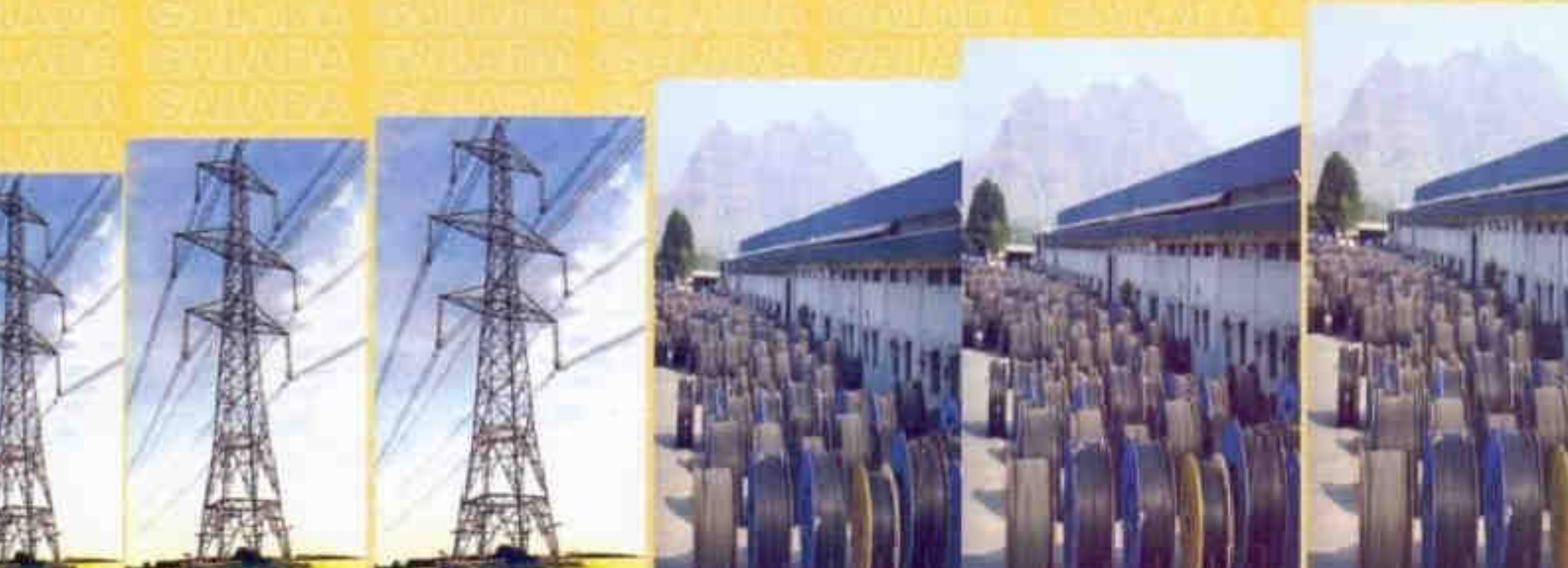
46 th ANNUAL REPORT

2017 - 2018

GALADA

POWER AND TELECOMMUNICATION LTD.



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

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. K.S.RAO & Co Chartered Accountants, Flat No. 602, 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 Sixth Annual General Meeting of the Company will be held on Friday, the 28 th September, 2018 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, 2018 and the Reports of the Directors' and Auditors thereon.

2. To appoint Director in place of Sri Devendra Galada who retires by rotation and being eligible, offers himself for re-appointment.

3. To 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.

By order of the Board

Sd/-

Place: Hyderabad
Date : 26.05.2018

V Subramanian
Vice President & Secretary

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 22.09.2018 to 28.09.2018

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 25.09.2018 and ends on 27.09.2018. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 21.09.2018, 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 180807007).

(xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

9. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

10. M/s S V Achary & Co, Company Secretaries, represented by Mr. S.V.Narayana Charyulu, Practicing Company Secretary (Membership No. 5981) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

11. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director of the Company.

12. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.galadapower.com and on the website of CDSL within three (3) days of passing of the resolutions of the AGM of the Company and communicated to BSE Ltd.

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

1. Name of the Director : Sri Devendra Galada

2. Date of birth : 14.04.1961

3. Date of last appointment : 30.09.2016

4. Qualification : Bsc,MBA

5. DIN : 00415543

6. Expertise : Industrial / Business experience of more than three decades.

7. List of Public Ltd Companies in which outside Directorship was held as on 31st March, 2018:

   Nil

8. Chairman / Member of the Committees of other Public Ltd Companies on which he was a Director as on 31st March, 2018 :

   Nil

DIRECTORS REPORT

Your Directors have pleasure in presenting the 46 th Annual Accounts of the Company for the financial year ended 31st March, 2018

1. Financial Highlights

Amount in Rs.Lacs

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
Sale value of production	1832	897
Gross profit	264	(90)
Interest	232	232
Cash Profit	32	(322)
Dep & w/o	86	279
Exceptional Item	207	(220)
Profit before tax	153	(821)
Profit after tax	149	(821)
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 2017-18

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 8673 Mts of Conductor during the year under Report as compared to 7710 Mts in the previous year.

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 and the present status is given in notes 32&33 to the Financial statement. 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 38 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 31.03.2018 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 Sri Devendra Galada	Promoter & Managing Director & CEO Promoter & Executive Director
Non-Executive Promoter	
Sri S M Kankaria	Promoter & Chairman
Non-Executive Independent	
Sri M L Sachdeva Ms Ameeta Trehan	Director Director

9. Meetings of each Director:

Four Board Meetings were held during the year, the dates being 27.05.2017,14.09.2017,14.12.2017 and 10.02.2018. The last AGM was held on 15.11.2017.

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	1	N	3	-
D C Galada	4	Y	1	-
Devendra Galada	4	Y	-	-
M L Sachdeva	4	N	-	-
Ms Ameeta Trehan	4	N	-	-
			-	-
			-	-

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 posses 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
2	Ms Ameeta Trehan	Chairman

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, 2018, 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 31,2018 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 K.S.RAO & Co, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting 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 26.05.2018. 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 Chpter 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

ACKNOLEDGEMENTS

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	**Devendra Galada**
Managing Director	**Executive Director**

Place : Hyderabad
Date : 26.05.2018

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, 2018

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, 2018 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, 2018 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 2017-2018; - NIL

(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 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: 26-05-2018

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: 26-05-2018

ANNEXURE II TO BOARDS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on 31.03.2018

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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% 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	1165067	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	722172	1200	723372	9.65	722172	1200	723372	9.65	0
Sub-total (B)(1):-	722172	1200	723372	9.65	722172	1200	723372	9.65	0
2. Non-Institutions									
Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2356396	848448	3204844	42.79	2307901	845448	3153349	42.10	(-)0.69
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2396597	0	2396597	32.00	2348092	0	2448092	32.69	(+)0.69
Sub-total (B)(2):-	4752993	848448	5601441	74.79	4755993	845448	5601441	74.79	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5475165**	**849648**	**6324813**	**84.44**	**5478165**	**846648**	**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)	6640232	849648	7489880	100.00	6643232	846648	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 (2017-18)		
		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 31.03.2018)	No of shares (as on 31.03.2017)	Increase / decrease in shareholding during the year (2017-18)	
				No of shares	Reason
1	GIICL	178465	178465	No change	
2	DD Investment and Leasing Pvt Ltd	498136	498136	No change	No change
3	IDBI	670964	670964	No change	
4	Ecoman Vinimay P Ltd	100000	100000	No change	
5	Bhauvesh kumar bansal	99809	0	(+)99809	Transfer
6	Hemant Kumar Gupta	467102	467102	No change	No change
7	Sharon Gupta	152103	152103	No change	No change
8	Shweta Mehul Shah	334280	334274	(+)6	Transfer
9	Adroit fin der pvt ltd	0	100617	(-)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 01.04.2017)	Change during the year (2017-18)	Shareholding at the end of the year (as on 31.03.2018)
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	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
Change in Indebtedness during the financial year				
* Addition	0	1840226	0	1840226
* Reduction	3742440	0	0	3742440
Net Change	(3742440)	1840226	0	(1902214)
Indebtedness at the end of the financial year				
i) Principal Amount	428951400	8862259	0	437813659
ii) Interest due but not paid	71305832	0	0	71305822
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	50257222	8862259	0	509119481

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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/WTD/ 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	839615	211597	1051212
	(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)	1331615	691597	2023212
	Ceiling as per the Act	1331615	691597	

B. Remuneration to other directors

Sl No	Particulars of Remuneration	Name of the Directors		Total Amount
		M L Sachdeva	Ameeta Trehan	
1	Independent Directors			
	Fee for attending board committee meetings	4500	4500	9000
	Commission	0	0	0
	Incidental Expenses	0	0	0
	Total (1)	4500	4500	10500
2	Other Non-Executive Directors	S M Kankaria		
	Fee for attending board committee meetings	1000		4000
	Commission	0		0
	Incidental Expenses	0		0
	Total (2)	1000		4000
	Total (B)=(1+2)	5500	4500	14500
	Total Managerial Remuneration			2032712
	Overall Ceiling as per the Act			2032712

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

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	749810
	(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	1205810

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALADA POWER AND TELECOMMUNICATIONLIMITED, HYDERABAD.

Report on theInd AS Financial Statements:

We have audited the accompanying Ind ASFinancial statements of **GALADA POWER AND TELECOMMUNICATIONLIMITED (**"the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS Financial statements that give a true and fair view of the state of affairs, profit or loss including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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 Ind AS 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 Ind AS Financialstatements 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 of the Ind AS Financial statements 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 Ind AS Financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financialstatements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financialstatements, 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 Ind AS Financialstatements 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 Ind AS Financialstatements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March 2018, its profit, its cash flows and the changes in equity 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 has net accumulated losses of Rs. 10,111.87 lakhs as at the year ended March 31, 2018 and as of that date the company's current liabilities exceeded its total assets by Rs. 4403.00 lakhs. These conditions, along with other matters as set forth in the said Note, 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 33 to the financial statements regarding the non-provision of interest on working Capital Loan.

c. Note 34 to the financial statements on non-compliance with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special Bank Account.

d. Note 35 to the financial statements regarding the appointment and payment of Managerial Remuneration.

Our opinion is not qualified in respect of these matters.

Other Matters:

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date openingbalance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previouslyissuedstatutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006audited by the predecessor auditors, whose audit report for the year ended 31 March 2017 and 31 March 2016 dated 27 May 2017 and 26 May 2016 respectively expressed an unmodified opinion on those financial statements, asadjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which havebeen audited by us.

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 section 143 (11) 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, the Cash Flow Statement and the Statement of Changes in Equity 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.

   (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial statements – Refer Note 22 to the Financialstatements

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note34 to the Financial statements)

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for K.S.RAO& CO.,
Chartered Accountants
Firm's Registration Number: 003109S

(T. SUKESH KUMAR)
Partner
Membership Number: 229963

Place : Hyderabad
Date : May26, 2018

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 31,2018.,

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 arears of outstanding statutory dues as at March 31, 2018 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 6,710,843 135,000	1988 1996 2000	25.07.1997 01.04.2001 01.08.2001	Not yet paid
The Dadra and Nagar Haveli VAT Regulation, 2005	CST	13,500	May, 2017	20.06.2017	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 orduty 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

i. Working Capital loan from Syndicate Bank - Rs. 264,135,400/- due from year 2000

ii. Stressed Assets Stabilisation Fund – Rs. 149,700,000/- Period of default 19 Months

iii. Edelweiss Asset Reconstruction Company Limited - Rs. 722,000/- Period of default 1 Month

iv. Unit Trust of India - Rs. 50,000,000/ Period of default 6 Months

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. 3,751,945/- and to the Executive Director with effect from 01.04.2017 amounting to Rs. 691,597/-which is subject to the approval of the Central Government, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment. As such the payment of remuneration is not in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act and the Company has not taken any steps for securing refund of the same.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for K.S.RAO& CO;
Chartered Accountants
Firm's Registration Number: 003109S

(T. SUKESH KUMAR)
Partner
Membership Number: 229963

Place : Hyderabad
Date : May26, 2018

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 2018in 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 2018, 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.

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for K.S.RAO& CO.,
Chartered Accountants
Firm’s Registration Number: 03109S

(T. SUKESH KUMAR)
Partner
Membership Number: 229963

Place : Hyderabad
Date : May26, 2018

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
BALANCE SHEET AS AT MARCH 31, 2018

Amount in ?

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	4	85,417,738	95,947,904	93,164,438
Capital work-in-progress		-	-	66,614,808
Financial Assets				
Other financial assets	5	3,281,100	5,358,020	8,254,662
Deferred Tax Assets(net)	6	-	-	-
		88,698,838	101,305,924	168,033,908
Current assets				
Inventories	7	1,866,537	1,737,300	2,766,089
Financial Assets				
Trade receivables	8	5,055,610	475,508	4,682,784
Cash and cash equivalents	9	257,157	153,114	3,992,893
Bank balances other than above	10	-	154,849	549,444
Others financial assets	11	3,398,254	1,403,699	1,702,667
Current Tax Assets (Net)		2,186,301	9,537,690	10,398,949
Other current assets	12	18,611,702	1,510,303	20,457,048
		31,375,561	14,972,463	44,549,874
Total Assets		**120,074,399**	**116,278,387**	**212,583,782**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	74,898,800	74,898,800	74,898,800
Other Equity	14	(512,151,050)	(527,006,997)	(464,103,416)
		(437,252,250)	(452,108,197)	(389,204,616)
Liabilities				
Non - current liabilites				
Financial Liabilities				
Borrowings	15	-	8,672,000	72,253,000
Provisions	16	1,919,437	4,455,928	4,436,366
		1,919,437	13,127,928	76,689,366
Current liabilities				
Financial Liabilities				
Borrowings	17	265,975,626	265,035,400	264,135,400
Trade payables	18	20,088,855	19,090,886	21,489,377
Other financial liabilities	19	263,650,446	257,843,619	232,117,253
Other current liabilities	20	2,107,741	12,447,435	6,695,648
Provisions	21	3,584,544	841,316	661,354
		555,407,212	555,258,656	525,099,032
Contingent Liabilities and Commitments	22			
Total Equity and Liabilities		**120,074,399**	**116,278,387**	**212,583,782**
NOTES TO THE FINANCIAL STATEMENTS	1 - 48			

per our report of even date
for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 003109S

T SUKESH KUMAR
Partner
Membership Number: 229963

Place: Hyderabad
Date : 26.05.2018

for and on behalf of the Board

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

V SUBRAMANIAN
Vice President, Secretary & CFO

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ₹

Particulars	Note No.	for the year ended 31.03.2018	for the year ended 31.03.2017
Revenue from Operations	23	129,707,790	42,591,859
Other Income	24	53,445,252	47,152,785
Total Income		**183,153,042**	**89,744,644**
Expenses			
Cost of Materials Consumed	25	81,808,853	-
Employee Benefits Expense	26	21,341,091	25,225,606
Finance costs	27	23,199,831	23,209,987
Depreciation and amortisation expense	28	7,494,911	7,700,093
Other expenses	29	34,645,765	115,840,182
Total expenses		**168,490,451**	**171,975,868**
Profit before tax		**14,662,591**	**(82,231,224)**
Tax Expenses:			
Income Tax - Current		-	-
Income Tax - Earlier years		363,893	-
MAT Credit entitlement		-	-
		363,893	**-**
Profit for the Year		**14,298,698**	**(82,231,224)**
Other Comprehensive income	30		
Items that will not be reclassified subsequently to profit or loss		557,249	175,490
Income tax relating to items that will not be reclassified to profit or loss		-	-
		557,249	**175,490**
Total Comprehensive Income for The Year		**14,855,947**	**(82,055,734)**
Earnings per equity share from Continuing operations:	31		
Basic & Diluted- ₹		1.98	(10.96)
NOTES TO THE FINANCIAL STATEMENTS	1 - 48		

per our report of even date
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Executive Director

V SUBRAMANIAN
Vice President, Secretary & CFO

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ₹

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Cash flow from operating activities:		
Profit before tax	14,662,591	(82,231,224)
Add: Other Comprehensive Income before Tax	557,249	175,490
Adjustment for non-cash transactions:		
Depreciation and amortization expenses	7,494,911	7,700,093
Net Gain on Sale of Property, Plant and Equipment	(30,576,712)	(6,256)
Net Gain on Sale of Investments	-	(220,545)
Interest waived by term lenders	-	(29,240,965)
Excess Provision written back	(20,706,587)	-
Credit Balances written back	(837,777)	(5,221,284)
Bad Debts written off	-	54,993
TDS written off	-	20,728
Inventory written off	-	304,459
Deposits written off	1,020,910	-
Input credits written off	108,741	-
Fixed Assets Discarded	1,173	-
CWIP written off	-	56,605,350
Provisions made during the year:		
Expected Credit Loss on Input Credits	-	20,200,730
	(28,275,501)	**(31,858,431)**
Adjustment for investing and financing activities:		
Interest Income:		
From bank deposits and others	(239,512)	(496,779)
Interest on Term Loans	23,175,640	22,879,673
	22,936,128	**22,382,894**
Adjustment for changes in working capital:		
Decrease / (increase) in inventories	(129,237)	724,330
Decrease / (increase) in trade receivables	(4,580,102)	4,152,283
Decrease / (increase) in other current financial assets	(1,994,555)	298,968
Decrease / (increase) in other non current financial assets	1,056,010	2,896,642
Decrease / (increase) in other bank balances	154,849	394,595
Decrease / (increase) in other current assets	3,472,354	(1,744,660)
(Decrease) /Increase in trade payables	1,835,746	2,822,793
(Decrease) /Increase in other current financial liabilities	877,267	(2,632,218)
(Decrease) /Increase in other current liabilities	(10,339,694)	5,751,787
(Decrease) /Increase in long term provisions	(2,536,491)	19,562
(Decrease) /Increase in short term provisions	2,743,228	179,962
	(9,440,625)	**12,864,044**
Cash generated from operations	**(14,779,998)**	**3,388,507**
Less: Direct taxes paid (net of refunds)	6,987,496	840,533

GALADA POWER AND TELECOMMUNICATION LIMITED

CIN No.:- L64203TG1972PLC001513

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ₹

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net cash flow from operating activities (I)	(7,792,502)	4,229,040

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ?

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
II. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(21,186)	(474,103)
Sale of Fixed Assets	33,631,980	450,000
Sale of Investments	-	220,545
Interest Income received	263,605	543,710
Net cash flow from/ (used in) investing activities (II)	**33,874,399**	**740,152**
III. Cash flows from financing activities		
Net Proceeds from Long Term Borrowings	(10,664,000)	(9,220,000)
Net Proceeds from Short Term Borrowings	940,226	900,000
Interest Paid	(16,254,080)	(488,971)
Net cash flow from/ (used in) financing activities (III)	**(25,977,854)**	**(8,808,971)**
IV. Net (decrease)/increase in cash and cash equivalents (I + II + I	**104,043**	**(3,839,779)**
Cash and cash equivalents at the beginning of the year	153,114	3,992,893
V. Cash and cash equivalents at the end of the year	**257,157**	**153,114**
VI. Components of cash and cash equivalents:		
Cash on hand	55,317	52,527
With banks:		
On Current Account	201,840	100,587
Total cash and cash equivalents (Note no 9)	**257,157**	**153,114**

per our report of even date
for K.S. Rao & Co.,
Chartered Accountants
Firm's Registration Number: 003109S

T SUKESH KUMAR
Partner
Membership Number: 229963

Place : Hyderabad
Date : 26.05.2018

for and on behalf of the Board

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

V SUBRAMANIAN
Vice President, Secretary & CFO

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. EQUITY SHARE CAPITAL **Amount in ₹**

Particulars	At the beginning	Changes during the	At the end of the Year
i. for the year beginning on April 01, 2016	74,898,800	-	74,898,800
ii. for the year ended March 31, 2017	74,898,800	-	74,898,800
iii. for the year ended March 31, 2018	74,898,800	-	74,898,800

B. OTHER EQUITY **Amount in ₹**

Particulars	Capital Redemption Reserve	Share Forfeiture Account	Securities Premium Reserve	Capital Reserve	Retained Earnings	OCI Actuarial Gain(Loss)	Total
i. Balance as at April 01, 2016	**100,000**	**7,500,000**	**137,336,800**	**320,090,773**	**(929,130,989)**	**-**	**(464,103,416)**
Profit for the year	-	-	-	-	(82,231,224)	-	(82,231,224)
Addition during the year				19,152,153	-	-	19,152,153
Other Comprehensive income for the year	-	-	-	-	-	175,490	175,490
ii. Balance as at March 31, 2017	**100,000**	**7,500,000**	**137,336,800**	**339,242,926**	**(1,011,362,213)**	**175,490**	**(527,006,997)**
Profit for the year	-	-	-	-	14,298,698	-	14,298,698
Other Comprehensive income for the year	-	-	-	-	-	557,249	557,249
iii. Balance as at March 31, 2018	**100,000**	**7,500,000**	**137,336,800**	**339,242,926**	**(997,063,515)**	**732,739**	**(512,151,050)**

per our report of even date
for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 003109S

T SUKESH KUMAR
Partner
Membership Number: 229963

Place: Hyderabad
Date : 26.05.2018

for and on behalf of the Board

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

V SUBRAMANIAN
Vice President, Secretary & CFO

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.

Though he Company has recorded a net Profit of Rs. 148.56Lakhs for the year,it has accumulated losses of Rs. 9,963.21Lakhs as at March 31, 2018, 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/designated financial Institutions(SASF) and the Company has entered in to OTS agreements with them.

Due to paucity of sufficient cash generation, the Company could not comply with the OTS payment terms of Stressed Assets Stabilisation Fund(SASF) and the said SASF filed a suit before the Debt Recovery Tribunal (DRT) at Hyderabad to recover the original dues along with Interest.The Company filed an application before the DRT challenging the action taken by SASF and made a request to SASF for a revised OTS. (also refer Note: 32)

As the Management of the Company is of the view that an acceptable and viable OTS schedule can be worked with SASF and also Syndicate Bank, the accompanying financial statements have been prepared on a "going concern" basis.

These financial statements were approved by the Board of Directors and authorised for Issuance in their meeting held on May 26, 2018.

2. Basis of Preparation:

These are the first financial statements prepared complying in all material respects with the notified Accounting Standards by the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendments) Rules, 2016 and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India.

The Company has consistently applied the accounting policies used in the preparation of opening balance sheet as at April 01, 2016 throughout all periods presented in these financial statements, as if these policies had always been in effect and are covered by Ind AS 101 ''First-time adoption of Indian Accounting Standards''. The transition was carried out from accounting principles generally accepted in India (''Previous GAAP'') as defined in Ind AS 101. The reconciliation of effects of the transition as required by Ind AS 101 is disclosed in Note no 47 to these financial statements.

The financial statements have been prepared on historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as required by relevant Ind AS and as explained in the accounting policies mentioned below.

3. **Significant Accounting policies**:

a) **Significant accounting estimates, assumptions and judgements:**

The preparation of Company's financial statements requires management to make accounting estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available/prevailing when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. **Impairment of non-current assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. **Defined Benefit Plans:**

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-termnature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. **Fair Value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. **Contingencies:**

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. **Property, Plant and Equipment:**

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. **Income Taxes:**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

vii. **Life Time Expected Credit Loss onTrade Receivables and Other Receivables:**

Trade and Other Receivablesdo not carry any interest and are stated at their transaction value as reduced by life time expected credit losses (“LTECL”). Management has evaluated LTECL for different class of its debtors as follows:

Particulars	Up to 365 Days	365- 730 Days	730-1095 Days	Beyond 1095 Days
Expectedloss Rate (%)	0.00	50.00	100.00	Write off

b) Current Vs Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
ii. Held primarily for the purpose of trading;
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies any of the following criteria:

i. Expected to settle the liability in normal operating cycle;
ii. Held primarily for the purpose oftrading;
iii. Due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. However, a period of 12 months is considered as ultimate operating cycle.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of input credits, less accumulated depreciation 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 property, plant and equipment 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.

The company adopted cost model as its accounting policy in recognition of the property, Plant and Equipment and recognises the transaction value as the cost.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment 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.

Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

Depreciation on Property, Plant and Equipment is provided based on the useful lives of the assets as estimated by the Management, which are in line with Schedule II to the Companies Act, 2013

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered (Years)
Buildings	SLM	30 - 60
Plant and Equipment	SLM	5-25
Furniture and Fittings	SLM	10
Vehicles	SLM	8-10
Computers	SLM	3
Office Equipment	SLM	5

d) Impairment ofnon-financial assets:

i. 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.

ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or have decreased.The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

e) Leases:

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Classification on inception of lease:

a. Operating lease:

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

b. Finance Lease:

A lease is classified as a financial lease where the lessor transfers substantially all the risks and rewards incidental to the ownership of the leased item.

Accounting of Operating leases:

a. Where the Company is the lessee:

Lease payment in case of operating leases are charged to profit and loss statement on Straight Line Basis over the lease term. In case the escalation in operating lease payments are in line with the expected general inflation rate then the lease payments are charged to statement of profit and loss instead of straight line method.

b. where the Company is the lessor:

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc., are added to the carrying amount of the leased asset and recognised as an expense over the lease term.

f) Inventories:

i. Raw Materials, Stores and Spares and Consumables are stated at lower of Cost and Net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost in which they will be incorporated and expected to be sold at or above cost. Cost is determined on FIFO basis.

ii. Work-in-progress and finished goods are statedat the lower of cost and net realizable value.

iii. Costincludes direct materials, labour and a proportion of manufacturing overheads based on actual production. Cost is determined on FIFO basis.

iv. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Revenue recognition:

Revenue is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company.

Specifically, the following basis is adopted for various sources of income:

i. **Sale of goods**: Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and is disclosed net off sales returns and discounts.

ii. **Income from Services:** Revenue is recognized as and when the Services are rendered as per the terms of individual Service Contract.

iii. **Interest:** Interest Income is recognisedon a timeproportion 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.

h) Government Grants and Subsidies:

Government grants and subsidies are recognised where there is reasonable assurance that the grant/subsidy will be received, and all attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

i) Foreign Currency Transactions:

i. **Functional and Reporting Currency**: The Company's functional and reporting currency is Indian National Rupee.

ii. **Initial Recognition:**Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

iii. **Conversion on reporting date:** Foreign currency monetary items are reported at the closing rate. Foreign currency non-monetary items are reported at historical cost.

iv. **Exchange Differences:** Exchange difference arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

j) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Retirement and other employee benefits:

i. Employer's contribution to Provident Fund/Employee State Insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. The company operates a gratuity plan which is in the nature of defined benefit obligation. The company's liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".

iii. Gratuity liability is considered as post-employment benefit expense as per Ind AS -19. Accordingly, re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.

iv. Accumulated leaves, which are expected to be utilised within the next twelve months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

l) Earnings Per Share:

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

For the purpose of calculating diluted earnings per share, the profit 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.

m) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

n) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent assets or contingent liabilities.

o) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods shown under respective items in the Statement of Profit and Loss.

q) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Segment Reporting:

Identification of Segments:

The company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate. Operating Segments are reported in a manner consistent with internal reporting provided to the Executive Manager/ Chief Operating Decision Maker(CODM).

The Board of Directors of the company has identified Managing Director as the CODM.

Allocation of Common Costs:

Common allocable costs are allocated to each segment according to relative contribution of each segment to the total common costs.

Unallocated Items:

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

s) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

a. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

b. Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in to following categories

a. Debt instruments at amortised cost

b. Debt Instruments at fair value through profit and loss (FVTPL)

c. Equity instruments at fair value through profit and loss (FVTPL)

a. Debts Instruments at amortised cost:

A 'Debt Instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

b. Debt Instruments at Fair value through profit and loss (FVTPL):

As per the Ind AS 101 and Ind AS 109, the Company is permitted to designate the previously recognised financial asset at initial recognition irrevocably at fair value through profit and loss on the basis of fact and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

c. **Equity instruments at fair value through profit and loss (FVTPL):**

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

c. **Derecognition:**

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

a. The rights to receive cash flows from the asset have expired, or

b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement.In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

d. **Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial instruments.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as an adjustment from the specific financial asset.

Financial liabilities:

a. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss. The company doesn't designate any financial liability at fair value through profit or loss.

ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. Financial liability with maturity of less than one year is shown at transaction value.

c. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Reclassification:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

t) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- in the principal market for such asset or liability, or
- in the absence of a principal market, in the most advantageous market which is accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.

c. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

u) Standards issued but not Effective:

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules,2018 dated March 28,2018 has notified the Ind AS 115 – Revenue from Contracts with Customers and certain amendments to the existing Ind ASs.

a. Ind AS 115 - Revenue from Contracts with Customers:
Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 – Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b. The MCA has also carried out amendments to the following accounting standards:
    i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
    ii. Ind AS 40 – Investment Property
    iii. Ind AS 12 – Income Taxes
    iv. Ind AS 28 – Investments in Associates and Joint Ventures and
    v. Ind AS 112 – Disclosure of Interest in Other Entities

The Company has not applied the above Standard and other amendments as they come into force from April 01,2018. However, the Company has evaluated the impact of above amendments and found to be insignificant.

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4. PROPERTY,PLANT AND EQUIPMENT

FOR THE YEAR ENDED MARCH 31,2018

Amount in ₹

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2017	ADDITIONS	DEDUCTIONS	AS AT 31.03.2018	UP TO 31.03.2017	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017
1	Land(refer Note:32)	10,580,023	-	375,646	10,204,377	-	-	-	-	10,204,377	10,580,023
2	Buildings:										
	Factory	52,482,874	-	-	52,482,874	28,243,983	1,566,923		29,810,906	22,671,968	24,238,891
	Office	10,123,830	-	780,674	9,343,156	3,096,010	158,416	190,008	3,064,418	6,278,738	7,027,820
3	Plant and Equipment	206,610,920	-	-	206,610,920	155,839,986	5,404,681	-	161,244,667	45,366,253	50,770,934
4	Furniture and Fixtures	988,547	-	-	988,547	941,982	618	-	942,600	45,947	46,565
5	Vehicles	5,434,872	-	3,733,243	1,701,629	2,402,420	261,214	1,644,287	1,019,347	682,282	3,032,452
6	Office Equipment	1,077,917	21,186	23,460	1,075,643	927,026	37,435	22,287	942,174	133,469	150,891
7	Data Processing Equipment	1,026,328	-	-	1,026,328	926,000	65,624	-	991,624	34,704	100,328
	Total	**288,325,311**	**21,186**	**4,913,023**	**283,433,474**	**192,377,407**	**7,494,911**	**1,856,582**	**198,015,736**	**85,417,738**	**95,947,904**

FOR THE YEAR ENDED MARCH 31,2017

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2016	ADDITIONS	DEDUCTIONS	AS AT 31.03.2017	UP TO 31.03.2016	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
1	Land	10,580,023	-	-	10,580,023	-	-	-	-	10,580,023	10,580,023
2	Buildings:										
	Factory	52,482,874	-	-	52,482,874	26,677,060	1,566,923		28,243,983	24,238,891	25,805,814
	Office	10,123,830	-	-	10,123,830	2,936,551	159,459		3,096,010	7,027,820	7,187,279
3	Plant and Equipment	196,184,354	10,426,566	-	206,610,920	150,658,449	5,181,537		155,839,986	50,770,934	45,525,905
4	Furniture and Fixtures	982,047	6,500	-	988,547	941,364	618		941,982	46,565	40,683
5	Vehicles **	5,434,872	-	-	5,434,872	1,760,747	641,673		2,402,420	3,032,452	3,674,125
6	Office Equipment	1,041,924	35,993	-	1,077,917	873,026	54,000		927,026	150,891	168,898
7	Data Processing Equipment	1,011,828	14,500	-	1,026,328	830,117	95,883		926,000	100,328	181,711
	Total	**277,841,752**	**10,483,559**	**-**	**288,325,311**	**184,677,314**	**7,700,093**	**-**	**192,377,407**	**95,947,904**	**93,164,438**

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

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4. PROPERTY,PLANT AND EQUIPMENT

FOR THE YEAR ENDED MARCH 31, 2016

Amount in ?

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

** includes Vehicles Costing Rs.4,041,056/-which are not in the name of the Company.

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ?

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
5	**Other financial assets - Non Current:**			
	Security Deposits			
	Earnest Money Deposits	-	985,000	1,485,000
	Other Deposits	31,100	67,010	195,010
	Bank Deposits for Power Supply	3,250,000	3,250,000	3,250,000
	Margin Money Deposits eith Baks	-	1,056,010	3,324,652
	Total	**3,281,100**	**5,358,020**	**8,254,662**
6	**Deferred Taxes:**			
	Net deferred tax asset/ (liability) not recognised in Balance Sheet			
	Accelerated depreciation	(11,546,592)	(13,532,560)	(14,230,493)
	Other disallowances	20,319,521	21,035,411	14,821,364
	Carry forward Losses	54,708,991	60,007,638	103,681,324
	Total	**63,481,920**	**67,510,489**	**104,272,195**

In terms of Indian Accounting Standard (Ind AS 12) - "Income Taxes" 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 2018. 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 temporary differences and unused tax losses at present.

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
7	**Inventories:**			
	At Cost:			
	Stores and Spares	1,866,537	1,737,300	2,766,089
	Total	**1,866,537**	**1,737,300**	**2,766,089**
8	**Trade Receivables:**			
	Unsecured, Considered Good	5,055,610	475,508	4,682,784
	Expected Credit Loss on above	-	-	-
	Total	**5,055,610**	**475,508**	**4,682,784**
9	**Cash and cash equivalents:**			
	Balances with Banks			
	on Current Accounts	201,840	100,587	3,789,480
	Cash on Hand	55,317	52,527	203,413
	Total	**257,157**	**153,114**	**3,992,893**
10	**Other bank balances - Current:**			
	Bank deposits with a maturity year less than 12 months	-	154,849	549,444
	Total	**-**	**154,849**	**549,444**
11	**Other financial assets - Current:**			
	Staff Advances	21,250	76,825	375,792
	Claims receivable	1,326,874	1,326,874	1,326,875
	Other Receivables	2,050,130	-	-
	Total	**3,398,254**	**1,403,699**	**1,702,667**

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ₹

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
12	**Other Current Assets:**			
	Assets held for disposal at realisable value	-	-	443,744
	Advance for Purchases and Expenses	41,561	-	110,214
	Balance with Statutory Authorities	18,117,892	20,743,825	18,155,172
	Less: Provision for expected loss in input credits	-	(20,200,730)	-
	Prepaid Expenses	165,896	189,441	212,340
	Accrued Conversion Charges	286,353	753,674	1,464,554
	Interest Accrued	-	24,093	71,024
	Total	**18,611,702**	**1,510,303**	**20,457,048**
13	**Equity Share Capital:**			
	Authorised Share Capital			
	10,900,000 Equity Shares of ₹ 10/- each	109,000,000	109,000,000	109,000,000
	10,000 - 9.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	1,000,000	1,000,000	1,000,000
	Total	**110,000,000**	**110,000,000**	**110,000,000**
	Issued and Subscribed:			
	7,489,880 Equity Shares of ₹ 10/- each	74,898,800	74,898,800	74,898,800
	10,000 - 9.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	1,000,000	1,000,000	1,000,000
	Total	**75,898,800**	**75,898,800**	**75,898,800**
	Paid up:			
	7,489,880 Equity Share of ₹ 10/- each	74,898,800	74,898,800	74,898,800
	Total	**74,898,800**	**74,898,800**	**74,898,800**
	Reconciliation of the shares outstanding at the beginning and at the end of respective years:			
	In no. of Shares			
	At the Beginning and at the end of the year	7,489,880	7,489,880	7,489,880
	In value of Shares - ₹			
	At the Beginning and at the end of the year	74,898,800	74,898,800	74,898,800

Rights attached to the Equity Shares

The company has only one class of equity shares having a face value of ₹ 10/- per share with one vote per each 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.

Details of Shareholders holding morethan 5% shares in the company

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Equity Shares of ₹ 10/- each fully paid:			
M/s Industrial Development Bank of India, - In No.'s	670,964	670,964	1,043,069
- In %	8.96	8.96	13.93
M/s. DD Investment and Leasing Private Limited - In nos	498,136	498,136	504,126
- In %	6.65	6.65	6.73

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
				Amount in ₹
14	**Other Equity:**			
	Capital Redemption Reserve:			
	At the beginning and at the end of the year	100,000	100,000	100,000
	Share Forfeiture account:			
	At the beginning and at the end of the year	7,500,000	7,500,000	7,500,000
	Securities Premium Reserve:			
	At the beginning and at the end of the year	137,336,800	137,336,800	137,336,800
	Capital Reserve:		-	-
	At the beginning of the year	339,242,926	320,090,773	320,090,773
	Add: Addition for the year	-	19,152,153	-
	At the end of the year	339,242,926	339,242,926	320,090,773
	Surplus in Statement of Profit and Loss			
	At the beginning of the year	(1,011,362,213)	(929,130,989)	(971,059,342)
	Adjustment due to adoption of Ind AS	-	-	(1,042,895)
	Profit for the year	14,298,698	(82,231,224)	42,971,248
	At the end of the year	**(997,063,515)**	**(1,011,362,213)**	**(929,130,989)**
	Other Comprehesive Income			
	On Acturial Gain/(loss) on post employment benefits			
	At the beginning of the year	175,490	-	-
	for the year	557,249	175,490	-
	At the end of the year	**732,739**	**175,490**	**-**
	Total	**(512,151,050)**	**(527,006,997)**	**(464,103,416)**
15	**Borrowings - Non Current:**			
	Term Loans: (Secured) #			
	From Financial Institutions			
	Edelweiss Asset Reconstruction Company Limited	10,116,000	18,780,000	26,000,000
	Less: Current maturities	10,116,000	10,108,000	8,664,000
		-	8,672,000	17,336,000
	Stressed Assets Stabilisation Fund (refer note 32)	149,700,000	149,700,000	149,700,000
	Less: Current maturities	149,700,000	149,700,000	97,783,000
		-	-	51,917,000
	Unit Trust of India	5,000,000	7,000,000	9,000,000
	Less: Current maturities	5,000,000	7,000,000	6,000,000
		-	-	3,000,000
	Total	**-**	**8,672,000**	**72,253,000**

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

16 Provisions - Non Current:
Provision for employee benefits

Amount in ₹

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Provision for Gratuity (refer Note No:40)	1,243,890	3,794,669	3,841,163
	Provision for compensated absences	675,547	661,259	595,203
	Total	**1,919,437**	**4,455,928**	**4,436,366**

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ?

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
17	**Borrowings - Current:**			
	Secured			
	Working Capital Loans:			
	Cash Credit from Syndicate Bank(refer Note:33)#	264,135,400	264,135,400	264,135,400
	Unsecured			
	Other Loans:			
	from directors	1,840,226	900,000	-
	Total	**265,975,626**	**265,035,400**	**264,135,400**

\# 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 Procceedings for recovery of above debt.

S.No	PARTICULARS	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
18	**Trade Payables - Current:(refer Note : 37)**			
	For Supplies and Services			
	Related parties	490,300	256,000	-
	Others	19,598,555	18,834,886	21,489,377
	Total	**20,088,855**	**19,090,886**	**21,489,377**
19	**Other financial liabilities - Current:**			
	Salaries and Wages payable			
	Directors	662,799	865,174	246,827
	Others	4,241,639	4,606,815	2,534,253
	Security Deposits			
	Others	2,760,502	-	4,568,829
	Current maturities of long term borrowings			
	Interest Free Sales Tax Loan	311,190	311,190	311,190
	Sales Tax Deferment	6,710,843	6,710,843	6,710,843
	Edelweiss Asset Reconstruction Company Limited	10,116,000	10,108,000	8,664,000
	Stressed Assets Stabilisation Fund	149,700,000	149,700,000	97,783,000
	Unit Trust of India	5,000,000	7,000,000	6,000,000
	Interest accrued and due on Term Loans	71,305,822	64,384,262	41,993,560
	Assigned liabilities	-	-	48,393,118
	Due to Directors	337,702	-	-
	Interest on Trade Payable	-	702,576	702,576
	Unpaid Dividends	11,556,699	11,556,699	11,556,699
	Other Payables	947,250	1,898,060	2,652,358
	Total	**263,650,446**	**257,843,619**	**232,117,253**

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ₹

S.No	PARTICULARS		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
20	**Other current liabilities:**				
	Advance from Customers		122,582	272,658	224,555
	Other Advances		-	10,400,000	5,500,000
	Other liabilities:				
	Sales Tax Payable		148,500	189,619	237,412
	GST Payable		1,286,905	-	-
	Withholding Taxes payable		109,630	128,006	99,025
	Municipal taxes Payable		-	60,250	-
	Other Statutory dues		440,124	1,396,902	634,656
		Total	**2,107,741**	**12,447,435**	**6,695,648**
21	**Provisions - Current:**				
	Provision for employee benefits				
	Provision for Gratuity (refer Note: 40)		2,889,940	236,163	108,845
	Provision for compensated absences		694,604	605,153	552,509
		Total	**3,584,544**	**841,316**	**661,354**
22	**Contingent Liabilities and Commitments:**				
	Contingent Liabilities				
	Claims against the Company not acknowledged as debts		3,411,077	3,639,693	3,605,431
	Bank Gurantees and Letters of Credit		-	3,324,652	3,324,652
	Claims made by Term Lenders (refer Note:32)		7,058,343,355		
	Other money for which the Company is contingently liable:				
	Demand from Income Tax department disputed		-	5,054,342	5,054,342
	Commitments				
	Duty payable on Imports in Transit		-	3,002,346	3,002,346
		Total	**7,061,754,432**	**15,021,033**	**14,986,771**

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ?

S.No	PARTICULARS		for the year ended 31.03.2018	for the year ended 31.03.2017
23	**Revenue from Operations:**			
	Sale of Goods			
	Aluminium Conductor		82,532,539	-
	Aluminium Wires		2,230,312	-
	Sale of Services			
	Conductor Conversion Charges		44,324,486	42,315,309
	Other Operating Revenue			
	Sale of Scrap		620,453	276,550
		Total	**129,707,790**	**42,591,859**
24	**Other Income:**			
	Interest Income			
	on bank deposits		239,512	496,779
	on Income Tax		551,542	510,236
	on Others		54,419	5,717,050
	Income from Investments by			
	Gain on sale of investments		-	220,545
	Other Non-operating Income (net of expenses)			
	Interest waived by term lenders		-	29,240,965
	Amounts written off recovered		-	5,354,837
	Gain on Sale of Property,Plant and Equipment (Net)		30,576,712	6,256
	Excess provisions written back		20,706,587	-
	Credit balances written back		837,777	5,221,284
	Miscellaneous Income		478,703	384,833
		Total	**53,445,252**	**47,152,785**
25	**Cost of Materials Consumed:**			
	Inventory at the beginning of the year		-	-
	Add: Purchase of materials		81,808,853	-
			81,808,853	-
	Less: Inventory at the end of year		-	-
		Total	**81,808,853**	**-**
26	**Employee Benefits Expense:**			
	Salaries, Wages and Bonus		18,082,331	22,239,277
	Contribution to Provident and Other Funds		1,188,878	1,355,001
	Staff Welfare Expenses		1,171,163	1,125,014
	Gratuity		898,719	506,314
		Total	**21,341,091**	**25,225,606**
27	**Finance costs**			
	Interest		23,175,640	22,879,673
	Hire Purchase Charges		-	264,269

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ₹

S.No	PARTICULARS	for the year ended 31.03.2018	for the year ended 31.03.2017
	Bank charges and commission	24,191	66,045
	Total	**23,199,831**	**23,209,987**

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amount in ?

S.No	PARTICULARS		for the year ended 31.03.2018	for the year ended 31.03.2017
28	**Depreciation and amortisation expense:**			
	Depreciation on Property ,Plant and Equipment		7,494,911	7,700,093
		Total	**7,494,911**	**7,700,093**
29	**Other expenses:**			
	Stores Consumed		2,490,726	3,897,845
	Contract Labour		12,100,244	10,496,609
	Freight and Transport		30,392	81,488
	Rates and Taxes		436,350	371,571
	Power and Fuel		9,681,284	12,299,170
	Rent		250,800	565,800
	Insurance		240,653	286,324
	Travelling and Conveyance		1,864,798	2,050,974
	Vehicle Maintenance		642,477	821,663
	Legal and Professional Charges		655,547	686,792
	Payments to Auditors			
	as auditors		100,000	100,500
	for certification		10,500	15,578
	for tax audits		30,000	30,150
	Repairs and Maintenance to:			
	Machinery		404,033	825,685
	Own Buildings		159,768	826,666
	Other Assets		98,867	81,319
	Security Charges		2,558,084	3,308,627
	Bad debts written off		-	54,993
	Deposits Written Off		1,020,910	-
	Input Credits Written Off		108,741	-
	Fixed Assets Discarded		1,173	-
	Provision for expected loss in input credits		-	20,200,730
	Redundant inventory written off		-	304,459
	Miscellaneous Expenses		1,760,418	1,927,889
	Cost of equipment in transit written off		-	56,605,350
		Total	**34,645,765**	**115,840,182**
30	**Other comprehensive income:**			
	Actuarial Gain/(Losses) on Gratuity Expense for the year		557,249	175,490
	Deferred Taxes on above		-	-
		Total	**557,249**	**175,490**
31	**Earnings Per Equity Share:**			
	Total Comprehensive Income for the year		14,855,947	(82,055,734)
	Weighted average number of equity shares of ? 10/- each		7,489,880	7,489,880
	Earnings per share of par value ? 10/- per share		**1.98**	**(10.96)**

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
RECONCILIATION OF EQUITY AS AT 01 APRIL 2016

Amount in ?

Particulars	IGAAP	Difference	Ind AS
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	93,164,438	-	93,164,438
(b) Capital work-in-progress	66,614,808	-	66,614,808
(c) Financial Assets	-	-	-
Other financial assets	8,254,662	-	8,254,662
	168,033,908	-	168,033,908
Current assets			
(a) Inventories	2,766,089	-	2,766,089
(b) Financial Assets	-	-	-
(i) Trade receivables	4,682,784	-	4,682,784
(ii) Cash and cash equivalents	3,992,893	-	3,992,893
(iii) Bank balances other than (ii)	549,444	-	549,444
(iv) Others financial assets	1,702,667	-	1,702,667
(c) Current Tax Assets (Net)	10,398,949	-	10,398,949
(d) Other current assets	20,457,048	-	20,457,048
	44,549,874	-	44,549,874
Total Assets	**212,583,782**	**-**	**212,583,782**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	74,898,800	-	74,898,800
(b) Other Equity	(463,060,521)	(1,042,895)	(464,103,416)
	(388,161,721)	(1,042,895)	(389,204,616)
Liabilities			
Non - current liabilites			
(a) Financial Liabilities			
Borrowings	72,253,000	-	72,253,000
(b) Provisions	734,851	3,701,515	4,436,366
	72,987,851	3,701,515	76,689,366
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	264,135,400	-	264,135,400
(ii) Trade payables	21,489,377	-	21,489,377
(iii) Other financial liabilities	232,117,253	-	232,117,253
(b) Other current liabilities	6,695,648	-	6,695,648
(c) Provisions	3,319,974	(2,658,620)	661,354
	527,757,652	(2,658,620)	525,099,032
Total Equity and Liabilities	**212,583,782**	**-**	**212,583,782**

Explanatory Notes:

The company has made provision for Leave Encashment as long term/ short term employement benefit plan and Gratuity as defined benefit obligation as certified by a qualified Actuary using Projected Unit Credit Method as required under Ind AS 19 on Employee Benefits.

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
RECONCILIATION OF EQUITY AS AT 31 MARCH 2017

Amount in ₹

Particulars	IGAAP	Difference	Ind AS
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	95,947,904	-	95,947,904
(b) Financial Assets			
Other financial assets	5,358,020	-	5,358,020
	101,305,924	-	101,305,924
Current assets			
(a) Inventories	1,737,300	-	1,737,300
(b) Financial Assets			
(i) Trade receivables	475,508	-	475,508
(ii) Cash and cash equivalents	153,114	-	153,114
(iii) Bank balances other than (ii)	154,849	-	154,849
(iv) Others financial assets	1,403,699	-	1,403,699
(c) Current Tax Assets (Net)	9,537,690	-	9,537,690
(d) Other current assets	1,510,303	-	1,510,303
	14,972,463	-	14,972,463
Total Assets	**116,278,387**	**-**	**116,278,387**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	74,898,800	-	74,898,800
(b) Other Equity	(525,664,393)	(1,342,604)	(527,006,997)
	(450,765,593)	(1,342,604)	(452,108,197)
Liabilities			
Non - current liabilites			
(a) Financial Liabilities			
Borrowings	8,672,000	-	8,672,000
(b) Provisions	830,942	3,624,986	4,455,928
	9,502,942	3,624,986	13,127,928
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	265,035,400	-	265,035,400
(ii) Trade payables	19,090,886	-	19,090,886
(iii) Other financial liabilities	257,843,619	-	257,843,619
(b) Other current liabilities	12,447,435	-	12,447,435
(c) Provisions	3,123,698	(2,282,382)	841,316
	557,541,038	(2,282,382)	555,258,656
	-		-
Total Equity and Liabilities	**116,278,387**	**-**	**116,278,387**

Explanatory Notes:

The company has made provision for Leave Encashment as long term/ short term employement benefit plan and Gratuity as defined benefit obligation as certified by a qualified Actuary using Projected Unit Credit Method as required under Ind AS 19 on Employee Benefits.

GALADA POWER AND TELECOMMUNICATION LIMITED
CIN No.:- L64203TG1972PLC001513
RECONCILIATION OF STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2017

Amount in ₹

Particulars	IGAAP	Difference	Ind AS
Revenue from Operations	42,591,859	-	42,591,859
Other Income	47,152,785	-	47,152,785
Total Income	**89,744,644**	**-**	**89,744,644**
Expenses			
Cost of Materials Consumed	-	-	-
Employee Benefits Expense	24,750,407	475,199	25,225,606
Finance costs	23,209,987	-	23,209,987
Depreciation and amortisation expense	7,700,093	-	7,700,093
Other expenses	115,840,182	-	115,840,182
Total expenses	**171,500,669**	**475,199**	**171,975,868**
Profit before tax	**(81,756,025)**	**(475,199)**	**(82,231,224)**
Tax Expenses:			
Income Tax - Current	-	-	-
Income Tax - Earlier years	-	-	-
MAT Credit entitlement	-	-	-
	-	**-**	**-**
Profit for the year	**(81,756,025)**	**(475,199)**	**(82,231,224)**
Other Comprehensive income			
(i) Items that will not be reclassified subsequently			-
to profit or loss	557,249	(381,759)	175,490
(ii) Income tax relating to items that will not be			-
reclassified to profit or loss	-	-	-
	557,249	**(381,759)**	**175,490**
Total Comprehensive Income for the year	**(81,198,776)**	**(856,958)**	**(82,055,734)**
Earnings per equity share from Continuing operations:			
Basic & Diluted- ₹	(10.92)	(0.04)	(10.96)

Explanatory Notes:

The company has made provision for Compensated Absences as long term/ short term employee benefit plan and Gratuity as defined benefit obligation as certified by a qualified Actuary using Projected Unit Credit Method as required under Ind AS 19 on Employee Benefits. The actuarial loss on such post-employment benefit and deferred tax relating to the same has been recognised in other comprehensive income.

per our report of even date
for K.S.RAO & CO.,
Chartered Accountants
Firm's Registration Number: 003109S

T SUKESH KUMAR
Partner
Membership Number: 229963

Place: Hyderabad
Date : 26.05.2018

for and on behalf of the Board

D C GALADA
Managing Director

DEVENDRA GALADA
Executive Director

V SUBRAMANIAN
Vice President, Secretary & CFO

32. IDBI transferred to SASF the facilities availed by the Company together with all underlying security interests thereto and all of IDBI's rights on 30.09.2004. The Company pursued with SASF for negotiated settlement of dues which was approved for ₹ 1,667 lakhs on 07.07.2014. As the repayment terms were not complied with by the Company, SASF revoked the One Time Settlement (OTS) sanction on 27.04.2016 and filed a recovery suit for ₹ 584,02,75,452 (dues as on 01.01.2017) in Debt Recovery Tribunal (DRT) and invoked the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Sarfaesi Act) (as amended) and took physical possession of 1.812 acres of land at Uppal and symbolic possession of all facilities including land at Silvassa on 13.6.2018. The Company filed application before DRT challenging the recovery suit and action taken by SASF under Sarfaesi Act and also made a modified OTS proposal for ₹ 21 crores to SASF. On depositing of 10% upfront money amounting to ₹ 2.10 crores, the application made by SASF to take physical possession of facilities at Silvassa was set aside by the Hon'ble District Collector. The Company is pursuing with SASF for OTS. The proceedings in DRT are in progress.

33. Interest on Working Capital Loan from Syndicate Bank, amounting to ₹23,671 Lakhs from 01.07.2000 to 31.03.2017 and ₹3,882 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 ₹ 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 ₹ 290.95 lakhs up to31st March 2017 and ₹ 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. 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 ₹12,414,112/- 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 Executive Director with effect from 01.04.2017 amounting to ₹691,597/- 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.

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 ₹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 ₹3,751,945/- (including for Current year ₹1,331,615/-) 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.

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. 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.

38. The opening balance sheet and financial statements for the year ended 31st March 2017 have been audited by M/s. Brahmayya & Co., (FRN: 000513S) the predecessor auditors.

39. Movements in Provisions:

Amount in ₹

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Gratuity: (Refer Note:40 also)		
At the beginning of the year	4,030,832	3,950,008
Charge for the year	341,470	330,824
Released during the year	(238,472)	(250,000)
At the end of the year	**4,133,830**	**4,030,832**
Compensated Absences:		
At the beginning of the year	1,266,412	1,147,712
Charge for the year	168,340	241,371
Released during the year	(64,601)	**(122,671)**
At the end of the year	**1,370,151**	**1,266,412**

40. Retirement and other Benefit Obligations: **Amount in ₹**

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Defined Contribution Plan (Expenses)**		
	Contribution to Provident Fund	1,165,356	1,323,147
	Contribution to Employee State Insurance	23,522	31,854

B. Post – employment Defined Benefit Plan (Gratuity)

1.	**Movement in Obligation**		**Amount in ₹**
	Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
	Present Value of Obligation at the beginning of year	7,076,099	7,136,956
	Current Service Cost	268,805	208,100
	Past Service Cost	383,331	--
	Interest Cost	499,743	546,610
	Benefits Paid	(825,706)	(608,668)
	Actuarial (Gain)/Loss on Obligation	(602,295)	(206,899)
	Present Value of Obligation at the end of year	**6,799,978**	**7,076,099**

2.	**Changes in fair value of plan assets**		**Amount in ₹**
	Particulars	**For the Year Ended March 31, 2018**	**For the Year ended March 31, 2017**
	Opening fair value of plan assets	**3,045,267**	**3,186,948**
	Expected return on plan assets	253,160	248,396
	Re-measurements – return on Plan Assets	(45,045)	(31,409)
	Contributions by employer	238,472	250,000
	Benefits paid (including transfer)	(825,706)	(608,668)
	Closing fair value of plan assets	**2,666,148**	**3,045,267**

3.	**Expenses recognised in Profit and Loss Statement:**		**Amount in ₹**
	Particulars	**For the Year Ended March 31, 2018**	**For the Year ended March 31, 2017**
	Current Service Cost	268,805	208,100
	Interest Cost on Obligation	499,743	546,610
	Expected return on plan assets	(253,160)	(248,396)
	Past Service Cost	383,331	--
	Expense for the year	**898,719**	**506,314**

4.	**Recognised in Other Comprehensive Income:**		**Amount in ₹**
	Particulars	**For the Year Ended March 31, 2018**	**For the Year ended March 31, 2017**
	Actuarial (gain)/loss arising during year	(602,295)	(206,899)
	Re-measurements – return on Plan Assets	45,045	31,409
	Total Expenditure/(income) recognised	**(557,249)**	**(175,490)**

5.	**Amount Recognised in Balance Sheet**		**Amount in ?**
	Particulars	**For the Year Ended March 31, 2018**	**For the Year ended March 31, 2017**
	Defined benefit obligation	6,799,978	7,076,099
	Fair value of plan assets	(2,666,148)	(3,045,267)
	Plan (Asset) / Liability	**4,133,830**	**4,030,832**

6.	**Actuarial Assumptions for estimating Company's Defined Benefit Obligation:**		
	a. Attrition Rate	PS: 0 to 40: 5 %	PS: 0 to 40: 5 %
	b. Discount Rate	8.00%	7.50%
	c. Expected Rate of Increase in Salary	4.00%	4.00%
	d. Retirement Age	58 years	58 years
	e. Mortality Rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	f. Expected Average remaining working lives of employees (years)	15.86	14.44

7.	**Sensitivity Analysis**			**Amount in ?**
	Sensitivity	**Change**	**Effects on obligation**	
	Discount Rate	+1%	(205,812)	(218,194)
		-1%	226,604	241,748
	Salary Escalation Rate	+1%	280,823	260,864
		-1%	(260,721)	(249,118)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Amount in ?

6.	**Expected Payout - Gratuity**	**For the Year Ended March 31, 2018**	**For the Year ended March 31, 2017**
	Expected payments – 1st Year	2,889,940	3,281,430
	Expected payments – 2nd Year	338,014	531,234
	Expected payments – 3rd Year	335,325	655,444
	Expected payments – 4th Year	1,523,462	236,816
	Expected payments – 5th Year	1,746,642	1,366,553
	Expected payments – 6th year to 10th Year	650,966	1,394,697

7. Other Information:

i. **Plan Assets:**

The plan assets are invested in a special fund managed by Life Insurance Corporation of India. Expected Return on Assets is based on rate of return declared by fund managers.

ii. **Present value of defined benefit obligation:**

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year but using a member's final compensation projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

iii. **Expected average remaining service Vs. Average Remaining Future Service:**

The average remaining service can be arithmetically arrived by deducting current age from normal retirement age whereas the expected average remaining future service is arrived actuarially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

iv. **Current and Non- Current Liability:**

The total of current and non-current liability must be equal with the total of PVO (Present value obligation) at the end of the period plus short term compensated liability if any. It has been classified in terms of “Schedule III of the Companies Act 2013.

Accordingly, below is the Current and Non-Current classification of Gratuity and Compensated Absences:

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity: -		
a. Current Portion	2,889,940	236,163
b. Non-current portion	1,243,890	3794,669
Compensated Absences: -		
a. Current Portion	694,604	605,153
b. Non-current portion	675,547	661,259

v. 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 as certified by an actuary.

41. Income tax expense and Deferred Taxes

Amount in ₹

	Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Income Tax Expense: -			
a.	Current Tax	--	--
b.	Deferred Tax (arising on temporary differences)	NA	NA
	Total Tax Expense for the year	**--**	**--**

Amount in ₹

		Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Effective Tax Reconciliation: -				
a.		Net Profit/(Loss) before taxes	15,219,840	(81,756,025) *
b.		Tax rate applicable to the company as per normal provisions	25.75%	29.87%
c.		Tax expense on net profit (c = a*b)	**3,919,109**	**(24,420,525)**
d.		Increase/(decrease) in tax expenses on account of:		
	i.	Accelerated Depreciation	562,928	223,583
	ii.	Expenses not allowed under income tax	59,346	22,943,649
	iii.	Net Expenses allowed under payment basis	509,142	(2,135,621)
	iv.	Other allowances	(13,075,191)	(65,877)
	vi.	Other adjustments (Capital Gains)	2,792,508	--
		Total Increase/(decrease) in tax expenses (d)	**(9,151,267)**	**20,965,734**
e.		**Tax as per normal provision under Income tax (c + d)**	**NIL**	**NIL**

*Profit before Tax is considered as per previous GAAP which is appropriate for tax computation for that year.

42. Fair Value of financial instruments:

Amount in

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets: -			
At Amortised Cost			
Security Deposits	31,100	1,052,010	1,680,010
Employee Staff Advance	21,250	76,825	375,792
Carrying Value			
Security Deposits	31,100	1,052,010	1,680,010
Employee Staff Advance	21,250	76,825	375,792
Financial Liabilities: -			
At Amortised Cost			
Repayable Security Deposits	2,760,502	--	4,568,829
Rupee Term Loans	164,816,000	175,480,000	184,700,000
Short term Borrowings	265,975,626	265,035,400	264,135,400
Carrying Value			
Repayable Security Deposits	2,760,502	--	4,568,829
Rupee Term Loans	164,816,000	175,480,000	184,700,000
Short term Borrowings	265,975,626	265,035,400	264,135,400

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current assets/liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

Fair value of interest free loans given to employees and security deposits have been calculated by discounting future cashflows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

a. Interest free employee staff advance (assets):

   Since all the Employee advances are current in nature the carrying value is assumed to be the fair value of such advances.

b. Interest free Security Deposits (assets):

   All the non-current Security Deposits are with no repayment terms. Hence the carrying value is assumed to be the fair value of such Deposits.

c. Repayable Security Deposits (liabilities):

   Since all the Security Deposits are current in nature the carrying value is assumed to be the fair value of such advances.

d. Rupee Term Loans:

Since all the Rupee Term Loans are in the nature of One Time Settlement scheme with Term Lenders bearing fixed interest rates and are either overdue or are current in nature as at the reporting dates,the carrying value is assumed to be the fair value of such term loans.

e. Short Term Borrowings:

Since the short terms borrowings are current in nature and overdue, the carrying value is assumed to be the fair value of such borrowings.

43. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the company’s assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2018:

Amount in ₹

Particulars	**Total**	**Fair Value measurement using**	
		Quoted prices in active markets	**Significant observable inputs**
Financial Assets measured at Amortised Cost:			
Security Deposits	31,100	--	31,100
Employee Staff Advance	21,250	--	21,250
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	2,760,502	--	2,760,502
Rupee Term Loans	164,816,000	--	164,816,000
Short Term Borrowings	265,975,626	--	265,975,626

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Amount in ₹

Particulars	**Total**	**Fair Value measurement using**	
		Quoted prices in active markets	**Significant observable inputs**
Financial Assets measured at Amortised Cost:			
Security Deposits	1,052,010	--	1,052,010
Employee Staff Advance	76,825	--	76,825
Financial Liability measured at Amortised Cost:			
Short Term Borrowings	265,035,400	--	265,035,400
Rupee Term Loans	175,480,000	--	175,480,000

Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

Amount in ?

Particulars	**Total**	**Fair Value measurement using**	
		Quoted prices in active markets	**Significant observable inputs**
Financial Assets measured at Amortised Cost:			
Security Deposits	1,680,010	--	1,680,010
Employee Staff Advance	375,792	--	375,792
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	4,568,829	--	4,568,829
Rupee Term Loans	184,700,000	--	184,700,000
Short Term Borrowings	264,135,400	--	264,135,400

44. Segment Information:

The executive management of company monitors the operating results of its business as a single unit for the purpose of resource allocation and performance assessment which is “Manufacture of Aluminum conductors and other allied products”. Hence segment information is not applicable.

Entity Wide Disclosures: **Amount in ?**

Revenue from external customers	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
India	129,707,790	42,591,851
Outside India	--	--
Total	**129,707,790**	**42,591,851**
Revenue from One Customer	**108,234,872**	**21,208,834**

Non-Current Operating Assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
India	85,417,738	95,947,904	159,779,246
Outside India	--	--	--
Total	**85,417,738**	**95,947,904**	**159,779,246**

for Non-Current Operating assets, financial instruments, deferred tax assets, post-employment benefit assets have been excluded.

45. 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:

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:

	31.03.2018 Rs.	31.03.2017 Rs.
Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	1,331,615	1,078,183
Un-Secured loan taken	2,000,000	200,000
Un-Secured loan repaid	300,000	100,000
Interest paid on Un-Secured loan	66,474	--
Sri Devendra Galada		
Managerial Remuneration	691,597	844,038
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	1063789	1,082,891
Sri Shashi Galada		
Payment of Rent	93,000	93,000
Sri Ewanth Kumar Parekh		
Remuneration	1,221,145	1,248,959

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

Sri Dharam Chand Galada	(2,323,986)	(571,517)
Sri Devendra Galada	(516,741)	(1,193,657)
Smt. Snehalata Galada	(226,800)	(85,500)
Sri Shail Galada	(131,750)	(85,250)
Sri Shashi Galada	(131,750)	(85,250)

46. Financial Risk Management objectives and policies:

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial markets and seek to where appropriate minimize potential adverse effects on the financial performance of the company and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

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

The company is exposed to market risk, credit risk and liquidity risk.The Company's management oversees the mitigation of the risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.The management / board reviews and agrees policies for managing each of these risks, which are summarized below.

i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include loans and advances and deposits.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Borrowings,loans and advances given by the company and Cash and Cash equivalents.

Since all the company's long term debt obligations are in the nature of One Time Settlement scheme with the term lenders and bearing fixed interest rates and are either overdue or payable within the next twelve months as at the respective reporting dates, the company is not exposed to significant interest risk.

b. Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

As there were no transactions denominated in foreign currencies in any of the reporting periods, the company is not exposed to any foreign currency risk as at the respective reporting dates.

c. Other price risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The company based on working capital requirement keeps its liquid funds in current accounts. The company doesn't have any significant other price risk.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and term deposits) the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

a. Exposure to credit risk:

At the end of the reporting period the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and term deposits that are neither past due nor impaired are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in ₹

Particulars	On demand	< 12 months	1 to 5 years	Total
Year ended 31 March, 2018				
Borrowings – Non-Current	155,422,000	9,394,000	--	**164,816,000**
Borrowings – Current	265,975,626	--	--	**265,975,626**
Trade Payables	--	20,088,855	--	**20,088,855**
Other financial liabilities	95,126,694	3,707,752	--	**98,834,446**
Year ended 31 March, 2017				
Borrowings – Non-Current	149,700,000	17,108,000	8,672,000	**175,480,000**
Borrowings – Current	265,035,400	**--**	**--**	**265,035,400**
Trade Payables	--	19,090,886	--	**19,090,886**
Other financial liabilities	83,665,570	1,898,060	--	**85,563,630**
As at 1 April, 2016				
Borrowings – Non-Current	--	112,447,000	72,253,000	**184,700,000**
Borrowings – Current	264,135,400	--	--	**264,135,400**

Trade Payables	--	21,489,377	--	**21,489,377**
Other financial liabilities	109,667,986	7,221,187	--	**116,889,173**

Excessive Risk Concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

47. Capital Management:

Capital includes equity attributable to the equity holders of the company. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder’s value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is, debt divided by total capital plus debt. The Company’s policy is to keep the gearing ratio at an optimal level to ensure that the debt related covenants are complied with.

₹ in lakhs

Particulars	**As atMarch 31, 2018**	**As atMarch 31, 2017**	**As at April 01, 2016**
Total Borrowings #	430,791,626	440,515,400	448,835,400
Net Debt	**430,791,626**	**440,515,400**	**448,835,400**
Equity	74,898,800	74,898,800	74,898,800
Other Equity	(512,151,050)	(527,006,997)	(464,103,416)
Total Equity	**(437,252,250)**	**(452,108,197)**	**(389,204,616)**
Gearing ratio	(66.68)	(38.00)	7.53

Total Borrowings include Long Term borrowings, short term maturities of long term borrowings and working capital loans like Cash Credit and Buyers Credit.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2017 and 31 March, 2016.

48. First Time Adoption of Ind AS:

For all periods, up to and including the year ended March 31, 2017 the company has prepared its financial statements in accordance with generally accepted accounting principles and accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 (“Previous GAAP”).

The company is required to prepare its financial statements for the year ended March 31, 2018 under the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for period ending on March 31,2018, together with the comparative data for the year ended March 31,2017, for this purpose the opening balance Sheet as at April 01, 2016 (being the transition date) was also prepared. This note explains the principal adjustment made by the company in restating its Previous GAAP Balance Sheet.

a. **Optional Exemptions applied:** The Company has applied the following exemptions from the retrospective application of certain requirements as allowed by Ind AS 101 for the first-time adopters:

Deemed cost:

For transition to Ind AS the company has elected to carry the values of Property, Plant and Equipment as well as all of its Intangible Assets, Buildings classified as investment Property recognised as of March 31, 2016 measured as per previous GAAP and used that carrying value as its deemed cost.

b. **Mandatory Exceptions applied:**

i. **Estimates:**

An entity's estimate in accordance with the Ind AS as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with 'Previous GAAP' (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company has estimated the Impairment of Financial Assets based on expected credit loss model in accordance with Ind AS as at the date of transition as this was not required under previous GAAP.

ii. **De-recognition of financial assets and liabilities:**

The Company has chosen to apply the derecognition requirements for financial assets and liabilities as per Ind AS 109 prospectively for the transactions occurring on or after the date of transition to Ind AS.

iii. **Classification and measurement of financial assets:**

The Company has classified financial assets in accordance with condition that existed at the date of transition to Ind AS.

The reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit for the year ended March 31, 2017 is as follows:

Galada Power and Telecommunication Ltd **CIN :** L64203TG1972PLC001513

ATTENDENCE SLIP

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

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

DP Id*	
Client Id*	

Folio No	
No of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 46 th ANNUAL GENERAL MEETING of the Company held on Friday, 28.09.2018 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

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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,herebyappoint:____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 46 th ANNUAL GENERAL MEETING of the Company, to be held on Friday, 28.09.2018 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. Approving the reappointment of Auditors		

Signed this _____ day of ___ 2018 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.**