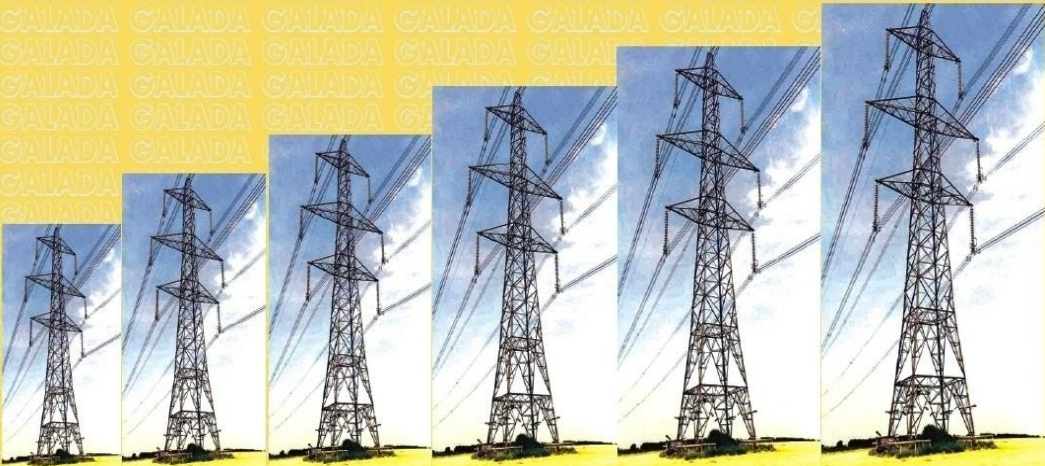


45th ANNUAL REPORT
2016 - 2017



GALADA

POWER AND TELECOMMUNICATION LTD.



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

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

2016-17 has been a year of upheaval for unethical players in the Industry, Trade and social front. It is a war against poverty inflicted by unscrupulous and anti Indian groups. The demonetization, the new currency, the plastic card usage drives have more than clearly demonstrated that country has to go on the path of growth, development and overall prosperity of all sections of Indian citizen. The actions taken have slowed down entire economic activity for the last four months of year 2016-17 but for your company, it has opened new horizons of survival and growth. Hopes of better days ahead have kindled to all genuine enterprises after decades, of which we are one.



In essence, first four months of 2017-18 due to monsoon and last four months of 2016-17 due to war on unethicity has slowed economic activity but still it has not pushed our spirits down, inspite of the fact that financial impact is considerable. We hope and trust that everything will be fine from now on.

The positive developments are growth of Solar power creating a new market for compact Aluminium core conductor for such cables, which your company has successfully developed. The strict quality drive has also shown positive growth trend for AAAC manufacturers like ours.

Though growth of Multi Strand Conductor Capacity of existing customers had negative impact on us, but very quickly your Company has sprung back due to better contribution in the above products. Rod operations are bad due to Primary producers increasing their capacity. The company has to be innovative during 2017-18 to survive and grow.

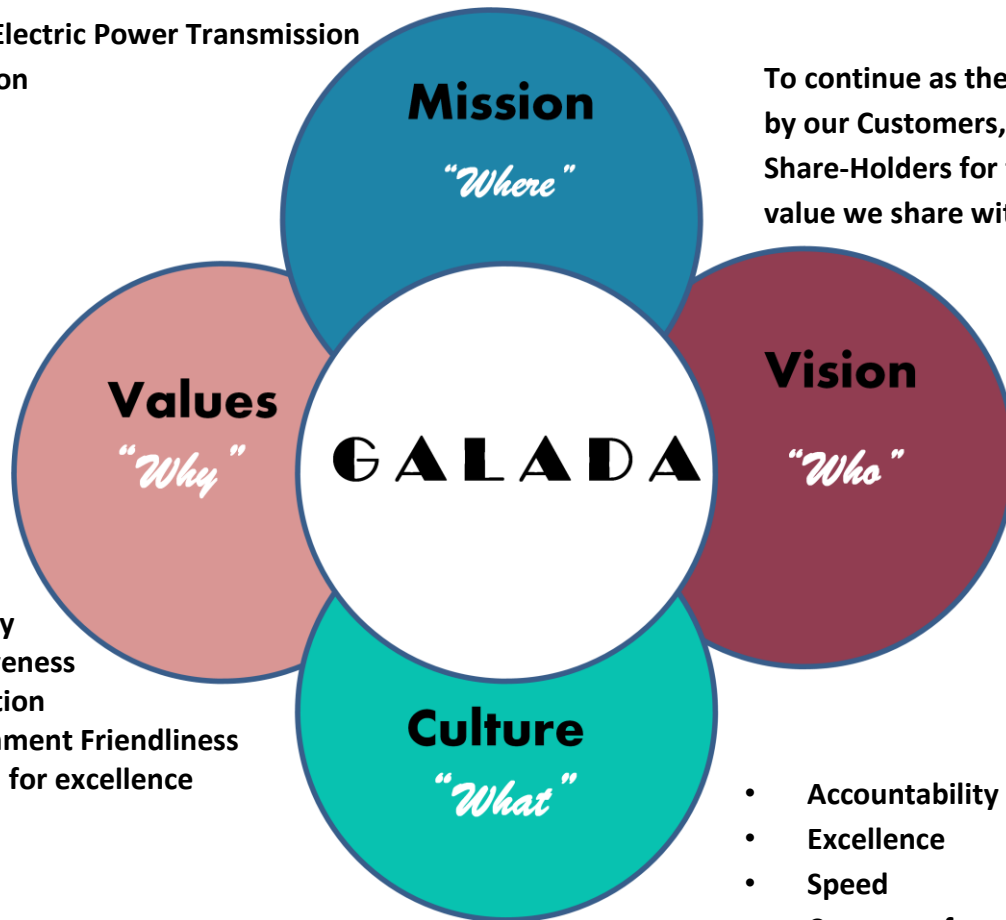
While we are paying back the lenders who have given OTS, we are keenly working out a concrete plan for other lenders namely SASF and Syndicate Bank. The Company's efforts are on and commitment of all members of Team Galada is at a new high. I think we will come out victoriously during the balance of 2017-18 & thereafter.

Govt. of India's new thrust on genuineness has emboldened us to face the negativity which I am confident will be overcome soon. Let our country and genuine fighter companies like Galada come back to its original premium position and this is our prayer.

All participants in this mission like colleagues 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



- Integrity
- Inclusiveness
- Innovation
- Environment Friendliness
- Passion for excellence

- Accountability
- Excellence
- Speed
- Customer focus
- Product development

BOARD OF DIRECTORS

Chairman	Shri S.M. Kankaria
Directors	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.DA., 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 Fifth Annual General Meeting of the Company will be held on Wednesday, the 15th November, 2017 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, 2017 and the Reports of the Directors' and Auditors thereon.
2. To appoint Director in place of Sri D C Galada who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint K S Rao & Co Chartered Accountants (Firm Registration No.003109S) 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.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution for the re-appointment of Shri Devendra Galada, Executive Director of the Company in accordance with Schedule V to the Companies Act, 2013 as amended from time to time for a further period of five (5) years valid upto 31.03.2022 on the same terms, conditions and managerial remuneration approved in the Annual General Meeting held on 30th November, 1994 and also as renewed in the subsequent meetings held on 31.03.1998, 30.09.2003 ,28.09.2007 and 28.09.2012

“Resolved that the approval of and sanction of the Company pursuant to the provisions, if applicable, of the Companies Act, 2013 and in particular Schedule V thereto, be and is hereby accorded to the re-appointment of Shri Devendra Galada, Executive Director for a further period of five (5) years valid upto 31.03.2022 on the following terms and conditions:

1. Salary

Rs.25,000 per month including dearness allowance and all other allowances.

2. Perquisites

Provision of perquisites and benefits classified into three categories A, B, C as appearing hereinafter:-

Category A

- i. Housing : The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling:

Sixty percent of the salary, over and above ten percent payable by the appointee.

- ii. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be as per actuals
- iii. Medical Reimbursement: Expenses incurred for the appointee and the family as per company norms.
- iv. Leave Travel Concession: For the appointee and his family once in a year as per company norms.
- v. Club fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- vi. Personal Accident Insurance: Premium not exceeding Rs.4,000 per annum.

Explanation: For the purpose of Category "A" "family" means the spouse, the dependent children and dependant parents of the appointee.

Category B

- 1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites.
- 2. Gratuity payable should not exceed half a month's salary for each completed year of service.
- 3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites.

“Resolved further that the consent of the Company be and is hereby accorded, pursuant to applicable provisions of the Act, for payment and/or provision of the aforesaid remuneration, benefits and perquisites to Shri Devendra Galada, Executive Director as minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company during his term of office”.

By order of the Board

Sd/-

V Subramanian

Vice President & Secretary

Place: Hyderabad

Date : 14.09.2017

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 09.11.2017 to 15.11.2017
6. The equity shares of the Company are listed at BSE Limited .
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 12.11.2017 and ends on 14.11.2017. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 08.11.2017, 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 171017005).
- (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 D.C. Galada |
| 2. Date of birth | : | 19.07.1942 |
| 3. <u>Date of last appointment</u> | : | 30.09.2015 |
| 4. Expertise | : | Industrial / Business experience of more than four decades. |
5. List of Public Ltd Companies in which outside Directorship was held as on 31st March, 2017:

Nil

6. Chairman / Member of the Committees of other Public Ltd Companies on which he was a Director as on 31st March, 2017 :

Nil

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

Item No.3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Brahmayya & Co., Chartered Accountants (Firm Registration No.000513S), were appointed as the statutory auditors of the Company for financial year 2016-17 at the Annual General Meeting (AGM) of the Company held on 30.09.2016.

M/s. Brahmayya & Co have been the auditors of the Company since 1972. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. Three years have since expired and hence there is a need to change the Auditors.

In view of the above, being eligible for appointment and based on the recommendation of the Audit Committee, the Board of Directors proposed the appointment of M/s. K S Rao & Co as the statutory auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the next AGM of the Company.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No 3 of the accompanying Notice.

Item No.4

This item relates to the re-appointment of Shri Devendra Galada, Executive Director for a further period of five (5) years valid upto 31.03.2022. Shri Devendra Galada was re-appointed for a period of five (5) years from 01.04.2012 to 31.03.2017 as Executive Director of the Company in the Annual General Meeting held on 28th September, 2012. His terms expired on 31.03.2017 and the appointment is to be renewed for a further period of five (5) years as per Schedule V to the Companies Act, 2013. His re-appointment was approved by the Remuneration Committee and Board of Directors in their meetings held on 27.05.2017.

Shri Devendra Galada was appointed as Executive Director in the year 1994 and has been working in that position for the last 23 years without any change in his emoluments fixed in the year 1994. He was instrumental in setting up the Company's Silvassa unit and bringing it to commercial production. He is also in-charge of shifting the machinery from Uppal to Silvassa and making them operational. His responsibilities include up-keep of machinery on continuous basis and eliminate

the down-time due to break down, etc. He has also been looking after the Company's overall operations and has played a significant role in increasing the production level at Silvassa plant which has resulted in the improved working results of the Company. Looking at the problems being faced by the Company at present, his continuance in the present position is absolutely necessary to enable the Company to tide over its difficulties.

Shri Devendra Galada is the brother of Shri Dharam Chand Galada, Managing Director of the Company.

DIRECTORS REPORT

Your Directors have pleasure in presenting the 45th Annual Accounts of the Company for the financial year ended 31st March, 2017

1. Financial Highlights

<i>Amount in Rs.Lacs</i>		
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Sale value of production	551	1109
Gross profit	(87)	34
Interest	232	225
Cash loss	319	191
Dep & w/o	279	53
Exceptional Item	220	(674)
Profit before tax	(818)	430
Profit after tax	(818)	430
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 2016-17

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 7710 Mts of Conductor during the year under Report as compared to 14456 Mts in the previous year (2015-16) and 9492 Mts during the year before last year (2014-15). The production was less due to economic uncertainties and sluggish demand for conductors.

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, 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 41 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 aluminum 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, 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 31.03.2017 comprises five directors, of which three 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 two. 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
Non-Executive Independent	
Sri M L Sachdeva	Director
Ms Ameeta Trehan	Director

9. Meetings of each Director:

Four Board Meetings were held during the year, the dates being 26.05.2016, 11.08.2016, 12.11.2016, and 11.02.2017. The last AGM was held on 30.09.2016.

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	2	N	3	-
D C Galada	4	Y	1	-
Devendra Galada	4	Y	-	-
M C Galada	3	N	-	-
M L Sachdeva	4	N	-	-
S V Kanaka Seshu	3	N	-	-
Ms Ameeta Trehan	4	Y	-	-

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 11.02.2017.

a. Audit Committee

1	Ms Ameeta Trehan	Chairman
2	Shri M L Sachdeva	Member

b. Nomination and Remuneration Committee

1	Shri M L Sachdeva	Member
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2	Ms Ameeta Trehan	Chairman
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c. Shareholder's / Investor's Grievance Committee

1	Ms Ameeta Trehan	Chairman
2	Shri M L Sachdeva	Member

16. Director's Responsibility Statement

- a. In the preparation of the annual accounts for the year ended March 31, 2017, 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, 2017 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 three years have expired since the introduction of the Companies act 2013 and hence are not eligible for reappointment. The Board has recommended K S Rao & Co for appointment as Auditors and they have confirmed their eligibility to the effect that their

appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for 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 26.05.2017. 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 : 14.09.2017

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, 2017

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 M/s 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 M/s 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, 2017 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 M/s 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, 2017 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 2016-2017;

- (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: 27.05.2017

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: 27.05.2017

ANNEXURE II TO BOARDS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on 31.03.2017

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-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	1165067	0	1165067	15.56	11065067	0	1165067	15.56	0
Sub -total (A) (1)	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
(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)	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
B. Public Shareholding									
Institutions									
Banks / FI	1094276	1200	1095476	14.63	722172	1200	723372	9.65	(-)4.98
Sub-total (B)(1):-	1094276	1200	1095476	14.63	722172	1200	723372	9.65	(-)4.98
2. Non-Institutions									
Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2095942	844108	2940050	39.25	2356396	848448	3204844	42.79	(+)3.54
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2282647	6640	2289287	30.56	2396597	0	2396597	32.00	(+)1.44
Sub-total (B)(2):-	4378589	850748	5229337	69.81	4752993	848448	5601441	74.79	(+)4.98
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5472865	851948	6324813	84.44	5475165	849648	6324813	84.44	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6637932	851948	7489880	100.00	6640232	849648	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	143987	1.92	143987	1.92	NIL		
2	Aditya Kumar Kankaria	19000	0.25	19000	0.25			
3	Binod Chand Kankaria	30400	0.41	30400	0.41			
4	Biraj Kavar Galada	67000	0.89	67000	0.89			
5	Chandra Kant Kankaria	38000	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	46670	0.62	46670	0.62			
10	M C Galada	59045	0.79	59045	0.79			
11	Manisha Kankaria	9000	0.12	9000	0.12			
12	Manohar Kumar Kankaria	35960	0.48	35960	0.48			
13	Phool Kumari Kankaria	28350	0.38	28350	0.38			
14	Pramila Kankaria	51664	0.69	51664	0.69			
15	Sandip Kumar Kankaria	17000	0.23	17000	0.23			
16	Sardarmull Kankaria	36023	0.48	36023	0.48			
17	Shail Galada	29591	0.40	29591	0.40			
18	Shashi Kankaria	39000	0.52	39000	0.52			
19	Snehlata Galada	141737	1.89	141737	1.89			
20	Subhas Chand Kankaria	32000	0.43	32000	0.43			
	Total	1165067	15.56	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	1165067	15.56
	Increase / Decrease in Promoters Shareholding during the year	0	0
	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 31.03.2017)	No of shares (as on 31.03.2016)	Increase / decrease in shareholding during the year (2016-17)	
				No of shares	Reason
1	GIICL	178465	178465	No change	
2	DD Investment and Leasing Pvt Ltd	498136	504776	(-) 6640	Transfer
3	IDBI	670964	1043068	(-)372104	Transfer
4	Ecoman Vinimay P Ltd	100000	100000	No change	
5	Motilal Oswal Financial Services Ltd	0	215179	(-)215179	Transfer
6	Hemant Kumar Gupta	467102	265545	(+) 201557	Transfer
7	Sharon Gupta	152103	122757	(+) 29346	Transfer
8	Shweta Mehul Shah	334274	334280	(-)6	Transfer
9	Adroit fin der pvt ltd	100617	0	(+)100617	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 01.04.2016)	Change during the year (2016-17)	Shareholding at the end of the year (as on 31.03.2017)
1	Dharam chand Galada	190050	0	190050
2	Devendra Galada	145090	0	145090

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	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
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	35222416	0	0	35222416
Net Change	(35222416)	0	0	(35222416)
Indebtedness at the end of the financial year				
i) Principal Amount	439615400	7022033	0	446637433
ii) Interest due but not paid	64384262	0	0	64384262
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	503999662	7022033	0	511021695

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/MTD/ 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	586183	364038	950221
	(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)	1078183	844038	1922221
	Ceiling as per the Act	1078183	844038	

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	3000	1000		4000
	Commission	0	0		0
	Incidental Expenses	0	0		0
	Total (2)	3000	1000		4000
	Total (B)=(1+2)	4500	5500	4500	14500
	Total Managerial Remuneration				1936721
	Overall Ceiling as per the Act				1936721

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	611868
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	456000
	(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	1067868

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 2017, 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:

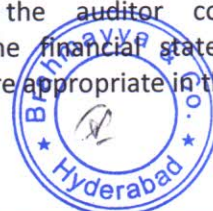
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 thereunder.

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 2017, its Loss and its cash flows for the year ended on that date.

Emphasis of Matter:

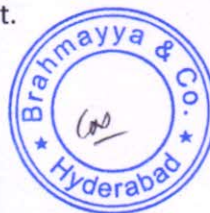
We draw attention to the following matters in the Notes to the financial statements:

- a. Note 1 to the financial statements which indicates that the Company incurred a net loss of Rs. 1,109.97 Lakhs during the year ended March 31, 2017 and, as of the date, the Company's current liabilities exceeded its total assets by Rs. 4,412.63 Lakhs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
- b. Note 32 to the financial statements regarding the appointment and payment of Managerial Remuneration.
- c. Note 33 to the financial statements regarding the non-provision of interest on working Capital Loan.
- d. Note 34 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 44 to the financial statements
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 34 to the financial Statements)
 - The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 45 to the financial statements.

Place : Hyderabad
Date : 27.05.2017

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 0005135


(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 31,2017.,

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 programme 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 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.

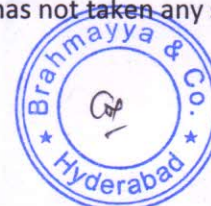


7. a. According to the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as at March 31, 2017 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 6,710,843 175,000	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 34 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. 97,783,000/- Period of default – repayable in monthly installments of Rs.50.26 lakhs each commencing from September 1,2014 to March 1,2017.
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.2,420,330/- 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 given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
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.

Place : Hyderabad
Date : 27.05.2017

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 0005135


(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 2017 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

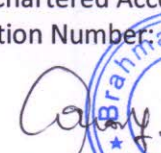
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 2017, 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.

Place : Hyderabad
Date : 27.05.2017

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


(P. CHANDRAMOULI)
Partner

Membership Number: 025211

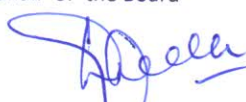
GALADA POWER AND TELECOMMUNICATION LIMITED
CIN : L64203TG1972PLC001513
BALANCE SHEET AS AT 31 MARCH , 2017.

PARTICULARS	NOTES	31.03.2017 Rs.	31.03.2016 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	04	74,898,800	74,898,800
Reserves and Surplus	05	(525,664,393)	(463,060,521)
		(450,765,593)	(388,161,721)
Non - Current liabilities			
Long Term Borrowings	06	8,672,000	72,253,000
Long - Term Provisions	07	830,942	734,851
		9,502,942	72,987,851
Current liabilities			
Short term borrowings	08	264,135,400	264,135,400
Trade Payables	09	23,697,701	24,023,630
Other Current Liabilities	10	266,584,239	236,278,648
Short - Term Provisions	11	3,123,698	3,319,974
		557,541,038	527,757,652
TOTAL		116,278,387	212,583,782
ASSETS			
Non - Current assets			
Fixed Assets			
Tangible Assets	12	95,947,904	93,164,438
Machinery in Transit (refer note 29)		-	56,605,352
Capital work in progress		-	10,009,456
Long-Term Loans and Advances	13	4,302,010	4,930,010
		100,249,914	164,709,256
Current Assets			
Inventories	14	1,737,300	2,766,089
Trade Receivables	15	475,508	4,682,784
Cash and Cash Equivalents	16	1,363,973	7,866,989
Short-Term Loans and Advances	17	619,920	18,641,178
Other Current Assets	18	11,831,772	13,917,486
		16,028,473	47,874,526
TOTAL		116,278,387	212,583,782
NOTES FORMING PART OF FINANCIAL STATEMENTS			
	01 - 46		

for and on behalf of the Board



D C GALADA
Managing Director



DEVENDRA GALADA
Executive Director



V SUBRAMANIAN
Vice President , Secretary & CFO

per our report of even date
for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm's Registration Number: 0005135



P.CHANDRAMOULI
Partner
Membership Number: 025211

Place: Hyderabad
Date : 27.05.2017

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN : L64203TG1972PLC001513
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH,2017.

PARTICULARS	NOTES	31.03.2017 Rs.	31.03.2016 Rs.
INCOME			
Revenue from Operations	19	42,591,859	88,147,525
Other Income	20	12,556,983	22,708,317
TOTAL REVENUE		55,148,842	110,855,842
EXPENSES			
(Increase)/Decrease in Inventories	21	-	21,349
Employee Benefits Expense	22	24,750,407	30,326,724
Finance Costs	23	23,209,987	22,488,280
Depreciation Expense	24	7,700,093	5,334,290
Other Expenses	25	59,234,832	77,161,457
TOTAL EXPENSES		114,895,319	135,332,100
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(59,746,477)	(24,476,258)
EXCEPTIONAL ITEMS (Net)	26	(22,009,548)	67,447,506
PROFIT/(LOSS) BEFORE TAX		(81,756,025)	42,971,248
TAX EXPENSE		-	-
PROFIT/(LOSS) FOR THE YEAR		(81,756,025)	42,971,248
EARNINGS PER EQUITY SHARE OF Rs.10/-EACH			
Basic and diluted	27	(10.92)	5.74
NOTES FORMING PART OF FINANCIAL STATEMENTS	01 - 46		

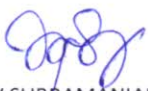
for and on behalf of the Board


D C GALADA

Managing Director


DEVENDRA GALADA

Executive Director


V SUBRAMANIAN

Vice President , Secretary &CFO

per our report of even date
for **BRAHMAYYA & CO.,**
Chartered Accountants
Firm's Registration Number: 0005135

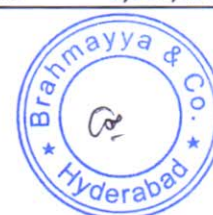

P.CHANDRAMOULI
Partner

Membership Number: 025211

Place: Hyderabad
Date : 27.05.2017

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN : L64203TG1972PLC001513
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017.

PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(81,756,025)	42,971,248
Adjustments for:		
Depreciation	7,700,093	5,334,290
Net gain on sale of Tangible assets	(6,256)	(16,748,851)
Net gain on sale of Investments	(220,545)	-
Bad Debts written off	54,993	16,483,975
TDS Written off	20,728	-
Inventory Written off	304,459	-
Provision for Expected loss on input credits	20,200,730	
Interest (Net)	22,382,894	20,197,160
Excess Provisions Written Back	(5,221,284)	(3,203,334)
CWIP written off	56,605,350	56,605,353
Waivers from lenders	(29,240,965)	(124,052,859)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(9,175,828)	(2,413,018)
Adjustments for:		
Increase / (decrease) in Long Term Provisions	96,091	103,738
Increase / (decrease) in Trade Payables	4,895,355	3,127,271
Increase / (decrease) in Other Current liabilities	1,947,007	126,837,310
Increase / (decrease) in Short Term Provisions	(196,276)	1,410,024
(Increase) / decrease in Long Term Loans and advances	628,000	3,499,188
(Increase) / decrease in Short Term Loans and advances	(2,179,472)	(7,417,653)
(Increase) / decrease in Inventories	724,330	(1,377,227)
(Increase) / decrease in Trade Receivables	4,152,283	(3,260,037)
(Increase) / decrease in Other Current Assets	733,780	(1,262,489)
Direct Taxes Paid (net of refunds)	840,533	(2,793,395)
NET CASH FROM OPERATING ACTIVITIES (A)	2,465,803	116,453,712
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(474,103)	(31,455,915)
Sale of Fixed Assets	450,000	18,831,750
Sale of Investments	220,545	-
Interest received	543,710	3,692,457
NET CASH USED IN INVESTING ACTIVITIES (B)	740,152	(8,931,708)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (decrease) in Long Term Borrowings	(9,220,000)	(6,091,456)
Increase / (decrease) in Short Term Borrowings	-	(1,500,000)
Interest paid	(488,971)	(124,718,130)
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	(9,708,971)	(132,309,586)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6,503,016)	(24,787,582)
Cash and Cash equivalents as at beginning of the year	7,866,989	32,654,571
Cash and Cash equivalents as at the end of the year #	1,363,973	7,866,989
# including restricted balance of	1,056,010	3,324,652





D C GALADA
Managing Director



V SUBRAMANIAN
Vice President, Secretary & CFO

Place: Hyderabad
Date : 27.05.2017

for and on behalf of the Board



DEVENDRA GALADA
Executive Director

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



P. CHANDRAMOULI
Partner

Membership Number: 025211



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. 1,109.97 Lakhs for the year and has accumulated losses of Rs. 9,280.88 Lakhs as at March 31, 2016, resulting in total 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. In the meantime, all term lenders except Syndicate Bank have assigned their dues to various Asset Reconstruction Companies and the Company has entered OTS agreements with all such Asset Reconstruction Companies. Due to paucity of cash generation, the Company could not comply with the OTS payment terms of one of the Asset Reconstruction Companies and the request made by the Company for revision in terms of repayment is under consideration (also refer Note:31). As the Management of the Company is of the view that an acceptable and viable OTS schedule can be worked with Syndicate Bank also, 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.



GALADA POWER AND TELECOMMUNICATION LIMITED
CIN : L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017.

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
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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

31.03.2017		31.03.2016	
Nos	Percentage	Nos	Percentage
670,964	8.96	1,043,069	13.93
498,136	6.65	504,126	6.73

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 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
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Securities Premium Account:

Balance as at the beginning and end of the year	137,336,800	137,336,800
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Share Forfeiture Account:

Balance as at the beginning and end of the year	7,500,000	7,500,000
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Capital Reserve:

Balance as at the beginning of the year	320,090,773	320,090,773
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Add: Additions during the year (refer note 30)	19,152,153	-
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Balance as at the end of the year	339,242,926	320,090,773
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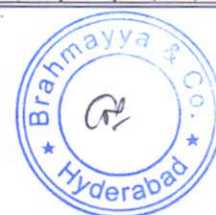
Surplus in Statement of Profit and Loss:

Balance as at the beginning of the year	(928,088,094)	(971,059,342)
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Add: Net Profit transferred from Statement of Profit and Loss	(81,756,025)	42,971,248
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Balance as at the end of the year	(1,009,844,119)	(928,088,094)
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TOTAL	(525,664,393)	(463,060,521)
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GALADA POWER AND TELECOMMUNICATION LIMITED

CIN : L64203TG1972PLC001513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017.

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
06. LONG TERM BORROWINGS:			
	Term Loans: (Secured) #		
	From Financial Institutions		
	Edelweiss Asset Reconstruction Company Limited	18,780,000	26,000,000
	Less: Current maturities	10,108,000	8,664,000
		<u>8,672,000</u>	<u>17,336,000</u>
	Stressed Assets Stabilisation Fund (refer note 31)	149,700,000	149,700,000
	Less: Current maturities	149,700,000	97,783,000
		<u>-</u>	<u>51,917,000</u>
	Unit Trust of India	7,000,000	9,000,000
	Less: Current maturities	7,000,000	6,000,000
		<u>-</u>	<u>3,000,000</u>
	TOTAL	<u>8,672,000</u>	<u>72,253,000</u>

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	830,942	734,851
TOTAL	<u>830,942</u>	<u>734,851</u>

08. SHORT TERM BORROWINGS:(Secured)

Working Capital Loan from Syndicate Bank	264,135,400	264,135,400
TOTAL	<u>264,135,400</u>	<u>264,135,400</u>

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
CIN : L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017.

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
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09. TRADE PAYABLES:

Creditors for Supplies and Services (refer note 38)	18,834,886	21,489,377
Creditors for accrued wages and Salaries	4,862,815	2,534,253

TOTAL	23,697,701	24,023,630
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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
Edelweiss Asset Reconstruction Company Limited	10,108,000	8,664,000
Stressed Assets Stabilisation Fund	149,700,000	97,783,000
Unit Trust of India	7,000,000	6,000,000
Interest accrued and due on Term Loans	64,384,262	41,993,560
Assigned liabilities (refer note 35)	-	48,393,118
Advance from Customers	272,658	224,555
Trade/ Security Deposits	-	4,568,829
Other Advances	10,400,000	5,500,000
Other liabilities:		
Sales Tax Payable	189,619	237,412
Withholding Taxes payable	128,006	99,025
Municipal taxes Payable	60,250	-
Due to Directors	1,765,174	246,827
Interest on Trade Payable	702,576	702,576
Unpaid Dividends (refer note 34)	11,556,699	11,556,699
Other Statutory dues	1,396,902	634,656
Other Payables	1,898,060	2,652,358

TOTAL	266,584,239	236,278,648
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11. SHORT TERM PROVISIONS:

Provision for employee benefits:		
Provision for Compensated absences	65,199	60,623
Provision for Gratuity (refer note 39)	3,058,499	3,259,351

TOTAL	3,123,698	3,319,974
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017.



** includes Vehicles Costing Rs.3,372,488/-which are not in the name of the Company.

GALADA POWER AND TELECOMMUNICATION LIMITED

CIN : L64203TG1972PLC001513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017



GALADA POWER AND TELECOMMUNICATION LIMITED

CIN : L64203TG1972PLC001513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
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18. OTHER CURRENT ASSETS:

Assets held for Disposal at realisable Value	-	443,744
Advance Income Tax	9,537,690	10,398,949
Interest accrued	24,093	71,024
Accrued Job Work Charges	753,674	1,464,554
Prepaid Expenses	189,441	212,340
Claims Recoverable	1,326,874	1,326,875

TOTAL 11,831,772 13,917,486

19. REVENUE FROM OPERATIONS:

Sale of Goods:

Finished Goods	-	11,695
Aluminum Conductor	-	

Sale of Services:

Conversion Charges	42,315,309	84,800,163
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Other Operating Income

Certification Charges	-	2,390,920
Others	276,550	945,985

Revenue from Operations (gross) 42,591,859 88,148,763

Less: Excise Duty - 1,238

Revenue from Operations (Net) 42,591,859 88,147,525

20. OTHER INCOME:

Interest Income		
Bank Deposits	496,779	1,929,848
Income Tax	510,236	392,648
Insurance Claim	5,717,050	-
Other Non Operating Income		
Net Gain on Sale of Tangible Assets	6,256	16,748,851
Net Gain on Sale of Investments	220,545	-
Rentals earned	-	251,010
Excess Provisions and Credit Balances Written Back	5,221,284	3,203,334
Miscellaneous Receipts	384,833	182,626

TOTAL 12,556,983 22,708,317



GALADA POWER AND TELECOMMUNICATION LIMITED
CIN : L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
21.	(INCREASE)/DECREASE IN INVENTORIES:		
	Inventory at the End of the year		
	Finished Goods	-	-
	Scrap	-	-
		-	-
	Inventory at the Beginning of the year		
	Finished Goods	-	9,939
	Scrap	-	11,410
		-	21,349
	Increase/(Decrease) in Inventories	-	(21,349)
22.	EMPLOYEE BENEFITS EXPENSE:		
	Salaries, Wages and Bonus	22,221,244	26,078,125
	Contribution to Provident and Other Funds	1,355,001	1,248,727
	Staff Welfare Expenses	1,125,014	1,476,032
	Gratuity	49,148	1,523,840
	TOTAL	24,750,407	30,326,724
23.	FINANCE COSTS:		
	Interest expense	22,879,673	22,127,008
	Hire Purchase Charges	264,269	218,377
	Bank Charges	66,045	142,895
	TOTAL	23,209,987	22,488,280
24.	DEPRECIATION AND AMORTISATION EXPENSE:		
	Depreciation on Tangible assets	7,700,093	5,334,290
	TOTAL	7,700,093	5,334,290



GALADA POWER AND TELECOMMUNICATION LIMITED

CIN : L64203TG1972PLC001513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

S.NO.	PARTICULARS	31.03.2017 Rs.	31.03.2016 Rs.
25. OTHER EXPENSES:			
	Stores Consumed	3,897,845	10,711,496
	Contract Labour	10,496,609	18,923,748
	Freight and Transport	81,488	481,324
	Rates and Taxes #	371,571	703,532
	Power and Fuel	12,299,170	15,811,539
	Rent	565,800	736,800
	Insurance	286,324	256,843
	Travelling and Conveyance	2,050,974	2,750,780
	Vehicle Maintenance	821,663	1,042,223
	Legal and Professional Charges	686,792	284,343
	Payments to Auditors		
	as auditors	100,500	100,500
	for certification	15,578	11,518
	for tax audits	30,150	51,130
	Repairs and Maintenance to:		
	Machinery	825,685	2,422,033
	Own Buildings	826,666	348,371
	Other Assets	81,319	161,952
	Security Charges	3,308,627	2,921,893
	Bad debts written off	54,993	16,483,975
	Provision for expected loss in input credits	20,200,730	-
	Redundant inventory written off	304,459	-
	Miscellaneous Expenses	1,927,889	2,957,457
	TOTAL	59,234,832	77,161,457

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

26. EXCEPTIONAL ITEMS:

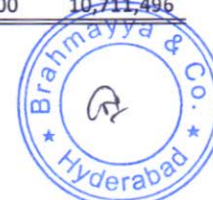
Waivers by Term Lenders:		
Interest waived by term lenders	29,240,965	124,052,859
Written offs recovered	5,354,837	-
Cost of Machinery in transit written off (refer note 29)	(56,605,350)	(56,605,353)
TOTAL	(22,009,548)	67,447,506

27. EARNING PER SHARE:

Net Profit for the year attributable to Equity Shareholders	(81,756,025)	42,971,248
Weighted average number of equity Shares of Rs.10/each	7,489,880	7,489,880
Earnings per Share (Basic and Diluted)	(10.92)	5.74

28. ANALYSIS OF MATERIALS CONSUMED:

	31.03.2017		31.03.2016	
	Percentage	Value in Rs.	Percentage	Value in Rs.
Imported	-	-	-	-
Indigenous	100.00	3,897,845	100.00	10,711,496
TOTAL	100.00	3,897,845	100.00	10,711,496



29. 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 was written off during the previous year and the remaining balance is written during the period under reference.

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.

30. The principal amounts waived by term lenders pursuant to the negotiated settlement of dues under OTS amounting to Rs. 19,152,153/- is directly credited to Capital Reserve and interest waived amounting Rs. 29,240,965/- is credited to Profit and Loss as an Exceptional Item.
31. 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.

32. 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. 11,722,515/- (including for Current year Rs. 844,038/-) 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. 2,420,330/- (including for Current year Rs. 1,078,183/-) 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.



33. Interest on Working Capital Loan from Syndicate Bank, amounting to Rs. 20,288 Lakhs from 01.07.2000 to 31.03.2016 and Rs. 3,383 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 as a letter from the said bank was already received.
34. 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.277.08 lakhs up to 31st March 2016 and Rs.13.87 lakhs for the year is not provided in the books of account. However, the Company is of the opinion that the said Provisions are not applicable to the Company, as the same is payable to the shareholders as per its rehabilitation proposal as payable at a later date.
35. 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.
36. The Company is in the process of obtaining confirmation of balances from the parties included under Borrowings, Trade Payables and Other current Liabilities.
37. 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.
38. 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.
39. Disclosure relating to the Gratuity liability (not funded) as per Accounting Standard 15 "Employee Benefits"

Particulars		31.03.2017 Rs.	31.03.2016 Rs.
a)	The amounts recognised in the Balance Sheet		
	Present Value of obligation	6,103,766	6,446,299
	Fair value of plan assets	3,058,499	3,186,948
	Net liability recognised in the Balance sheet	3,045,267	3,259,351



b)	Changes in the present value of the defined obligation		
	Opening defined benefit obligation	6,446,299	4,924,780
	Current service Cost	209,954	245,434
	Interest Cost	515,704	393,982
	Actuarial (gain)/loss on obligation	(459,523)	1,142,338
	Benefits paid	(608,668)	(260,235)
	Closing defined benefit obligation	6,103,766	6,446,299
c)	Changes in the Fair value of Plan assets		
	Opening Fair value of Plan assets	3,186,948	3,023,177
	Contributions	250,000	166,092
	Actual returns on plan assets (net)	216,987	257,914
	Benefits paid	(608,668)	(260,235)
	Closing Fair value of Plan assets	3,045,267	3,186,948
d)	The amounts recognised in the Profit and Loss account		
	Current service Cost	209,954	245,434
	Interest Cost	515,704	393,982
	Actual returns on plan assets (net)	(216,987)	(257,914)
	Actuarial (gain)/loss on obligation	(459,523)	1,142,338
	Net benefit Expenditure	49,148	1,523,840
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%	5.00%
	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.			

40. 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.



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

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

i. Key Management Personnel:

Sri Dharam Chand Galada	Managing Director
Sri Devendra Galada	Executive Director

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:	31.03.2017 Rs.	31.03.2016 Rs.
Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	1,078,183	1,029,257
Sri Devendra Galada		
Managerial Remuneration	844,038	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	1,082,891	958,171
Sri Shashi Galada		
Payment of Rent	93,000	93,000
Sri Ewanth Kumar Parekh		
Remuneration	1,248,959	1,165,512

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

Sri Dharam Chand Galada	(571,517)	(291,759)
Sri Devendra Galada	(1,193,657)	(200,011)

42. 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 2017. 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.



43. 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.

44. Contingent liabilities and Commitments :

Particulars	31.03.2017	31.03.2016
	Rs.	Rs.
Contingent liabilities:		
Bank guarantees and Letters of credit	3,324,652	3,324,652
Claims against the Company not acknowledged as debts	3,639,693	3,605,431
Income Tax demands disputed by the Company	5,054,342	5,054,342
Commitments:		
Duty Payable on Imports in Transit	3,002,346	3,002,346

45. Details of Specified bank notes as per **Notification No. G.S.R. 308(E) of 2017:** (Amount Rs)

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	--	29,558	29,558
(+) Permitted receipts	--	212,000	212,000
(-) Permitted Payments	--	207,240	207,240
(-) Amount deposited in Banks	--	--	--
Closing cash in hand as on 30.12.2016	--	34,318	34,318

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


P. CHANDRAMOULI
Partner

Membership Number: 025211

Place :Hyderabad
Date :May 27, 2017

for and on behalf of the Board


D.C.GALADA
Managing Director


DEVENDRA GALADA
Executive Director


V.SUBRAMANIAN
Vice President, Secretary& CFO

ATTENDANCE 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 45th ANNUAL GENERAL MEETING of the Company held on Wednesday, 15.11.2017 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 45th ANNUAL GENERAL MEETING of the Company, to be held on wednesday, 15.11.2017 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 ____ 2017

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.