

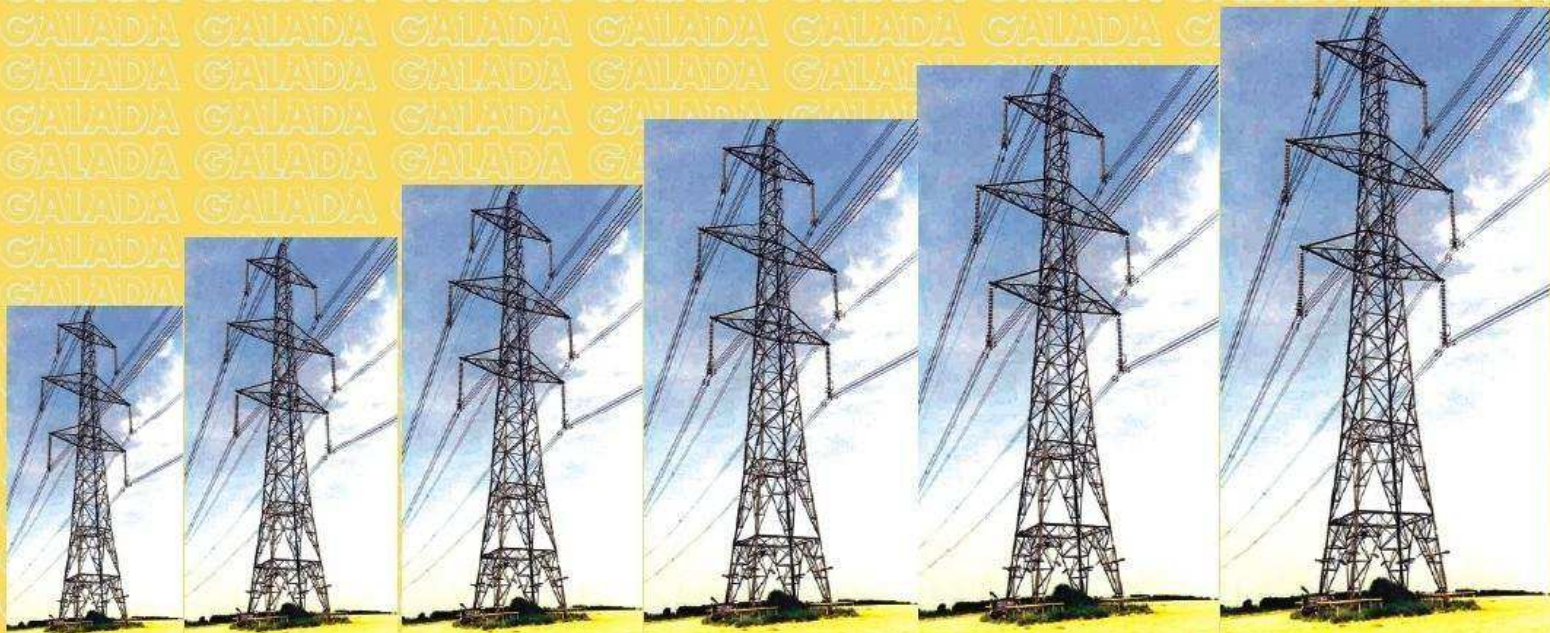
44th ANNUAL REPORT

2015 - 2016



GALADA

POWER AND TELECOMMUNICATION LTD.



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY



ROD PLANT



CONDUCTOR PLANT

CREED

To recognize brotherhood of all human beings and to help bring peace and prosperity to everyone through technology innovations and excellence in engineering.

To keep up promises and to practise absolute sincerity and faithfulness in all dealings.

To aim for the prosperity of the coming generations.

To uphold integrity in every walk of life and at any cost.

To believe that everything is possible in this world by clear thinking and positive action with utmost belief in God.

Message from Managing Director

44th Annual Report heralds start of 45th year for the Company. After expansion, the installed capacity for Transmission Conductors (ACSR) has become 30,000 MT/A which along with AAAC/ACSR Distribution Conductors of 12,000 MT/A and EC Wire-Rod capacity of 24000 MT/A takes your Company's total capacity to 66000 MT/A. Now the entire **Team Galada** is concentrating on utilization of this capacity.

In spite of annual lean period of rainy season for 4 months (i.e. May - August), we are hopeful of achieving a capacity utilization of 70% and more. If achieved, the contribution levels will enable the Company to fulfill its commitments of becoming a debt free company by March 2021.

With the new and pro-active Governance at Central and reforms which are in sight, the country should see a fruitful growth during 2016-17 to 2020-21. Your Company will put in, its best team work to make this dream come true.

The values of Integrity, Inclusiveness, Innovation, Environmental Friendliness and Passion for Excellence has already started winning more customers for your Company.

The culture of making the Company accountable, with the excellent speed of product development and a strong customer focus has created permanency in customer retention.

The mission of making us alert to changing trends in O/H Conductor usage pattern will surely enable your Company to achieve highest efficiency and phenomenal growth.

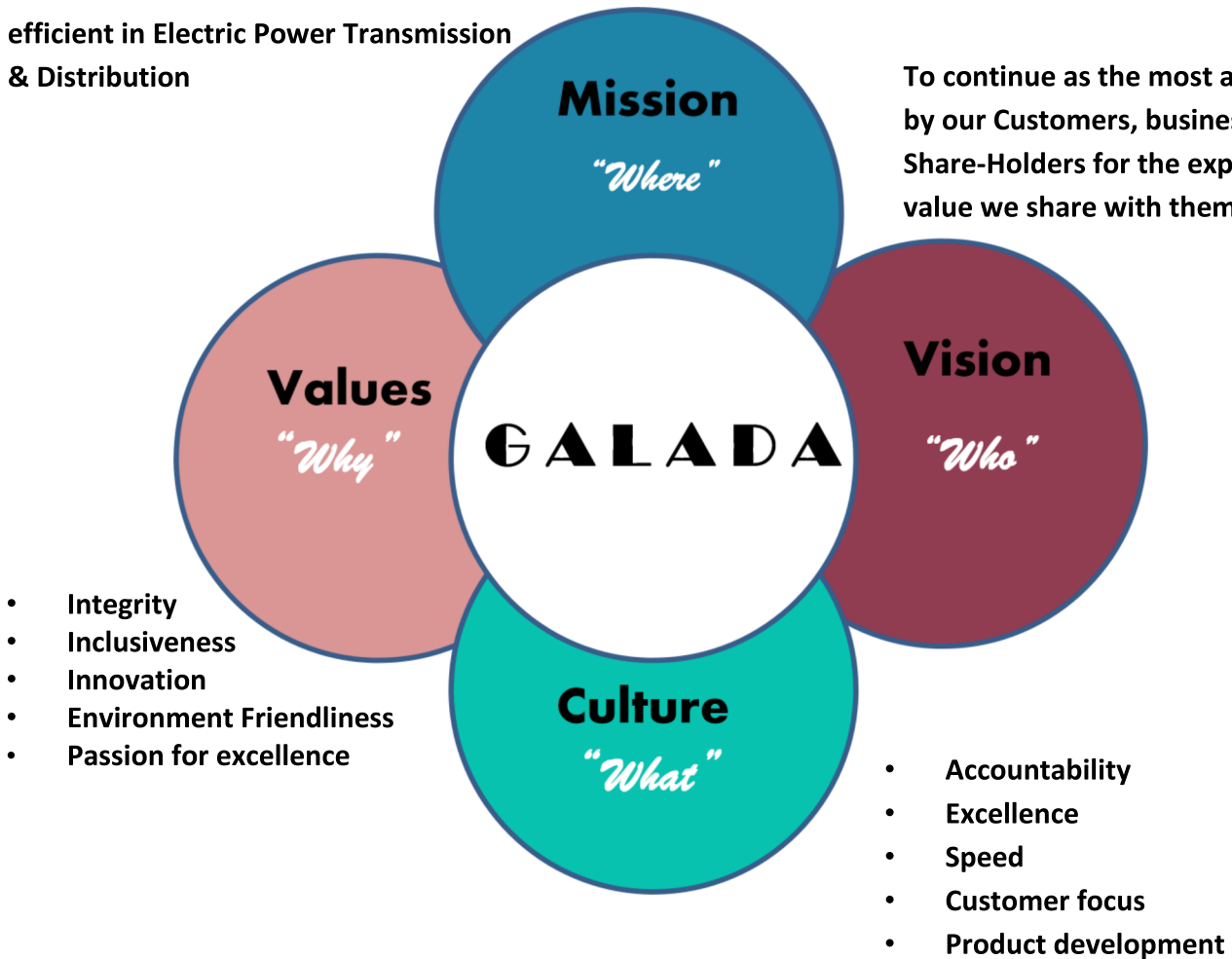
Vision of becoming the most admired company of our customers and creating more value for them at affordable price is appearing achievable. We are sure that very soon your company will be the leading **contract manufacturing company for Power Conductors**.

Government of India's target to achieve 24/7 quality power supply to every Citizen of India has inspired us and activated us to grow all-round.

All participants in this mission like people in Plant, Office, Customer end, Institutions, Suppliers and Share Holders will ensure success of your Company.

Ever Alert to anticipate and provide the best over-head conductors and knowledge relating to usage in order to excite our customers to be most efficient in Electric Power Transmission & Distribution

To continue as the most admired company by our Customers, business associates and Share-Holders for the experience and value we share with them



BOARD OF DIRECTORS

Chairman	Shri S.M. Kankaria
Directors	Shri S.V. Kanaka Seshu Shri M.C. Galada Shri M.L. Sachdeva Ms. Ameeta Trehan
Managing Director	Shri D. C. Galada
Executive Director	Shri Devendra Galada
Vice President,Secretary&CFO	Shri V. Subramanian
Auditors	M/s. Brahmayya & Co Chartered Accountants, Flat No. 404, Golden Green Appts, Erramanzil Colony, Hyd – 500 082.
Stock Exchange	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Registered Office	P 2/6, I.D.A., Block 1/1, Uppal, Hyderabad – 500 039.
Factory	Village Khadoli, Silvassa, U. T. of Dadra & Nagar Haveli.
Administrative Office	3 rd Floor, F.301, Galada Towers, Begumpet, Hyderabad – 500 016.

NOTICE

NOTICE is hereby given that the Forty Fourth Annual General Meeting of the Company will be held on Friday, the 30th September, 2016 at Hotel Kamat Lingapur, Chikoti Gardens, Begumpet, Hyderabad-500 016 at 10 a.m to transact the following items of business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2016 and the Reports of the Directors' and Auditors thereon.
2. To appoint Director in place of Sri Devendra Galada who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the reappointment of M/s Brahmayya & Co., Chartered Accountants (Firm Registration No.000513S) as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to authorize the Board to fix their remuneration as may be mutually agreed

By order of the Board

Sd/-

V Subramanian

Vice President & Secretary

Place: Hyderabad

Date : 11.08.2016

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself. The proxy not be a member of the Company. Proxy Form to be effective must be filed with the Company at the Registered Office not later than forty-eight hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of the Annual Report to the Meeting
3. Members/ Proxies should fill the Attendance Slip for attending the Meeting.
4. Members who hold shares in dematerialized form are requested to write their client ID and DPID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. The register of members will be closed from 23.09.2016 to 30.09.2016
6. The equity shares of the Company are listed at BSE Limited and the listing fees have been paid up-to-date.
7. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
8. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 27.09.2016 and ends on 29.09.2016. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 22.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) The following steps are to be followed.

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN relevant for Galada Power and Telecommunication Ltd (EVSN No 160823003).

- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

9. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
10. M/s S V Achary & Co, Company Secretaries, represented by Mr. S.V.Narayana Charyulu, Practicing Company Secretary (Membership No. 5981) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
11. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director of the Company.
12. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.galadapower.com and on the website of CDSL within three (3) days of passing of the resolutions of the AGM of the Company and communicated to BSE Ltd.

INFORMATION ON DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING.

1. Name of the Director : Sri Devendra Galada
2. Date of birth : 14.04.1961
3. Date of last appointment : 28.09.2012
4. Expertise : Industrial / Business experience
having more than 3 decades experience.
5. List of Public Ltd Companies in which outside Directorship was held as on 31st March, 2016:

Nil
6. Chairman / Member of the Committees of other Public Ltd Companies on which he was a Director as on 31st March, 2016 :

Nil

DIRECTORS REPORT

Your Directors have pleasure in presenting the 44th Annual Accounts of the Company for the financial year ended 31st March, 2016

1. Financial Highlights

<i>Amount in Rs.Lacs</i>		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sale value of production	1109	927
Gross profit	34	172
Interest	225	289
Cash loss	191	117
Dep & w/o	53	68
Exceptional Item	(674)	(7708)
Profit before tax	430	7523
Profit after tax	430	7523
Dividend	—	—

2. DIVIDEND

In view of the operating loss suffered by the Company during the period under report, your Directors are not in a position to recommend any dividend for the year 2015-16

3. PRODUCTION AND SALES

The Company has not been operating its Uppal (Hyderabad) plant since May 2000 and at present only its Silvassa plant is working. As the banks suspended all the credit facilities earlier made available, the Company revised its business strategy by accepting and executing job orders. This is reflected in continuance of business in spite of absence of working capital facilities. The Company produced 14456 Mts of Conductor during the year under Report as compared to 9492 Mts in the previous year (2014-15) and 4347 Mts during the year before last year (2013-14).

4. REFERENCE TO BIFR

The Company was declared as a sick industrial undertaking by BIFR in September, 2001 and Industrial Development Bank of India (IDBI) was appointed as the “Operating Agency” to examine the viability of the Company and formulate a scheme for its revival. As required, the Company submitted its Rehabilitation Proposal to IDBI and others in November, 2001 for their consideration. After a series of discussion, at the instance of the lending institutions, the Company submitted its revised Rehabilitation Proposal in October, 2003 and requested the institutions for its early consideration. After examining the proposal and further discussion, the Lenders initially gave time to the Company upto 30th September, 2004, which was later on extended upto 30th June, 2005, to show significant operational improvement in its performance. The Lenders also advised the Company to look into the possibility of one-time settlement of dues and the Company earnestly pursued the matter with the Lenders

BIFR vide its order dated 14.09.2007 confirmed its opinion of winding up in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act. The Company preferred an appeal and got stayed the aforesaid Order.

In the meantime, the Company's efforts to make a breakthrough in the matter has borne fruit and IDBI, SASF, Edelweiss (assignee of IIBI and Canara Bank) & UTI have agreed for one-time settlement of their dues. As regards others, modalities are being worked out. It is hoped that with massive investment planned in Power Sector, the situation is expected to turn-around in favour of the Company.

5. Contract / arrangement with related party

All contracts / arrangements / transactions entered by the Company during the financial year with related parties, were in the ordinary course of business and on an arm's length basis. Your Directors draw attention of the members to Note 42 to the financial statement which sets out related party disclosures.

6. Particulars of loans, investments and guarantees

The Company did not give any loan, make investment or provide guarantee u/s 186 of the Companies Act, 2013 during the financial year

7. Management Discussion and Analysis

a. Business review and outlook

The power sector, after going through a turbulent time for over a decade, has started looking up due to reforms initiated by the successive Governments. This augurs well for the aluminium industry, particularly for those like us engaged in the manufacture and supply of electrical conductors for overhead power transmission and distribution lines.

b. Internal Control System and their adequacy.

The Company has a proper and adequate system of internal controls with laid-down policies and procedures for all its operations and financial functions to see that all its assets are safeguarded and protected against loss from any unauthorized use or disposition and all financial records are maintained properly. The Company's Board has an Audit Committee which consists of two independent Directors to review, inter alia, the significant findings of the internal audit.

c. Rehabilitation Scheme.

BIFR vide its order dated 14.09.2007 confirmed its opinion of winding up in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act. The Company preferred an appeal before the Hon'ble High Court of Andhra Pradesh which has stayed BIFR order.

In the meantime, the Company's efforts to make a break through in the matter has borne fruit and IDBI, SASF, Edelweiss (assignee of IIBI and Canara Bank) & UTI have agreed for one time settlement of dues. As regards others, modalities are being worked out. It is hoped that with massive investment planned in Power Sector, the situation is expected to turn- around in favour of the Company.

d. Material developments in human resources / industrial relations.

The Company values human resource as one of its most important assets and is strengthening it in line with its growth plans. The Company has always had an excellent track record of cordial and

harmonious industrial relations. This year too, the industrial relations in the Company have been very cordial and not a single man-day was lost on this account.

e. Cautionary Statement.

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax law and other statutes and other incidental factors.

8. Composition of Directors

The Board of Directors as at 31.03.2016 comprises seven directors, of which five are non-executive. The Chairman is non-executive and the number of independent directors, i.e. those who have no business relationship with the Company is three. The composition is as under:

Name of the Director	Position
Executive	
Sri D C Galada	Promoter & Managing Director & CEO
Sri Devendra Galada	Promoter & Executive Director
Non-Executive Promoter	
Sri S M Kankaria	Promoter & Chairman
Sri M C Galada	Promoter Director
Non-Executive Independent	
Sri M L Sachdeva	Director
Ms Ameeta Trehan	Director
Nominee Director - Independent	
Sri S V Kanaka Seshu	Nominee of APIDC

9. Meetings of each Director:

Four Board Meetings were held during the year, the dates being 30.05.2015, 14.08.2015, 09.11.2015, and 13.02.2016. The last AGM was held on 30.09.2015.

The attendance record of the Directors at the Board Meetings and the last Annual General Meeting (AGM) is given below:

Name of the Director	Attendance Particulars		No. of other Directorships and other Committee Membership / Chairmanship.	
	Board Meeting	Last AGM	Other Directorships	Committee Memberships* (of which Chairman)
Sri		(Y/N)		
S M Kankaria	3	N		-
D C Galada	4	Y	1	-
Devendra Galada	4	Y	-	-
M C Galada	4	N	1	-
M L Sachdeva	4	N		-
S V Kanaka Seshu	3	N	2	-
Ms Ameeta Trehan	4	Y	1	-

Note: Only three committees, namely, Audit Committee, Shareholders / Investor Grievance Committee and Remuneration Committee have been considered.

10. Policy for selection of Directors

The Board formulated the following policy for selection of Directors and determining their Independence.

1) Introduction

- a) The Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, the Company ensures constitution of Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- b) The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The Company aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2) Scope

This Policy sets out the guiding principles for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3) Policy

a) Qualifications and Criteria

- i) The Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- ii) In evaluating the suitability of individual Board member, the following factors are taken into account
 - General understanding of the Company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession
 - Personal and Professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- iii) The proposed appointee shall also fulfill the following requirements:
 - Shall possess a Director Identification Number;
 - Shall not be disqualified under the Companies Act, 2013;
 - Shall give his written consent to act as a Director;
 - Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

b) Criteria of Independence

- i) The Board shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- ii) The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

c) Other directorships / committee memberships

- i) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Board shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director.
- ii) A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- iii) A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a whole-time Director in any Listed Company.
- iv) A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

11. Remuneration Policy

The following Remuneration Policy for Directors, Key Managerial Personnel and other employees is followed

1. Introduction

Galada Power and Telecommunication Ltd., (GPTL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope

This policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Policy

a) Remuneration to Managing Director, Executive Director and Key Managerial Personnel.

- i) The Board on the recommendation of Nomination and Remuneration Committee , shall review and approve the remuneration payable to Managing Director and Executive Director of the Company within overall limits approved by the shareholders.
- ii) The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- iii) The remuneration structure to the Managing Director, Executive Director and Key Managerial Personnel shall include the following components:
 - * Basic Pay
 - * Perquisites and Allowances
 - * Retiral benefits

b) Remuneration to Non-Executive Directors.

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to reimbursement of expenses in addition to the sitting fees.

c) Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

12. Declaration by Independent Director

The Company received necessary declarations from each Independent Director u/s 149 (7) of the Companies Act, 2013 to the effect that he / she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013.

13. Board Evaluation

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and frame work adopted by the Board as envisaged in the Companies Act, 2013.

14. Training of Independent Directors

Every new Independent Director of the Board attends an orientation programme to get familiarized with the Company's strategy, operations, product, service, markets, organization structure, finance, human resources, technology, quality, facilities and risk management.

15. Committees of the Board

The following Committees were reconstituted with effect from 09.02.2015.

a. Audit Committee

1	Ms Ameeta Trehan	Chairman
2	Shri M L Sachdeva	Member
3	Shri M C Galada	Member

b. Nomination and Remuneration Committee

1	Shri M L Sachdeva	Member
2	Ms Ameeta Trehan	Chairman

c. Shareholder's / Investor's Grievance Committee

1	Ms Ameeta Trehan	Chairman
2	Shri M C Galada	Member

16. Director's Responsibility Statement

- a. In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. The Directors have 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities
- d. The Directors have prepared the annual accounts on a 'going concern ' basis
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

17. Auditors & Auditor's Report

1. Statutory Auditors

M/s Brahmayya & Co, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

2. Cost Auditors

The provision of the Companies Act, 2013 in this regard are not applicable to the Company.

3. Secretarial Auditor

The Board appointed S V Achary, Practising Company Secretary to conduct Secretarial Audit from the financial year 2014-15 onwards. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and was taken on record by the Board in their meeting held on 26.05.2016. The Audit Report is attached herewith as Annexure I.

18. Annual Return

Extract of Annual Return of the Company is attached herewith as Annexure II

19. Risk Management

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

20. Internal financial control

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

21. Conservation of energy, technology absorption and foreign exchange earnings /outgo

A. Conservation of Energy

The Company has been vigorously implementing various measures for energy conservation such as installation of sophisticated power saving furnaces in the heat treatment and ageing operations and carrying out modifications on a continuing basis for conservation of energy in other fields. The additional cost incurred is more than offset by the reduction in production cost due to lower consumption of energy per unit of output.

B. Technology Absorption

The efforts of the Company are focused on improvement of existing products and standardization. There is no bought – out technology from foreign countries to be absorbed by the company.

C. Foreign Exchange Earnings and Outgo

There are no foreign exchange earnings and outgo during the period under report.

22. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review

1. Details relating to deposits covered under Chapter V of the Act
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme
4. Neither the Managing Director nor the Whole –time Directors of the Company receive any remuneration or commission from any of its subsidiaries
5. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the sexual harassment of women at Workplace (Prevention Prohibition and Redressal) Act, 2013

ACKNOWLEDGEMENTS

The Board of Directors would like to place on record their deep appreciation and sincere thanks for the continue cooperation, guidance, support and assistance provided during the period under review by all the stake holders.

By order of the Board

D C Galada
Managing Director

Devendra Galada
Executive Director

Place : Hyderabad
Date : 26.05.2016

ANNEXURE I TO BOARDS' REPORT

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

To,
The Members,
GALADA POWER AND TELECOMMUNICATION LIMITED.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GALADA POWER AND TELECOMMUNICATION LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the GALADA POWER AND TELECOMMUNICATION LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by GALADA POWER AND TELECOMMUNICATION LIMITED ("the Company") and relied on the information provided by the management and its officers for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment received by the Company during the financial year 2015-2016;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The industry specific Acts, labour and other applicable laws as provided by the management of the Company.

We have also examined compliance with the applicable clauses of.

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We report that

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

For S.V. Achary & Co
Company Secretaries

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

Place: Hyderabad
Date: 19.05.2016

Note: This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

To,
The Members,
GALADA POWER AND TELECOMMUNICATION LIMITED,
Hyderabad.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained Management Representation about the compliance laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.V. Achary & Co
Company Secretaries

Sd/-
S.V. NARAYANA CHARYULU
Practicing Company Secretary
Membership Number: 5981
Certificate of Practice Number: 4768

Place: Hyderabad
Date:19.05.2016

ANNEXURE II TO BOARDS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L64203AP1972PLC001513
2.	Registration Date	24-06-1972
3.	Name of the Company	GALADA POWER AND TELECOMMUNICATION LTD
4.	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
5.	Address of the Registered office & contact details	P 2/6, IDA, BLOCK III, UPPAL, HYDERABAD - 500039 PHONE NO - 040-27766224 / 5
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	VENTURE CAPITAL AND CORPORATE INVESTMENT LTD, 12-10-167, BHARATHNAGAR, HYDERABAD 500 018 PHONE - 040 - 23818475 / 6

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

NIL

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	1106022	70999	1177021	15.71	11065067	0	1165067	15.56	(-)0.15
Sub -total (A) (1)	1106022	70999	1177021	15.71	1165067	0	1165067	15.56	(-)0.15
(2) Foreign	0	0	0	0	0	0	0	0	0
Sub -total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	1106022	70999	1177021	15.71	1165067	0	1165067	15.56	(-)0.15
B. Public Shareholding									
Institutions									
Banks / FI	1094276	1200	1095476	14.63	1094276	1200	1095476	14.63	0
Sub-total (B)(1):-	1094276	1200	1095476	14.63	1094276	1200	1095476	14.63	0
2. Non-Institutions									
Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	3041105	779445	3820550	51.01	2095942	844108	2940050	39.25	(-)11.76
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	1325734	71099	1396833	18.65	2282647	6640	2289287	30.56	(+)11.91
Sub-total (B)(2):-	4366839	850544	5217383	69.66	4378589	850748	5229337	69.81	(+)0.15
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5461115	851744	6312859	84.29	5472865	851948	6324813	84.44	(+)0.15
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6567137	922743	7489880	100.00	6637932	851948	7489880	100.00	0

(ii) Shareholding of Promoter-

Sl no	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase /decrease in share holding during the year (2014-15)		
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	Date	No. of Shares	Reason
1	Amita Galada	145287	1.94	143987	1.92	Negligible		
2	Aditya Kumar Kankaria	19000	0.25	19000	0.25			
3	Binod Chand Kankaria	30800	0.41	30400	0.41			
4	Biraj Kavar Galada	67000	0.89	67000	0.89			
5	Chandra Kant Kankaria	38200	0.51	38000	0.51			
6	Devendra Galada	145090	1.94	145090	1.94			
7	Dharam Chand Galada	190050	2.54	190050	2.54			
8	Gaurav Kankaria	5500	0.07	5500	0.07			
9	Lalit Kumar Kankaria	48670	0.65	46670	0.62			
10	M C Galada	59399	0.79	59045	0.79			
11	Manisha Kankaria	9100	0.12	9000	0.12			
12	Manohar Kumar Kankaria	37460	0.50	35960	0.48			
13	Phool Kumari Kankaria	28650	0.38	28350	0.38			
14	Pramila Kankaria	52864	0.71	51664	0.69			
15	Sandip Kumar Kankaria	20700	0.28	17000	0.23			
16	Sardarmull Kankaria	36023	0.48	36023	0.48			
17	Shail Galada	29591	0.40	29591	0.40			
18	Shashi Kankaria	39300	0.52	39000	0.52			
19	Snehlata Galada	141737	1.89	141737	1.89			
20	Subhas Chand Kankaria	32600	0.44	32000	0.43			
	Total	1177021	15.71	1165067	15.56			

(iii) Change in Promoters' Shareholding

Sl No	Particulars	No. of shares	% of total shares of the company
	At the beginning of the year	1177021	15.71
	Increase / Decrease in Promoters Shareholding during the year	(-)11954	(-)0.15
	At the end of the year	1165067	15.56

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

Sl No	Name	No. of shares (as on 31.03.2016)	No of shares (as on 31.03.2015)	Increase / decrease in shareholding during the year (2015-16)	
				No of shares	Reason
1	GIICL	178465	178465	No change	
2	DD Investment and Leasing Pvt Ltd	504776	503126	(+) 1650	Transfer
3	IDBI	1043068	1043068	No Change	
4	Ecoman Vinimay P Ltd	100000	100000	No change	
5	Motilal Oswal Financial Services Ltd	215179	240920	(-)25741	Transfer
6	Hemant Kumar Gupta	265545	243778	(+) 21767	Transfer
7	Sharon Gupta	122757	135461	(-) 12704	Transfer
8	Shweta Mehul Shah	334280	180424	(+)153856	Transfer
9	Mehul Rashmikanth Shah	0	127062	(-)127062	Transfer
10	Preeti Mishra	75742	75742	No Change	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name	Shareholding at the beginning of the year (as on 01.04.2015)	Change during the year (2015-16)	Shareholding at the end of the year (as on 31.03.2016)
1	Dharam chand Galada	190050	0	190050
2	Devendra Galada	145090	0	145090
3	Mahaveer chand Galada	59399	(-)354	59045

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	672931056	7022033	0	679953089
ii) Interest due but not paid	144584682	0	0	144584682
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	817515738	7022033	0	824537771
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	278293660	0	0	278293660
Net Change	(278293660)	0	0	(278293660)
Indebtedness at the end of the financial year				
i) Principal Amount	497228518	7022033	0	504250551
ii) Interest due but not paid	41993560	0	0	41993560
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	539222078	7022033	0	546244111

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount
		Dharam chand Galada	Devendra Galada	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	492000	480000	972000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	592833	366667	959500
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	1084833	846667	1931500
	Ceiling as per the Act	1084833	846667	

B. Remuneration to other directors

Sl No	Particulars of Remuneration	Name of the Directors			Total Amount
		Kanaka Seshu	M L Sachdeva	Ameeta Trehan	
1	Independent Directors				
	Fee for attending board committee meetings	1500	4500	4500	10500
	Commission	0	0	0	0
	Incidental Expenses	0	0	0	0
	Total (1)	1500	4500	4500	10500
2	Other Non-Executive Directors	M C Galada	S M Kankaria		
	Fee for attending board committee meetings	4000	1500		5500
	Commission	0	0		0
	Incidental Expenses	0	0		0
	Total (2)	4000	1500		5500
	Total (B)=(1+2)				16000
	Total Managerial Remuneration				1947500
	Overall Ceiling as per the Act				1947500

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

Sl no	Particulars of Remuneration	CS & CFO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	586044
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	432000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	
	- as % of profit	0
	others, specify...	0
5	Others, please specify	0
	Total	1018044

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements:

We have audited the accompanying financial statements of GALADA POWER AND TELECOMMUNICATION LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

Emphasis of Matter:

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

- a. Note 1 to the financial statements regarding the preparation of the financial statements on a going concern basis, despite substantial erosion of the net worth, lower cash inflows from the existing business activities and Continuous default in payment of dues to banks / financial institutions and the legal proceedings initiated by the Bankers of the Company for the recovery of the debts.
- b. Note 33 to the financial statements regarding the appointment and payment of Managerial Remuneration.
- c. Note 34 to the financial statements regarding the non-provision of interest on working Capital Loan.
- d. Note 35 to the financial statements on noncompliance with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special Bank Account.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. `

- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 45 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (refer note 35 to the financial Statements)

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 000513S

Place : Hyderabad
Date : 26.05.2016

(P. CHANDRAMOULI)
Partner
Membership Number: 025211

Annexure -A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **GALADA POWER AND TELECOMMUNICATION LIMITED**, HYDERABAD, for the year ended March 31,2016.,

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular program of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification between the physical stocks and book records.
3.
 - a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b. In view of our comment in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. As the overall turnover of the Company for the year from all its products and services is less than Rs. 35 Crores, the provisions relating to maintenance of cost records under sub-section (1) of 148 section of the Companies Act, 2013 are not applicable to the Company.

7. a. According to the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable are as follows.

Nature of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Due date	Date of payment
The Companies Act, 1956	Investor Education and Protection Fund #	11,556,699	1996	30.12.2003	Not yet paid
APGST Act	IFST Loan Differed Sales Tax Sales tax	311,190 6,710,843 225,000	1988 1996 2000	25.07.1997 01.04.2001 01.08.2001	Not yet paid
Customs Act 1942	Duty on Imports	3,002,346			Not yet paid

refer note 35 to the financial Statements

- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
8. In our opinion, the company has defaulted in repayment of loans to financial institutions and banks. The details of such defaults are
- Working Capital loan from Syndicate Bank Rs. 264,135,400/- long Overdue
 - Stressed Assets Stabilisation Fund – Principal amount of default Rs. 95,494,000/-Period of default – repayable in monthly installments of Rs.50.26 lakhs each commencing from September 1,2014 to March 1,2016.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for remuneration to the Managing Director with effect from 01.01.2015 amounting to Rs. 1,342,147/- which is subject to the approval of the Central Government, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment. As such the payment of remuneration is not in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act and the Company has not taken any steps for securing refund of the same.

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

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 000513S

Place : Hyderabad
Date : 26.05.2016

(P. CHANDRAMOULI)
Partner
Membership Number: 025211

Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **GALADA POWER AND TELECOMMUNICATION LIMITED**, HYDERABAD ("the Company") as of 31 March 2016 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, 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.

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 authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 2016, 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 BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 000513S

Place : Hyderabad
Date : 26.05.2016

(P. CHANDRAMOULI)
Partner
Membership Number: 025211

GALADA POWER AND TELECOMMUNICATION LIMITED
BALANCE SHEET AS AT 31 MARCH , 2016.

PARTICULARS	NOTES	31.03.2016 Rs.	31.03.2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	04	74,898,800	74,898,800
Reserves and Surplus	05	(463,060,521)	(674,142,851)
		<u>(388,161,721)</u>	<u>(599,244,051)</u>
Non - Current liabilities			
Long Term Borrowings	06	72,253,000	150,380,000
Long - Term Provisions	07	734,851	631,113
		<u>72,987,851</u>	<u>151,011,113</u>
Current liabilities			
Short term borrowings	08	264,135,400	419,746,482
Trade Payables	09	24,023,630	20,896,359
Other Current Liabilities	10	236,278,648	281,253,109
Short - Term Provisions	11	3,319,974	1,909,950
		<u>527,757,652</u>	<u>723,805,900</u>
TOTAL		212,583,782	275,572,962
ASSETS			
Non - Current assets			
Fixed Assets			
Tangible Assets	12	93,164,438	79,578,912
Machinery in Transit (refer note 30)		56,605,352	113,210,705
Capital work in progress		10,009,456	-
Long-Term Loans and Advances	13	4,930,010	8,429,198
		<u>164,709,256</u>	<u>201,218,815</u>
Current Assets			
Inventories	14	2,766,089	1,388,862
Trade Receivables	15	4,682,784	17,906,722
Cash and Cash Equivalents	16	7,866,989	32,654,571
Short-Term Loans and Advances	17	18,641,178	11,223,525
Other Current Assets	18	13,917,486	11,180,467
		<u>47,874,526</u>	<u>74,354,147</u>
TOTAL		212,583,782	275,572,962
NOTES FORMING PART OF FINANCIAL STATEMENTS		01 - 46	

for and on behalf of the Board

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

per our report of even date
for BRAHMAYYA & CO.,
Chartered Accountants
Firm's Registration Number: 000513S

V SUBRAMANIAN
Vice President , Secretary & CFO

P.CHANDRAMOULI
Partner
Membership Number: 025211

Place: Hyderabad

Date : 26.05.2016

GALADA POWER AND TELECOMMUNICATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH,2016.

PARTICULARS	NOTES	31.03.2016 Rs.	31.03.2015 Rs.
INCOME			
Revenue from Operations	19	88,161,863	64,074,778
Other Income	20	22,715,738	32,253,506
TOTAL REVENUE		110,877,601	96,328,284
EXPENSES			
Cost of Material Consumed	21	-	-
(Increase)/Decrease in Inventories	22	21,349	3,663,434
Employee Benefits Expense	23	30,326,724	25,650,155
Finance Costs	24	22,488,280	28,896,488
Depreciation Expense	25	5,334,290	6,790,668
Other Expenses	26	77,183,216	49,820,093
TOTAL EXPENSES		135,353,859	114,820,838
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(24,476,258)	(18,492,554)
EXCEPTIONAL ITEMS (Net)	27	67,447,506	770,827,504
PROFIT/(LOSS) BEFORE TAX		42,971,248	752,334,950
TAX EXPENSE		-	-
PROFIT/(LOSS) FOR THE YEAR		42,971,248	752,334,950
EARNINGS PER EQUITY SHARE OF Rs.10/-EACH			
Basic and diluted	28	5.74	100.45
NOTES FORMING PART OF FINANCIAL STATEMENTS	01 - 46		

for and on behalf of the Board

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

per our report of even date
for BRAHMAYYA & CO.,
Chartered Accountants
Firm's Registration Number: 000513S

V SUBRAMANIAN
Vice President , Secretary &CFO

P.CHANDRAMOULI
Partner
Membership Number: 025211

Place: Hyderabad

Date : 26.05.2016

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016.

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
04. SHARE CAPITAL:			
AUTHORISED:			
	10,900,000 Equity Shares of Rs.10/- each	109,000,000	109,000,000
	10,000 - 9.5% Cumulative Redeemable Preference Shares of Rs.100/- each	1,000,000	1,000,000
	TOTAL	110,000,000	110,000,000
ISSUED:			
	7,489,880 Equity Shares of Rs.10/- each	74,898,800	74,898,800
	10,000 - 9.5% Cumulative Redeemable Preference Shares of Rs.100/- each	1,000,000	1,000,000
	TOTAL	75,898,800	75,898,800
SUBSCRIBED AND PAID - UP:			
	7,489,880 Equity Shares of Rs.10/- each (fully Paid up)	74,898,800	74,898,800
	TOTAL	74,898,800	74,898,800

a. Rights attached to equity Shares:

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders holding more than 5% shares in the company

Equity Shares of Rs.10/- each fully paid

Industrial Development Bank of India
DD Investment and Leasing Private Limited

31.03.2016		31.03.2015	
Nos	Percentage	Nos	Percentage
1,043,069	13.93	1,043,069	13.93
504,126	6.73	504,126	6.73

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
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05. RESERVES AND SURPLUS:

Capital Redemption Reserve:			
Balance as at the beginning and end of the year		100,000	100,000
Securities Premium Account:			
Balance as at the beginning and end of the year		137,336,800	137,336,800
Share Forfeiture Account:			
Balance as at the beginning and end of the year		7,500,000	7,500,000
Capital Reserve:			
Balance as at the beginning of the year		151,979,691	51,125,000
Add:Additions during the year (refer note 31)		168,111,082	100,854,691
Balance as at the end of the year		320,090,773	151,979,691
Surplus in Statement of Profit and Loss:			
Balance as at the beginning of the year		(971,059,342)	(1,715,041,875)
Less:Carrying amount of the assets whose remaining useful life is nil		-	(8,352,417)
Add: Net Profit transferred from Statement of Profit and Loss		42,971,248	752,334,950
Balance as at the end of the year		(928,088,094)	(971,059,342)
TOTAL		(463,060,521)	(674,142,851)

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016.

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
06. LONG TERM BORROWINGS:			
	Term Loans: (Secured) #		
	From Financial Institutions		
	Industrial Investment Bank of India	-	40,000,000
	Edelweiss Asset Reconstruction Company Limited	26,000,000	-
	Less: Current maturities	8,664,000	-
		17,336,000	-
	Stressed Assets Stabilisation Fund (refer note 32)	149,700,000	149,700,000
	Less: Current maturities	97,783,000	48,320,000
		51,917,000	101,380,000
	Unit Trust of India	9,000,000	15,000,000
	Less: Current maturities	6,000,000	6,000,000
		3,000,000	9,000,000
	TOTAL	72,253,000	150,380,000

Term Loans are secured by the mortgage of Land, Buildings, Plant and Machinery and uncalled portion of capital, present and future on Pari-Passu basis and irrevocable personal guarantee of one of the Directors of the Company.

07. LONG TERM PROVISIONS:

Provision for employee benefits:		
Provision for Compensated absences	734,851	631,113
TOTAL	734,851	631,113

08. SHORT TERM BORROWINGS:(Secured)

Working Capital Loan from Syndicate Bank	264,135,400	264,135,400
Working Capital Loan from Canara Bank	-	155,611,082
TOTAL	264,135,400	419,746,482

The Working Capital facility from Syndicate Bank is secured by hypothecation of all movable assets of the Company and a second charge on all Fixed Assets of the Company and irrevocable personal guarantees of five of the Directors of the Company. As the company could not comply with the terms of sanction, the Banker has initiated legal Proceedings for recovery of above debt.

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016.

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
09. TRADE PAYABLES:			
	Creditors for Supplies and Services (refer note 39)	21,489,377	18,450,376
	Creditors for accrued wages and Salaries	2,534,253	2,445,983
	TOTAL	24,023,630	20,896,359
10. OTHER CURRENT LIABILITIES:			
	Current maturities of long term borrowings		
	Interest Free Sales Tax Loan	311,190	311,190
	Sales Tax Deferment	6,710,843	6,710,843
	Hire Purchase instalments	-	91,456
	Edelweiss Asset Reconstruction Company Limited	8,664,000	-
	Stressed Assets Stabilisation Fund	97,783,000	48,320,000
	Unit Trust of India	6,000,000	6,000,000
	Interest accrued and due on Term Loans	41,993,560	20,531,823
	Interest Payable on assigned liabilities	-	124,052,859
	Assigned liabilities (refer note 36)	48,393,118	48,393,118
	Advance from Customers	224,555	45,005
	Trade/ Security Deposits	4,568,829	4,750,641
	Other Advances	5,500,000	2,525,000
	Other liabilities:		
	Excise Duty Payable	-	1,104
	Sales Tax Payable	237,412	529,835
	Withholding Taxes payable	99,025	163,549
	Municipal taxes Payable	-	2,641,520
	Due to Directors	246,827	491,770
	Interest on Trade Payable	702,576	702,576
	Unpaid Dividends (refer note 35)	11,556,699	11,556,699
	Other Statutory dues	634,656	158,452
	Other Payables	2,652,358	3,275,669
	TOTAL	236,278,648	281,253,109
11. SHORT TERM PROVISIONS:			
	Provision for employee benefits:		
	Provision for Compensated absences	60,623	8,347
	Provision for Gratuity (refer note 40)	3,259,351	1,901,603
	TOTAL	3,319,974	1,909,950

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016.

12. TANGIBLE ASSETS:

(amount in Rupees)												
S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		AS AT 01.04.2015	ADDITIONS	DEDUCTIONS	AS AT 31.03.2016	UP TO 31.03.2015	FOR THE YEAR	ON DEDUCTIONS	ADJUSTMENTS ***	UP TO 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
1	Land	11,205,032	-	625,009	10,580,023	-	-	-	-	-	10,580,023	11,205,032
2	Buildings:											
	Factory	51,110,644	1,372,230	-	52,482,874	25,124,622	1,552,438	-	-	26,677,060	25,805,814	25,986,022
	Office	11,572,038	-	1,448,208	10,123,830	3,061,864	159,459	284,772	-	2,936,551	7,187,279	8,510,174
3	Plant and Equipment	185,271,847	19,787,379	8,874,872	196,184,354	156,216,748	2,872,829	8,431,128	-	150,658,449	45,525,905	29,055,099
4	Furniture and Fixtures	1,760,229	-	778,182	982,047	1,413,974	13,872	486,482	-	941,364	40,683	346,255
5	Vehicles **	5,379,072	55,800	-	5,434,872	1,122,166	638,581	-	-	1,760,747	3,674,125	4,256,906
6	Office Equipment	1,004,704	92,300	55,080	1,041,924	890,542	34,810	52,326	-	873,026	168,898	114,162
7	Data Processing Equipments	873,078	138,750	-	1,011,828	767,816	62,301	-	-	830,117	181,711	105,262
	Total	268,176,644	21,446,459	11,781,351	277,841,752	188,597,732	5,334,290	9,254,708	-	184,677,314	93,164,438	79,578,912
	Previous Year	268,058,232	2,356,635	2,238,223	268,176,644	174,415,567	6,790,668	960,920	8,352,417	188,597,732	79,578,912	93,642,665

** includes Vehicles Costing Rs.40,41,056/-which are not in the name of the Company.

*** adjusted in the opening balance of retained earnings

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
13. LONG TERM LOANS AND ADVANCES:			
(unsecured and considered good)			
Capital advances	-	3,400,000	
Security Deposits:			
Earnest Money Deposits	1,485,000	1,535,000	
Other Deposits	195,010	244,198	
Deposits for Power Supply #	3,250,000	3,250,000	
# in the form of Fixed Deposits with Banks			
TOTAL	4,930,010	8,429,198	
14. INVENTORIES (at Cost):			
Work in Process	-	11,410	
Finished Goods	-	9,939	
Stores and Spares	2,766,089	1,367,513	
TOTAL	2,766,089	1,388,862	
15. TRADE RECEIVABLES:			
(unsecured and considered good)			
Outstanding for a period exceeding 6 months from the date they are due for payment	-	16,483,975	
Others	4,682,784	1,422,747	
TOTAL	4,682,784	17,906,722	
16. CASH AND CASH EQUIVALENTS:			
Balances with Banks:			
on Current accounts	3,789,480	6,291,627	
Cash on Hand	203,413	83,172	
Other Bank balances:			
Deposits with original maturity of more than twelve months	549,444	19,355,120	
Margin money deposits	3,324,652	6,924,652	
TOTAL	7,866,989	32,654,571	
17. SHORT - TERM LOANS AND ADVANCES:			
(unsecured and considered good)			
Advances for purchases and expenses	110,214	28,200	
Staff Advances	375,792	272,900	
Balance with Statutory Authorities	18,155,172	10,922,425	
TOTAL	18,641,178	11,223,525	

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
18. OTHER CURRENT ASSETS:			
	Assets held for Disposal at realisable Value	443,744	-
	Advance Income Tax	10,398,949	7,605,554
	Interest accrued	71,024	1,833,633
	Accrued Job Work Charges	1,464,554	316,241
	Prepaid Expenses	212,340	98,164
	Claims Recoverable	1,326,875	1,326,875
	TOTAL	13,917,486	11,180,467
19. REVENUE FROM OPERATIONS:			
	Sale of Goods:		
	Finished Goods		
	Aluminum Conductor	11,695	4,204,897
	Sale of Services:		
	Conversion Charges	84,800,163	57,694,416
	Other Operating Income		
	Certification Charges	2,390,920	2,624,350
	Others	960,323	-
	Revenue from Operations (gross)	88,163,101	64,523,663
	Less: Excise Duty	1,238	448,885
	Revenue from Operations (Net)	88,161,863	64,074,778
20. OTHER INCOME:			
	Interest Income		
	Bank Deposits	1,929,848	3,589,989
	Income Tax	392,648	-
	Other Non Operating Income		
	Net Gain on Sale of Tangible Assets	16,748,851	25,457,395
	Rentals earned	251,010	2,431,684
	Excess Provisions and Credit Balances Written Back	3,203,334	571,868
	Miscellaneous Receipts	190,047	202,570
	TOTAL	22,715,738	32,253,506
21. COST OF MATERIAL CONSUMED:			
	Inventory at the Beginning of the year	-	43,011
	Add: Purchases	-	-
		-	43,011
	Less: Cost of Inventory written off	-	43,011
	Less: Inventory at the end of the year	-	-
	Cost of raw material consumed	-	-

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
22. (INCREASE)/DECREASE IN INVENTORIES:			
	Inventory at the End of the year		
	Finished Goods	-	9,939
	Scrap	-	11,410
		<u>-</u>	<u>21,349</u>
	Inventory at the Beginning of the year		
	Finished Goods	9,939	3,673,373
	Scrap	11,410	11,410
		<u>21,349</u>	<u>3,684,783</u>
	Increase/(Decrease) in Inventories	<u>(21,349)</u>	<u>(3,663,434)</u>
23. EMPLOYEE BENEFITS EXPENSE:			
	Salaries, Wages and Bonus	26,078,125	23,658,877
	Contribution to Provident and Other Funds	1,248,727	825,843
	Staff Welfare Expenses	1,476,032	960,286
	Gratuity	1,523,840	205,149
	TOTAL	<u>30,326,724</u>	<u>25,650,155</u>
24. FINANCE COSTS:			
	Interest expense	22,127,008	28,561,638
	Hire Purchase Charges	218,377	311,704
	Bank Charges	142,895	23,146
	TOTAL	<u>22,488,280</u>	<u>28,896,488</u>
25. DEPRECIATION AND AMORTISATION EXPENSE:			
	Depreciation on Tangible assets	5,334,290	6,790,668
	TOTAL	<u>5,334,290</u>	<u>6,790,668</u>

GALADA POWER AND TELECOMMUNICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

S.NO.	PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
26. OTHER EXPENSES:			
	Stores Consumed	10,711,496	10,565,877
	Contract Labour	18,923,748	11,471,263
	Freight and Transport	481,324	322,536
	Rates and Taxes #	725,291	560,133
	Power and Fuel	15,811,539	13,876,030
	Rent	736,800	736,800
	Insurance	256,843	261,906
	Travelling and Conveyance	2,750,780	2,446,404
	Vehicle Maintenance	1,042,223	910,577
	Legal and Professional Charges	284,343	1,371,964
	Payments to Auditors		
	as auditors	100,500	75,000
	for certification	11,518	14,000
	for tax audits	51,130	26,000
	Repairs and Maintenance to:		
	Machinery	2,422,033	1,150,278
	Own Buildings	348,371	544,499
	Other Assets	161,952	123,088
	Security Charges	2,921,893	2,491,453
	Bad debts written off	16,483,975	-
	Inventory written off	-	43,011
	Miscellaneous Expenses	2,957,457	2,829,274
	TOTAL	77,183,216	49,820,093

includes Excise Duty borne by the Company and the difference between Excise Duty on Opening and Closing Stocks of finished /saleable goods.

27. EXCEPTIONAL ITEMS:

Waivers by Term Lenders:		
Interest/Lease Rentals waived by IDBI	-	618,258,934
Interest waived by UTI	-	152,568,570
Interest waived by IIBI	124,052,859	-
Cost of Machinery in transit written off (refer note 30)	(56,605,353)	-
TOTAL	67,447,506	770,827,504

28. EARNING PER SHARE:

Net Profit for the year attributable to Equity Shareholders	42,971,248	752,334,950
Weighted average number of equity Shares of Rs.10/each	7,489,880	7,489,880
Earnings per Share (Basic and Diluted)	5.74	100.45

29. ANALYSIS OF MATERIALS CONSUMED:

	31.03.2016		31.03.2015	
	Percentage	Value in Rs.	Percentage	Value in Rs.
Imported	-	-	-	-
Indigenous	100.00	10,711,496	100.00	10,565,877
TOTAL	100.00	10,711,496	100.00	10,565,877

GALADA POWER AND TELECOMMUNICATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016.

PARTICULARS	31.03.2016 Rs.	31.03.2015 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	42,971,248	752,334,950
Adjustments for:		
Depreciation	5,334,290	6,790,668
Net gain on sale of Tangible assets	(16,748,851)	(25,457,395)
Bad Debts written off	16,483,975	-
Inventories Written off	-	43,011
Sales Tax Written off	-	509,021
Interest (Net)	20,197,160	24,971,649
Excess Provisions Written Back	(3,203,334)	(571,868)
CWIP written off	56,605,353	-
Waivers from lenders	(124,052,859)	(770,827,504)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,413,018)	(12,207,468)
Adjustments for:		
Increase / (decrease) in Long Term Provisions	103,738	50,079
Increase / (decrease) in Trade Payables	3,127,271	(4,291,084)
Increase / (decrease) in Other Current liabilities	126,837,310	757,732,695
Increase / (decrease) in Short Term Provisions	1,410,024	57,274
(Increase) / decrease in Long Term Loans and advances	3,499,188	(2,628,249)
(Increase) / decrease in Short Term Loans and advances	(7,417,653)	10,548,148
(Increase) / decrease in Inventories	(1,377,227)	3,765,353
(Increase) / decrease in Trade Receivables	(3,260,037)	3,932,546
(Increase) / decrease in Other Current Assets	(1,262,489)	(280,233)
Direct Taxes Paid (net of refunds)	(2,793,395)	(2,125,328)
NET CASH FROM OPERATING ACTIVITIES (A)	116,453,712	754,553,733
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(31,455,915)	(2,356,635)
Sale of Fixed Assets	18,831,750	25,407,823
Interest received	3,692,457	3,966,096
NET CASH USED IN INVESTING ACTIVITIES (B)	(8,931,708)	27,017,284
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (decrease) in Long Term Borrowings	(6,091,456)	(20,274,368)
Increase / (decrease) in Short Term Borrowings	(1,500,000)	-
Interest paid	(124,718,130)	(771,257,319)
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	(132,309,586)	(791,531,687)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(24,787,582)	(9,960,670)
Cash and Cash equivalents as at beginning of the year	32,654,571	42,615,241
Cash and Cash equivalents as at the end of the year #	7,866,989	32,654,571
# including restricted balance of	3,324,652	6,924,652

for and on behalf of the Board

per our report of even date

for BRAHMAYYA & CO.,

Chartered Accountants

Firm's Regn. Number: 000513S

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

V SUBRAMANIAN
Vice President, Secretary & CFO

P.CHANDRAMOULI
Partner
Membership Number: 025211

Place: Hyderabad
Date : 26.05.2016

1. CORPORATE INFORMATION:

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

The Company has recorded a net loss of Rs.810.81 Lakhs for the year and has accumulated losses of Rs. 9,710.59 Lakhs as at March 31, 2015, resulting in substantial erosion of the net worth. Further, there were lower cash inflows from the existing business activities. The Company has defaulted in payment of dues to banks / financial institutions and could not comply with the terms of sanction and / or repayment schedules of the lending institutions and Banks. Consequently, all the lending institutions recalled the loans and the Bankers of the Company also initiated legal proceedings for the recovery of the debts. The matter was referred to Board for Industrial and Financial Reconstruction (BIFR) and the Company had been declared sick. Later on, BIFR confirmed their opinion for winding up in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide order dt:14.09.2007. The Company preferred an appeal before AAIFR which confirmed the BIFR order. The Company further preferred an appeal before the Hon'ble High Court of Andhra Pradesh which has stayed BIFR order and further hearings are in progress. As the Management of the Company is of the view that an acceptable and viable rehabilitation package can be worked out since all term lenders except Syndicate Bank have already agreed for financial reconstruction, the accompanying financial statements have been prepared on a "going concern" basis.

2. BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 and in accordance with Generally Accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets:

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

c) Depreciation:

- I. Depreciation is provided considering the useful lives of respective assets, as provided and prescribed under schedule II of the Companies Act, 2013.
- II. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

d) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

e) Inventories:

- i. Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.
- ii. Goods in transit are valued at Cost.
- iii. Finished goods, Work in progress, Scrap, by-products and loose tools are valued at lower of cost and net realizable value.

- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on FIFO basis and Cost of finished goods includes excise duty.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

f) Prior period items:

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss Account.

g) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognize a decline other than temporary in nature.

h) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically, the following basis is adopted:

- i. **Sale of Goods:**Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading. Revenue on account of price escalations is accounted for on acceptance of such claims by the buyers.
- ii. **Income from Services:**Revenue is recognized as and the Services rendered as per the terms of individual Service Contract. Income from Services is accounted inclusive of service tax.
- iii. **Interest:**Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. **Other Sundry incomes:**Insurance claims, conversion escalations are accounted for on accrual basis.

i) Government Grants and Subsidies:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

j) Retirement and Other Employee Benefits:

- i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year.
- iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

k) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalized. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

l) Leases:

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

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the profit and loss account. Costs, including depreciation are recognised as an expense in the profit and loss account.

m) Earnings per Share (Basic and Diluted):

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

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

n) Taxes on Income:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

o) Cash Flow Statement:

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

p) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

q) Provisions:

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

30. During the financial year 1996-97, the Company has imported one Continuous Casting and Rolling Line Equipment and bonded at Customs Warehouse, Mumbai. The Company is awaiting the final sanction of the Rehabilitation Package, so as to, clear the Equipment under EPGC Scheme with a concessional rate of customs duty as a part of Rehabilitation Package. The Equipment is physically inspected by the Company officials at regular intervals. However, the Equipment is not tested for technical obsolescence, normal wear and tear, impairment loss and also suitability for its intended use, since the said Equipment was imported a long back. During the year, the Company has come to a conclusion, based on some expert advice, that due to technical obsolescence the said equipment is not suitable for its intended use and decided to write off the same over a period of two years and accordingly 50% of the cost is written off during the year.

Further, no provision is made in the books of account for the Customs Duty payable on the import and also Storage Charges payable to Warehousing Corporation.

31. The principal amounts waived by term lenders pursuant to the negotiated settlement of dues under OTS amounting to Rs. 168,111,082/- is directly credited to Capital Reserve and interest waived amounting Rs. 124,052,859/- is credited to Profit and Loss as an Exceptional Item.
32. As the Company could not meet the terms of repayment of OTS amount as agreed, Stressed Assets Stabilization Fund (SASF) will be entitled to recover the total dues of IDBI along with interest at Contractual rates. However, the request made by the Company for revision in terms of repayment is under consideration with SASF.
33. Appointment and payment of Managerial Remuneration:

- a. The reappointment of Executive Director with effect from 01.04.2002 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to Rs. 10,878,477/- (including for Current year Rs. 846,667/-) and accordingly the provisions of Section 309(5A) of the Companies Act, 1956 are applicable. However, the said amount is charged to the profit and loss account as managerial remuneration, as the management is of the view that the said provisions are not applicable to the Company, as the matter is a part of Rehabilitation Scheme referred to **BIFR** under the Sick Industrial Companies (Special Provisions) Act, 1985.
- b. The appointment of Managing Director with effect 01.01.2006 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to Rs. 9,701,839/- and accordingly the provisions of Section 309(5A) of the Companies Act, 1956 are applicable. However, the said amount is charged to the profit and loss account as managerial remuneration, as the management is of the view that the said provisions are not applicable to the Company, as the matter is a part of Rehabilitation Scheme referred to **BIFR** under the Sick Industrial Companies (Special Provisions) Act, 1985.

Payment of remuneration to the Managing Director with effect from 01.01.2015 amounting to Rs. 1,342,147/- is subject to the approval of the Central Government, as per the provisions of the Section 197 of the companies Act, 2013 read with schedule V, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment.

GALADA POWER AND TELECOMMUNICATION LIMITED,
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016.

34. Interest on Working Capital Loan from Syndicate Bank, amounting to Rs. 17,340 Lakhs from 01.07.2000 to 31.03.2015 and Rs. 2,948 lakhs for the current year is not provided in the books of account, Considering the progress in the negotiations for OTS, the Company is of the opinion, that the possibility of any financial outflow over and the above amount recognised in the books of account is very very remote and no further provision is required in this regard.
35. The Company declared dividend for the year 1995-96 in the Annual General Meeting held on 30.12.96 and unpaid amount of Rs.115,56,699/- has become due for transfer to Investor Education and Protection Fund. The Company has not complied with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special bank account and the interest payable for such noncompliance amounting to Rs.263.18 lakhs up to 31st March, 2015 and Rs.13.90 lakhs for the year is not provided in the books of account. However, the Company is of the opinion that the said Provisions are not applicable to the Company, as the same is payable to the shareholders and has been included in its rehabilitation proposal as payable at a later date.
36. The ICICI Bank Limited has assigned all the amounts due to it by the Company to a third party with effect from 01.01.2006 on "as is where is" basis. Pending legal documentation and other negotiations as to the repayment with the third party, the total amount due as at 31st December, 2005 including principal on account of this mutual agreement was classified as assigned liabilities and shown as other current liability.
37. The Company is in the process of obtaining confirmation of balances from the parties included under Borrowings, Trade Payables and Other current Liabilities.
38. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
39. Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. During the year, there were no transactions with Micro and Small Enterprises; hence the disclosures as per Micro, Small and Medium Enterprise Development Act, 2006, are not applicable to the Company for the time being.
40. Disclosure relating to the Gratuity liability (not funded) as per Accounting Standard 15 "Employee Benefits"

Particulars		31.03.2016 Rs.	31.03.2015 Rs.
a)	The amounts recognised in the Balance Sheet		
	Present Value of obligation	6,446,299	4,924,780
	Fair value of plan assets	3,186,948	3,023,177
	Net liability recognised in the Balance sheet	3,259,351	1,901,603

GALADA POWER AND TELECOMMUNICATION LIMITED,
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016.

b)	Changes in the present value of the defined obligation		
	Opening defined benefit obligation	4,924,780	4,472,058
	Current service Cost	245,434	139,962
	Interest Cost	393,982	357,765
	Actuarial (gain)/loss on obligation	1,142,338	139,962
	Benefits paid	(260,235)	(45,005)
	Closing defined benefit obligation	6,446,299	4,924,780
c)	Changes in the Fair value of Plan assets		
	Opening Fair value of Plan assets	3,023,177	2,627,246
	Contributions	166,092	148,358
	Actual returns on plan assets	257,914	247,573
	Benefits paid	(260,235)	-
	Closing Fair value of Plan assets	3,186,948	3,023,177
d)	The amounts recognised in the Profit and Loss account		
	Current service Cost	245,434	139,962
	Interest Cost	393,982	357,765
	Actual returns on plan assets	(257,914)	(247,573)
	Actuarial (gain)/loss on obligation	1,142,338	(45,005)
	Net benefit Expenditure	1,523,840	205,149
e)	Principal actuarial assumptions		
	Mortality table (LIC)	2006-08	2006-08
	Discount Rate	8.00%	8.00%
	Rate of escalation in Salary (per annum)	4.00%	4.00%
	Attrition Rate	5.00%	1.00%
	Retirement Age in years	58 years	58 years
The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is certified by an actuary.			

- 41.** The Companies main business is manufacturing of Aluminum Conductors and other allied products and all other activities of the Company revolve around the main business and as such there are no separate reportable segments as per the Accounting Standard AS 17 "Segment Reporting" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

GALADA POWER AND TELECOMMUNICATION LIMITED,
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016.

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

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

i. Key Management Personnel:

Sri Dharam Chand Galada	Managing Director
Sri Devendra Galada	Executive Director

ii. Relatives of Key Management Personnel:

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

b. Particulars of Transactions during the year:

	31.03.2016 Rs.	31.03.2015 Rs.
Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	1,084,833	1,029,257
Sri Devendra Galada		
Managerial Remuneration	846,667	848,774
Relatives of Key Management Personnel		
Smt. Snehalata Galada		
Payment of Rent	114,000	114,000
Sri Shail Galada		
Payment of Rent	93,000	93,000
Remuneration	1,031,665	958,171
Sri Shashi Galada		
Payment of Rent	93,000	93,000
Sri Ewanth Kumar Parekh		
Remuneration	1,217,509	1,165,512

c. Balances due from / (due to) as at the year end

Sri Dharam Chand Galada	(118,567)	(291,759)
Sri Devendra Galada	(128,260)	(200,011)

GALADA POWER AND TELECOMMUNICATION LIMITED,
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016.

- 43.** In terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, there is a net deferred tax asset as on 31st March, 2016. In the absence of convincing evidence regarding the availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to tax effect of timing differences at present.
- 44.** As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognized during the year.

45. Contingent liabilities and Commitments :

Particulars	31.03.2016	31.03.2015
	Rs.	Rs.
Contingent liabilities:		
Bank guarantees and Letters of credit	3,324,652	6,924,652
Claims against the Company not acknowledged as debts	3,605,431	17,470,260
Income Tax demands disputed by the Company	5,054,342	50,54,342
Commitments:		
Duty Payable on Imports in Transit	3,002,346	3,002,346
Estimated amount of contracts remaining to be executed on capital account and not Provided for	--	6,353,750

- 46.** Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

per our report of even date
for Brahmayya & Co.
Chartered Accountants
Firms' Registration Number: 000513S

for and on behalf of the Board

P. CHANDRAMOULI
Partner
Membership Number: 025211

D.C.GALADA
Managing Director

DEVENDRA GALADA
Executive Director

Place : Hyderabad
Date : 26.05.2016

V.SUBRAMANIAN
Vice President, Secretary & CFO

Galada Power and Telecommunication Ltd CIN : L64203TG1972PLC001513

ATTENDENCE SLIP

Regd.Office : P 2/6, IDA, Block III, Uppal, HYDERABAD – 500 039. (TELANGANA). India

PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id*	
Client Id*	

Folio No	
No of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 44th ANNUAL GENERAL MEETING of the Company held on Friday, 30.09.2016 at 10.00 a.m at Hotel Kamat Lingapur, Chitkoti Gardens, Begumpet, Hyderabad.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder / Proxy

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules,2014)

Galada Power and Telecommunication Ltd CIN:L64203TG1972PLC001513

Regd.Office : P 2/6, IDA, Block III, Uppal, HYDERABAD – 500 039. (TELANGANA). India

Name of the member	
Registered address	

e-mail Id	
Folio No / *Client Id	
*DP Id	

I/We being the members of of Galada Power and Telecommunication Ltd held -----
Shares, hereby appoint: _____ of _____ having e-mail id _____ whose
signature is appended below as my / our proxy to attend and vote for me / us and on my/our behalf at the 44th ANNUAL
GENERAL MEETING of the Company, to be held on Friday, 30.09.2016 at 10.00 a.m at Hotel Kamat Lingapur, Chitkoti
Gardens, Begumpet, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	for	Against
1. Adoption of Accounts, Reports of the Board of Directors and Auditors		
2. Re-appointment of Director, who retires by rotation		
3. Ratifying the reappointment of Auditors		

Signed this ____ day of ____ 2016

Signature of shareholder

Affix a Rs.1/-
Revenue Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.

SHARE NOMINATION FORM

FORM 2B

(To be filled in by individual applying singly or jointly and to be submitted in duplicate)

I/We.....andthe holders of Shares of M/s. Galada Power and Telecommunication Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my/our death.

S.No	Certificate No	Distinctive No		No of Shares
		From	To	
1)				
2)				
3)				
4)				
5)				
6)				

Attach sheet with details if no of share certificates are more.

Name and Address of Nominee with Contact No

Name:

Address:

.....

.....

* Date of Birth:

* (To be furnished in case the nominee is a minor)

*Name and Address of Guardian with Contact No

Name:

Address:

.....

.....

Registered Holders – Folio No.....

Signature:

Name:

Address:

.....

.....

Signature:

Name:

Address:

.....

.....

INSTRUCTIONS:

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of Shares in favour of a nominee and repayment of amount to nominee shall be a valid discharge by a company against the legal heir.
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company) and (b) the nominee.
9. Whenever the Shares in the given folio are entirely transferred, transposition or dematerialized with some other folio, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Registrar and Transfer Agent of the company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The company will not entertain any claims other than those of a registered nominee unless so directed by a Court.
13. The intention regarding nomination / nomination form shall be filed **in duplicate** with the Company at F301, Galada Towers Begumpet Hyderabad 500016



NEW MULTI-STRAND MACHINE



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If undelivered please return to :



GALADA

POWER AND TELECOMMUNICATION LTD.

3rd Floor, 301, Galada Towers, Begumpet, Hyd-500 016.

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