecasts of the company's liquidity position (comprising the Undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**Financing arrangements:** The company had access to the following undrawn borrowing facilities at the end of the reporting period:

*(Rs. in lakh)*

Exposure to risk	31.3.2021	31.3.2020
<b>Interest bearing borrowings</b>		
<b>On demand</b>		
Less than 365 days	NIL	NIL
More than 365 days	NIL	NIL
<b>Total</b>	NIL	NIL
<b>Other liabilities</b>	NIL	NIL



## Market risk

### a) Cash flow and fair value interest rate risk 107(33)(a)

The company's main interest rate risk arises from bank deposits with change in interest rate exposes the company to cash flow interest rate risk. Company's policy is to maintain most of its deposits at fixed rate.

## Capital Management

The Company's objective when managing capital are to -safeguard its ability to continue as a going concern, so that it can continue to provide return for shareholders and benefits for other stakeholders, and -Maintain an optimal capital structure to reduce the cost of capital.

### Capital structure of the company is follows :

(Rs. in lakh)

Particulars	31.3.2021	31.3.2020
Equity Share capital	1,727.13	1,727.13
Long term debt	-	-

## 3. Contingent liabilities and commitments (to the extent not provided for)

### (i) Claims against the company not acknowledged as debts :

- a) Sales tax claim of Rs.4.59 lakh (p.y Rs.4.59 lakh) and Rs.4.21 lakh (P.Y Rs.4.21 lakh) towards Orissa sales tax treating the inter state sale as intra state sale and levied tax for the assessment year 1991-92 and 1994-95 respectively is pending against Rourkela Steel Plant works. The company has preferred appeals within stipulated time for both the years. An amount of Rs.5.50 lakh (p.yRs.5.50 lakh) Rs.2.75 lakh for each for the assessment years 1991-92 and 1994-95 was paid to the Orissa Sales Tax authorities as per the order Nos.345(2),dt.21.2.2003, case No.II Ast-85 for the assessment year 1991-92 and 346(2),dt.21.02.2003 case No.II Ast-84 for the assessment year 1994-95. During the financial year 2009-10 the Hon'ble Tribunal has passed orders in respect of assessment year 1992-93 duly allowing the company's appeal for Rs.3.78 lakh (p.y Rs.3.78 lakh) and allowing the case in favour of Orissa Sales Tax department for Rs.0.41 lakh (PY Rs.0.41 lakh) in respect of the assessment year 1993-94. No provision has been made in the books of accounts in respect of the above claims.
- b) APGST & CST claims of Rs.145.47 lakh (P.Y Rs.145.47 lakh) and Rs.293.04 lakh (P.Y Rs.293.04 lakh) for the assessment years 2003-04 and 2004-05 respectively is pending. For the above Sales tax claim there is no provision available in the books of accounts. The company has preferred appeals within stipulated time for both the years before the Sales Tax Appellate Tribunal after payment of 25% of the disputed tax amounting to Rs.109.63 lakh (P.Y Rs.109.63 lakh i.e Rs.36.36 lakh and Rs.73.27 lakh for the assessment years 2003-04 and 2004-05 respectively) in advance and the same was kept in advance sales tax account under the head long term loans and advances.

Case was decided by High Court of Andhra Pradesh in favour of APHMEL and directed to the Tax Department to Refund of Advance paid disputed tax amounting to Rs.109.63 lakh to APHMEL. The refund determined is adjusted against other demand raised against the company during FY 2020-21.

- c) An amount of Rs.20.48 lakh towards extra claims by contractors involved in legal suits (previous year Rs.20.48 lakh).
- d) An amount of Rs.32.48 lakh (p.y Rs.32.48 lakh) which has been claimed by certain suppliers towards interest and other claims were disputed and not accounted in the books of accounts in view of the pending court cases.
- e) ESI authorities have raised a demand for Rs.107.72 lakh (P.Y Rs.107.72 lakh) towards contributions payable for the period from 1-1-1997 to 28-2-2002 and penalty of Rs.24.19 lakh (P.Y Rs.24.19 lakh). The company has filed an appeal in Hon'ble Andhra Pradesh High Court. Arguments in the case were concluded during the year 2009-10 and the Hon'ble High Court redirected the case back to Hon'ble Employees Insurance Court for fresh disposal on merits in accordance with Law. EI Court has given an order to recover the contribution from the date of disposal i.e 1.2.2000 and waiving for the period 1.1.1997 to 31.1.2000. The company preferred an appeal on the above order. Pending the above no provision was made in the books of accounts.

- f) Municipal Corporation, Vijayawada, has raised a demand for interest of Rs.5.49 lakh (P.Y Rs.5.49 lakh) towards interest on the rent dues. The company has taken up with Municipal Authorities for waiver of interest. Pending the above, no provision has been made in the books of accounts towards interest on rent dues.
- g) Against the orders issued by Commissioner of Central Excise, Guntur, for payment of Excise Duty amounting to Rs.149.31 lakh (P.Y Rs.149.31 lakh) vide order, dated 11.08.2010 and penalty for Rs.100.00 lakh (p.y Rs.100.00 lakh) the company has paid under protest an amount of Rs.127.10 lakh and for balance excise duty of Rs.22.21 lakh the company has filed an appeal with CESTAT, Bangalore, for which no provision was made in the books of account. The company has filed an appeal and stay petition against penalty imposed before CESTAT, Bangalore for which stay was granted vide Order dated 07.03.2012. Pending disposal of appeals no provision was made in the books of account for penalty.

The Company has made an application Under Sabka Vishwas Scheme which was announced by the Government of India.

- h) The company had received order from Assistant Commissioner Central Excise and Service Tax, Vijayawada levying tax towards non payment of Service Tax on E-1 sales amounting to Rs.33.04 lakh (p.y Rs.33.04 lakh)-which was subsequently dropped by the Additional Commissioner Central Excise and Service Tax, Guntur. The department had preferred an appeal against the said order with Commissioner (Appeals), Guntur. Orders have been issued by Commissioner (Appeals), Guntur in favour of the department and the company has filed an appeal before the Hon'ble CESTAT against the orders issued by the Commissioner (Appeals). Pending disposal no provision was made in the books of accounts.

During the year under review, Department has withdrawn the appeal with CESTAT Hyd. in terms of the Litigation Policy. Accordingly CESTAT released the final order No.A/30596/2019, dated 22.10.2019 in favor of APHMEL and the above case has been closed.

- i) Deputy Commissioner (CT), Vijayawada has issued demand notice of Rs.2.22 lakh by revising the CST assessment order for the year 2008-09 vide order dt.14.3.2017 levying works contracts under CST Act on turnover of Rs.16.18 lakh and levying tax on turnover of Rs.12.65 lakh stating that Interstate sales supported by E1 form and not covered by 'C' forms. As against the total demand of Rs.2.22 lakh, an amount of Rs.0.64 lakh admitted and for balance tax demand of Rs.1.58 lakh contested by depositing Rs.0.40 lakh (25% of the disputed tax amount and appeal is preferred with Hon'ble Tribunal, Visakhapatnam. Pending disposal no provision was made in the books of accounts.
- j) Assistant Commissioner (CT), Vijayawada has issued tax demand notice for Rs.7.12 lakh (P.Y Rs.7.12 lakh) for the year 2009-10 disallowing the claim of exemption for credit note raised and assessed to tax at 4% and also levied 4% tax on pure labor charges collected for execution of interstate works contracts stating that not supported by form "F" and treated as inter sales not supported by "C" form. The same was disputed and appeal was filed before Appellate Deputy Commissioner, Vijayawada. Appellate Deputy Commissioner, Vijayawada has passed an order and the case remanded to the assessing authority vide order dt.29.9.2016 on the merits of grounds of appeal. The case is disposed with refund of Rs. 6,29,404. The refund is adjusted against other demands raised against the company during the FY 2020-21.
- k) Assistant Commissioner (CT)(LTU) has issued tax demand notice for an amount of Rs.2.62 lakh (P.Y. Rs. 2.62 lakh) for the financial year 2010-11 levying 14.5% on pure labour charges collected for execution of interstate works stating that not supported by form "F" and treated as interstate sales not supported by "C" forms. The same was disputed by depositing 12.5% disputed amount of Rs.0.33 lakh and appeal was filed with Appellate Deputy Commissioner, Vijayawada by depositing Rs.0.33 lakh towards 12.5% disputed tax amount and ADC, Vijayawada has passed an order setting aside the impugned order and the case remanded to the assessing authority vide order dt.28.12.2016 on the merits of grounds of appeal. The case is disposed with refund of Rs. 41,816. The refund is adjusted against other demands raised against the company.

- l) Assistant Commissioner (CT) , Vijayawada has issued tax demand notice of Rs.0.53 Lakh (p.y 0.53 lakh) for the year 2011-12 on pure labour charges collected for execution of interstate works contracts stating that not supported by form "F" and treated as inter state sales not supported by "C" form. The same was disputed and appeal was filed by depositing Rs.0.07 lakh towards disputed tax amount before Appellate Deputy Commissioner, Vijayawada and Appellate Deputy Commissioner, Vijayawada has passed an order remanding partly for tax amount of Rs.0.51 lakh and Rs.0.02 lakh dismissed vide order dt.1.12.2015. The case is disposed with refund of Rs. 4,513. The refund is adjusted against other demands raised against the company.
- m) Assistant Commissioner (CT), Vijayawada has issued demand notice of Rs.172.00 lakh for the year 2014-15 levying the works contract stating that not supported by form "F" and treated as inter state sales not supported by "C" form. The same was disputed and appeal was filed before Appellate Deputy Commissioner, Vijayawada by depositing 12.5% disputed tax amount of Rs.21.50 lakh and case partly remanded and partly dismissed vide order dt.29.3.2018.

After submission of available 'C' forms to the Tax Authorities Demand Notice was Revised to Rs.83.83 lakh. An amount of Rs.20.41 lakh was paid (towards balance amount of 50% of the disputed tax) and filed appeal before AP VAT Appellate Tribunal Visakhapatnam during November 2018. Later due to prolonged outstanding of the case. CTO recovered an amount of Rs. 17,92,890. From the refund amount of APHMEL and balance payment of Rs. 25,88,446 /- is pending. The case is pending disposal. No provision was made in the accounts.

- n) Show cause notice was received for an amount of Rs.1.53 lakh (p.y.Rs.1.53 lakh) vide C.No.V/ST/15/132/2014-ST(Adj) dt.3.12.2014 and Rs.0.53 lakh (p.y.Rs.0.53 lakh) vide C.No.V/ST/15/19/2016(ADJ) 4.4.2016 for the period 2010-15 imposing service tax on receipt towards "Damages for use of company land" which was grouped under "other income" and on reimbursement of expenses to the non-executive directors/independent directors treating as consideration for payment of service tax. The same was disputed and appeal was preferred with Commissioner of Central Excise (Appeals) , Guntur by depositing Rs.0.21 lakh towards disputed tax amount and appeal was dismissed vide order dt. OIA No. Gun-Excus-158-17-18. On dismissal service tax amount including interest paid during the month of March-18. Levy of Penalty has to be contested before CESTAT, Hyderabad & Commissioner (Appeals) Visakhapatnam and 10% penalty amount on Rs.0.53/- lakh amounting to Rs.5,300/- was apportioned against the refunds by Assistant Commissioner during November 2018. Pending dispute no provision was made in the books of Accounts.

The Company has made an application Under Sabka Vishwas Scheme which was announced by the Government of India. The same was approved by concerned authorities and the above case has been closed.

- o) Show cause notice was received vide ref.no. C.NO.V/ST/15/48/2016-ADJ DT.31.3.2017 for non-payment of service tax on Liquidated damages for the period from July-2012 to March-2016 and demanded Rs.14.35 lakh under section 73(1) of the Finance Act,1994 (comprising of service tax Rs.14.00 lakh, Education Cess Rs.0.11 lakh and Secondary & Higher Education Cess Rs.0.06 lakh and Swacch Bharat cess Rs.0.18 lakh). In addition Interest also demanded under section 75 of the Act. Besides, penalty of Rs.11.51 lakh for the period 2012-13 to 2015-16 was demanded. Against the demand, an amount of Rs.12.65 lakh was pre-deposited under protest on the basis of Cum-Service tax during the month of December-2017. Appeal was filed with Commissioner of Central Tax, (Appeals) ,Guntur to set aside part of the order –in-original No.23/2017-18-S.Tax, dt.27.10.2017 along with interest and penalty. Order was passed by the Commissioner (Appeals) dated 31.05.2018 against APHMEL and Company field Appeal against the order and the case is pending CESTAT Hyd. Pending appeal no provision was made in the Books of Accounts.

The Company has made an application Under Sabka Vishwas Scheme which was announced by the Government of India. The same was approved by concerned authorities and the above case has been closed.



- p) Assistant Commissioner(CT), Vijayawada has issued tax demand notice of Rs.33.89 lakh (P.Y. 33.89 lakh) and penalty of Rs.3.39 lakh (P.Y. 3.39 lakh) there on for the year 2010-11 levying the work contract tax on contracts involving pure labour contracts under a combined work order of sale of material and pure labour, besides not accepting the proportionate value of material incorporated in composite works contract as per rule 17(1)(e) of AP VAT Rules 2005. The same was disputed and appeal was filed before Appellate Deputy Commissioner, Vijayawada by depositing 12.5% of disputed tax amounting to Rs.4.24 lakh (P.Y. Rs.4.24 lakh) and Rs.0.42 lakh towards 12.5% on penalty amount and Appellate Deputy Commissioner, Vijayawada has passed an order setting aside the impugned order and the case remanded to the assessing authority vide order dt.22.3.2017 on the merits of grounds of appeal.

During the year Assessment has been completed by the authorities and issued order for payment of Rs.41,816/- and same was taken in to consideration in the books of accounts as outstanding liability. The case is disposed with refund of Rs. 46,543/-. The refund is adjusted against other demands raised against the company during the FY 2020-21.

- q) Assistant Commissioner (CT) , Vijayawada has issued demand notice of Rs.84.16 lakh (p.y Rs.84.16 lakh) during the course of VAT Audit for the financial years 2011-12,2012-13,2013-14 & 2014-15 levying the tax rate of 5% & 14.5% on pro-rata percentage turnover on contracts involving pure labour under a combined work order of sale of material and labour , besides not accepting payments made to sub-contractor for deduction under rule 17(1)(e) of AP VAT Rules. The same was disputed and appeal was filed before Appellate Deputy Commissioner, Vijayawada by depositing Rs.10.52 lakh towards 12.5% disputed tax amount and ADC, Vijayawada has passed an order setting aside the impugned order and the case remanded to the assessing authority vide order dt.26.5.2017 on the merits of grounds of appeal. The case is disposed with refund of Rs. 62,78,114/-. The refund is adjusted against other demands raised against the company during the FY 2020-21.
- r) Asst. Commissioner of Central Tax, Vijayawada has issued Show Cause Notice C.No.V/ST/15/31/2018-Adj, dated 13.03.2019 demanding Service Tax on Liquidated Damages penalties for the period from April 2016 to June 2017. For which APHMEL paid Rs.6,60,948/- under protest and preferred Appeal was not filed in time.

Demand was given for an amount of Rs.1,42,665/- towards interest for the delayed payment and penalty for the equivalent amount of Rs.6,60,948/- under section 76 & 77 (2) of the finance Act 1994.

As per Demand an amount of Rs.1,42,665/- towards interest has been paid within 30 days from the receipt of order by which the department reduced penalty to Rs.16,500/- and the same was paid by the Company during the year under review.

- s) Provident Fund authorities have issued a demand for payment of Rs.50.28 lakh (p.y Rs.50.28 lakh) towards the Provident Fund payable in respect of employees engaged by the sub-contractor. The company has filed an appeal in Hon'ble EPF Appellate Tribunal, New Delhi. The Tribunal has issued stay vide their order dated 16.06.2011. An amount of Rs.15.09 Lakh (p.y Rs.15.09 lakh) was paid under protest and kept under long term loans & advances. No provision has been made for the disputed demand of Rs.50.28 lakh in the books of accounts.

The Tribunal vide order dated 28.2.2013 has set aside the order issued by Regional Commissioner Provident Fund and the matter is remanded back for fresh determination.

The Regional Commissioner of Provident Fund authorities has announced order on 28.05.2019 for payment of Rs.72,242/- by the Company after adjusting the earlier payments made under protest. Accordingly the Company has paid the above said amount as per order. All the payments made are taken into consideration in the books of accounts during the year under review.

- t) Disputed motor accident cases Rs.1.50 lakh (p.y Rs.1.50 lakh) for which no provision has been made.
- u) Commercial Tax Officer Ibrahimpatnam Circle issued notice on 14.06.2021 for the Financial Year-2016-17 levying CST tax of Rs.17,29,807/- on turnover of Rs.5,11,44,850/- for non submission of "C" forms for inter state sales to M/s, Central Coalfields Limited. The collection of "C" forms for the same is under progress and APHMEL requested CTO to extend the time for submission of "C" forms and the case pending for disposal. No provision was made in the books of accounts.
- v) Commercial Tax Officer Ibrahimpatnam Circle issued notice on 14.06.2021 for the Financial Year-2017-18 levying CST tax of Rs.55720/- on turnover of Rs.16.77 lakh for non submission of "C" forms for inter state sales to M/s, South Central Coalfields Limited. Partly paid amount of Rs.6373/- and balance of Rs.49347/- is pending. The collection of "C" forms for the same is under progress and APHMEL requested CTO to extend the time for submission of "C" forms and the case pending for disposal. No provision was made in the books of accounts.
- w) Commercial Tax Officer Ibrahimpatnam Circle issued notice of the VAT Penalty for the audit for years of 2011-12, 2012-13, 2013-14 & 2014-15 levying VAT penalty tax of Rs.8,49,026/-. The case is disposed by adjusting the demand against the refund due to the company.
- x) Commercial Tax Officer Ibrahimpatnam Circle issued notice of CST Tax of Rs.8,32,445/- for the Financial Year-2012-13, involving interstate works contract. The case is disposed by adjusting the demand against the refund due to company during the FY 2020-21.
- y) Commercial Tax Officer Ibrahimpatnam Circle issued notice of CST Tax of Rs.16,79,109/- for the Financial Year-2013-14, involving interstate works contract. The case is disposed by adjusting the demand against the refund due to company during the FY 2020-21.
- z) Commercial Tax Officer Ibrahimpatnam Circle issued notice of VAT Tax of Rs.49,395/- for the Financial Year-2015-16, involving interstate works contract. The case is disposed by adjusting the demand against the refund due to company during the FY 2020-21.
- aa) Commercial Tax Officer Ibrahimpatnam Circle issued notice of CST Tax of Rs.40,241/- for the Financial Year-2016-17, involving interstate works contract. The case is disposed by adjusting the demand against the refund due to company.
- ii) Guarantees :** Guarantees given by the bank on behalf of the Company for an amount of Rs.767.40 lakh. (P.Y. Rs.765.93 lakh) for which counter guarantees of even amount are given by the Company to the Bank.
- The Company has filed suits against sub-contractors for recovery of 149.767 M.Ts of steel and 9.768 M.Ts of scrap for the materials drawn by them (Since completed) for executing VSP Sinter Plant order amounting to Rs.17.64 lakh (P.Y Rs.17.64 lakh) for which decrees were awarded in favour of the Company. Besides, suits for recovery of Rs.10.27 lakh (P.Y Rs.10.27 lakh) from the sub-contractors are pending in court of law for which counter claims are filed by sub-contractors.
- 4) Bank Guarantees amounting to Rs.382.41 lakh (P.Y Rs.127.14 lakh). furnished by suppliers and contractors were held by the Company as on 31-03-2021.
- 5) Share deposit amount of Rs.NIL (P.Y Rs.0.05 lakh) from public towards share capital contribution. During FY 2020-21 the amount of rupees 0.05. Lakh has been written back.
- 6) Income tax assessments for the assessment years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 are pending.
- 7) Gratuity Plan: Company has taken a policy with LIC for payment of gratuity to all its employees through a "group Gratuity Scheme". Effective from 1.11.2000 the company adopted the Accounting Standard (Revised) on employees' benefits. The following table indicates status of the gratuity plan as required under IND AS-19 (2015).

(Rs. In Lakhs)

Particulars	For the year ended 31.3.2021	For the year ended 31.3.2020
<b>Obligation at beginning of the year</b>	<b>905.50</b>	<b>983.58</b>
Interest cost	48.93	64.68
Current service cost	39.61	47.14
Benefits Paid	(310.18)	(237.86)
Actuarial (gain)/loss on obligations due to unexpected experience adjustments	(9.73)	23.22
Actuarial (gain)/loss on obligations due to change in financial adjustments	3.73	25.15
<b>Obligation at the end of the year, at present value</b>	<b>677.85</b>	<b>905.50</b>
<b>Change in fair value plan assets</b>		
Plan assets at beginning of the year, at fair value	565.72	755.67
Expected return on plan assets	31.34	47.63
Contributions	139.98	0.00
Benefits paid	(310.18)	(237.86)
Actuarial (gain) /loss - Return on assets (excluding interest income)		
<b>Fair value of plan assets at the end of the year</b>	<b>421.75</b>	<b>565.72</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets.</b>		
Fair value of plan assets at the end of the year	421.75	565.72
Present value of the defined benefit obligation at the end of the year	677.85	905.50
Funded status	(256.10)	(339.78)
<b>Assets/(liability) recognized in the balance sheet</b>		
<b>Gratuity cost for the year</b>		
Current Service cost	39.61	47.14
Interest cost	48.93	64.68
Expected return on plan assets	(31.34)	(47.63)
Net gratuity cost recognized in P&L account	57.20	64.19
Other Comprehensive Income		
Actuarial (Gain) / Loss on obligations due to change in unexpected experience adjustment	9.73	23.22
Actuarial (Gain) / Loss on obligations due to change in financial adjustment	3.73	24.82
Total Actuarial (Gain) / Loss	(5.58)	48.04
Net (Income) / Expense for the period recognized in Other Comprehensive Income	(5.58)	48.04
Assumptions		
Discount rate	6.37%	6.52%
Expected return on plan assets*	6.37%	6.52%
Expected rate of salary increase	6.00%	6.00%
Attrition rate*	5.00%	5.00%

Sensitivity Analysis	
	<b>1% INCREASE</b>
A Effect of 1% Change in the Assumed Discount Rate	
1. Effect on DBO	653.96
A Effect of 1% Change in the withdrawal rate	
2. Effect on DBO	678.19
A Effect of 1% Change in the salary escalation	
3. Effect on DBO	708.41
	<b>1% DECREASE</b>
A Effect of 1% Change in the Assumed Discount Rate	
1. Effect on DBO	704.16
A Effect of 1% Change in the withdrawal rate	
2. Effect on DBO	677.47
A Effect of 1% Change in the Assumed salary escalation	
3. Effect on DBO	649.49

\* In addition unpaid gratuity amount of Rs. NIL (p.y. Rs. 16.64 lakh) in respect of retired employees for which claims not forwarded to LIC was provided as gratuity cost.

- 8) Disclosure as per accounting standard IND AS:19 (2015) : Employee benefits- Leave encashment as per actuarial valuation.

Particulars	For the year ended 31.3.2021	For the year ended 31.3.2020
<b>Obligation at beginning of the year</b>	<b>214.67</b>	<b>218.56</b>
Interest cost	11.22	13.31
Current service cost	15.57	24.85
Benefits settled	(85.06)	(81.15)
Actuarial (gain)/loss due to unexperience adjustments	8.56	34.46
Actuarial (gain)/loss due to financial assumptions	0.65	4.64
<b>Obligation at the end of the year, at present value</b>	<b>165.62</b>	<b>214.67</b>
Change in plan assets		
Plan assets at beginning of the year, at fair value	Unfunded	Unfunded
Expected return on plan assets	Unfunded	Unfunded
Contributions	Unfunded	Unfunded
Benefits paid	Unfunded	Unfunded
Actuarial (gain)/loss	Unfunded	Unfunded
<b>Fair value of plan assets at the end of the year</b>	Unfunded	Unfunded
Reconciliation of present value of the obligation and the fair value of the plan assets.	Unfunded	Unfunded
Fair value of plan assets at the end of the year	Unfunded	Unfunded
Present value of the defined benefit obligation at the end of the year.	Unfunded	Unfunded
Funded status	Unfunded	Unfunded
<b>Assets/(liability) recognized in the balance sheet Leave Encashment cost for the year</b>	<b>(165.62)</b>	<b>(214.67)</b>
Current Service cost	15.57	24.85
Interest cost	11.22	13.31
Expected return on plan assets		
Actuarial (gain)/loss due to un experience adjustments	8.56	34.46
Actuarial (gain)/loss due to financial assumptions	0.65	4.64
<b>Net leave encashment cost</b>	<b>36.00</b>	<b>77.26</b>
<b>Assumptions</b>		
Discount rate	6.37%	6.52%
Expected rate of salary increase	6.00%	6.00%

(Rs. in lakh)

Statement Showing expected return on Plan Asset at end Measurement	AS AT 31.03.2021	AS AT 31.03.2020
Current Liability	54.97	80.89
Non-Current Liability	110.65	133.78
Net Liability	165.62	214.67

Sensitivity Analysis	
	<b>1% INCREASE</b>
A Effect of 1% Change in the Assumed Discount Rate	
1. Effect on DBO	161.45
A Effect of 1% Change in the withdrawal rate	
2. Effect on DBO	165.59
A Effect of 1% Change in the salary escalation	
3. Effect on DBO	171.18
	<b>1% DECREASE</b>
A Effect of 1% Change in the Assumed Discount Rate	
1. Effect on DBO	170.11
A Effect of 1% Change in the withdrawal rate	
2. Effect on DBO	165.65
A Effect of 1% Change in the in the Assumed salary escalation	
3. Effect on DBO	160.33

9) Materials valued Rs. NIL are lying with outside parties for job works (previous year 26.06 lakh)

10) As required by Section 22 of the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) the following information is disclosed on the basis of information available with the company.

(Rs. in lakh)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
The principal amount remaining unpaid (But not due)	1.38	16.18
Interest due thereon (Interest due and / or payable)	Nil	Nil

#### 11) Income - Tax

a) Current Income-tax: Tax on income for the current period determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

b) The following Deferred Tax Assets are recognized to the extent that there is a reasonable certainty where assets can be realized in future. The assets are recognized by using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

(Rs. in lakh)

Particulars	2020-21	2019-20
<b>Assets</b>		
Gratuity	40.62	33.50
Others	53.22	170.73
<b>Total</b>	<b>93.84</b>	<b>204.23</b>
<b>Liabilities</b>		
Difference in depreciation for accounting and tax purposes	4.54	5.81
<b>Total</b>	<b>4.54</b>	<b>5.81</b>
Deferred Tax Asset (Net)	83.90	198.42

**12. Segment Reporting :**

Segment information as required by the Accounting Standard 17 on "Segment Reporting" is not required to be disclosed as there is neither more than one business segment nor more than one geographical segment.

**13. Related party transactions:**

All contracts / transactions entered by the Company against MoU /Nomination during the financial year with related party i.e M/s. The Singareni Collieries Company Limited, (SCCL Holding Company) is PSU and ratified by the Board. During the year turnover transaction with SCCL is Rs.4909.82 Lakhs which includes Rs.650.67 lakh on nomination basis, Rs.296.06 lakh on OEM basis and Rs.3963.09 lakh on open enquiry (P.Y. Rs.4417.50 lakh) and Debtors outstanding as on 31.03.2021 is Rs.2172.36 Lakh.(P.Y. Rs.2023.94 lakh).

**14. Details of Remuneration to Managing Director. (Rs. in Lakh)**

S.No.	Description	2020-21		2019-20	
		Mr. G.S.R. Murthy, Period 01.04.2020 to 17.10.2020	K.Prasada Rao Period 19.10.20 to 31.03.2021.	Mr. P. Arjun Period 01.04.19 to 31.05.2019	Mr. G.S.R. Murthy Period 01.06.19 to 31.03.2020
1.	Salary including PF Employer Contribution	25.02	19.11	8.53	37.95
2.	Others	2.22	1.72	1.01	3.91
	Total	27.24	20.83	9.54	41.86

Note: Managing Director is on deputation from Holding Company SCCL.

**14. a) Remuneration of Key managerial personnel other than Managing Director (Rs. in lakh)**

S.No.	Particulars	2020-21			2019-20
		CS	CFO	Total	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961.	24.05	36.97	61.02	52.31
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961.	1.60	4.94	6.54	4.91
	<b>Total</b>	<b>25.65</b>	<b>41.91</b>	<b>67.56</b>	<b>57.22</b>

\*Includes Gratuity, PF employer contribution etc.,

**b) Payment to Non-executive Directors**

(Rs. in lakh)

S.No.	Particulars	2020-21	2019-20
1.	Sitting Fees	0.27	0.35

15. An amount of Rs. 30,29,16,748.00 is outstanding as receivable from debtors as on 31.03.2021. Lock down and non-working of establishments due to covid-19 pandemic, confirmations from debtors are not received. Confirmation are received only from few debtors the value of which is negligible considering the total value of debtors but however there is substantial collection from debtors subsequent to 31.03.2021.

Balances of receivables, trade creditors, loans & advances are subject to confirmation, reconciliation and adjustment if any.

**16. Earnings per share (IND AS-33) : (Basic and Diluted)**

	Particulars	2020-21	2019-20
A	Net profit / (loss) after tax (Rs. in lakh)	(748.11)	(314.31)
B	Number of ordinary equity shares (Fully paid up)	1,72,71,293	1,72,71,293
C	Earnings per Share (A/B) Rs.	(4.33)	(1.82)

**17. CIF Value of Imports:**

A) Material, spare parts and components NIL (previous year:23.07 Lakh)

B) Earnings foreign exchange Nil (previous year Nil )

**18. Consumption of stores & spares:**

SI No.	Description	2020-21		2019-20	
		Percentage	Value (Rs. lakh)	Percentage	Value (Rs. lakh)
1.	Materials Imported	0.00	0.00	0.12	5.12
	Indigenous	53.68	1678.83	51.06	2,144.29
2.	Spare parts, Components and Others Imported	0.00	0.00	0.42	17.58
	Indigenous	46.32	1448.93	48.40	2,032.48
<b>Total :</b>		<b>100.00</b>	<b>3127.76</b>	100.00	4,199.47

**19** CSR Provisions are not Applicable for the financial year 2020-21 as per the provisions of the Act.

**20) Key management Personnel**

Sri G.S.R. Murthy, Managing Director (01.04.2020 to 17.10.2020)

Sri. K. Prasada Rao, Managing Director (19.10.2020 to 31.03.2021)

Sri Y. Srinivasa Rao, Chief Financial Officer

Sri.V. Venkateswara Rao, Company Secretary (01.04.2020 to 22.09.2020)

Sri.G. Srinivas, Company Secretary (23.09.2020 to 31.03.2021)

**Non-Executive Directors as on 31.3.2021**

Sri.S.Chandra Sekhar, Chairman

Sri.CH. Narasimha Rao, Director

Sri. Y.G.K. Murthy, Director

Sri. K. Ravi Shankar, Director

Sri.K.Rajendra Prasad, Director

Sri.Juvva Seshagiri Rao, Director

Sri. Kuchipudi Srinivasa Rao, Director

Sri. P.S.R. Koteswara Rao, Director

**Note :** No Independent Directors.

**21) Fair value measurement of financial assets or financial liabilities**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

As a first time adopter of Ind AS during 2016-17, the Company has opted to apply Ind AS 109 prospectively.

## 22. Provisions:

### 1. Non-Current Provisions :

(Rs. in lakh)

Provided for	Opening Balance	Additions during the year	Write back/adj/ paid during the year	Closing balance
Gratuity (Unfunded)	366.67	51.62	190.00	228.29
Leave encashment including current provision (Unfunded)	217.24	42.54	87.63	172.15

### 2. Current Provisions

(Rs. in lakh)

Provided for	Opening Balance	Additions during the year	Write back/adj/ paid during the year	Closing balance
Warranty provision on sales	97.66	0.00	16.61	81.05
Corporate social responsibility	–	–	–	–

**23)** Previous year's figures, have been restated as per IND AS and regrouped and rearranged wherever considered necessary

**24) LEASE UNDER IND AS-116:** The Company has lease hold land, which is having low value lease consideration. As per the Accounting Policy of the company, the Company has not applied IND AS-116 recognition and its requirements to the leased hold land and applied the recognition of exemption under Ind AS 116 as the amounts payable in respect of Low Value leases up to **Rs.2.00 lakhs/per month** per Asset and the Short term leases of 12 months or less are fully charged to expense.

**25)** The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown / partial lockdown from time to time announced by the Indian Government / State Government to stem the spread of COVID-19. Due to this the operations of APHMEL got temporarily disrupted.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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## **PREWEIGH TRUCK LOADING**

**ANDHRA PRADESH HEAVY MACHINERY & ENGINEERING LTD.**

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