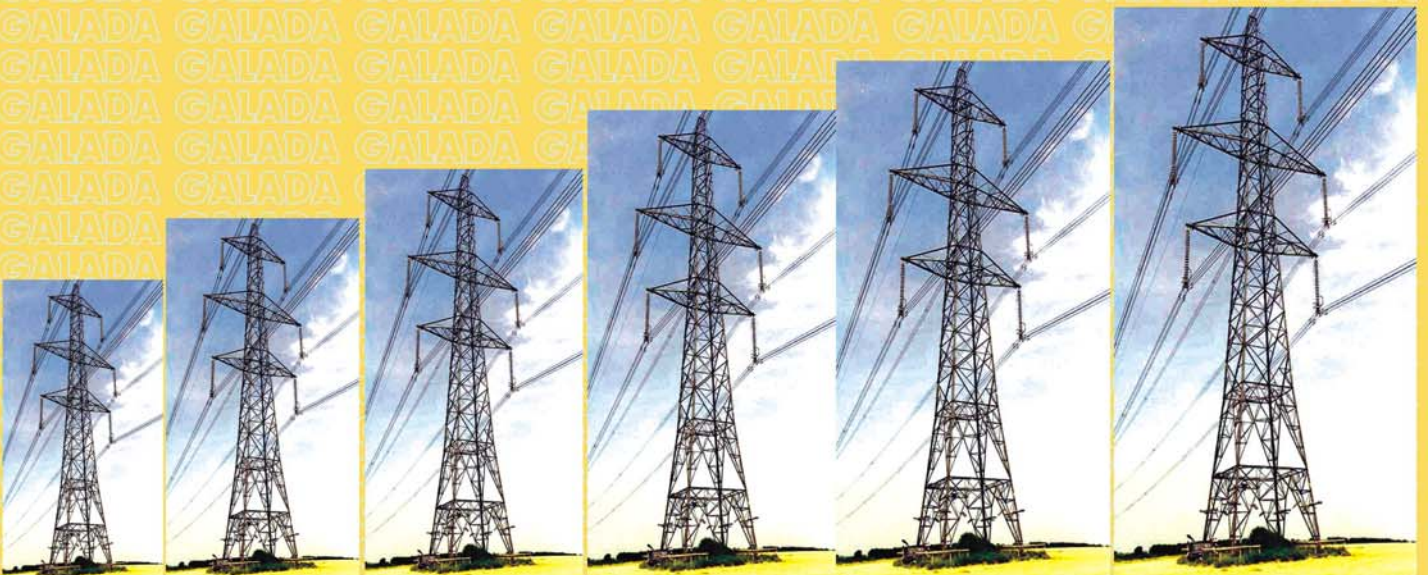


42nd ANNUAL REPORT
2013 - 2014



GALADA

POWER AND TELECOMMUNICATION LTD.



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

CREED

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

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

To aim for the prosperity of the coming generations.

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

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

MESSAGE FROM MANAGING DIRECTOR

I am delighted to present our 42nd Annual Report to our beloved and noble share holders whose unstinted support kept our team energised during the difficult and testing days. By God's grace, the team at Galada has been able to improve their performance at all levels to start the process of recovery.

Last year, I shared with you our two prime goals – first of which was maximisation of capacity utilisation. Our production including conversion jumped up from 13554 MT to 23865 MT. Our adherence to quality kept our major customers glued to us. The second goal was to bring down the procurement cost of conductor for Powergrid, our prime customer, by adoption of sub-contracting route which we suggested and proved. Now, Powergrid is confident of Galada's innovative procurement method and is going ahead with large tenders for their Transmission Projects under TBCB route. Your company is well placed to book substantial orders.

Another good news which I wish to share with you is that OTS has materialised with most of our lenders and we have started payments as mutually agreed. We are confident about completing the process of OTS with others during this financial year. Our financials do reflect the recovery process and the share prices are showing a positive trend because of it.

Let me confide in you that the enthusiasm and hard work of each and everyone, irrespective of their cadre, is responsible for the company's progress. I have full faith that with the new Government at Centre, the country's focus / thrust on power infra will enable your company to touch a glorious future.

I express my deep indebtedness to all participants starting from workmen, staff, top management to lenders, suppliers, customers and share holders whose moral support has enabled this grand recovery process.

BOARD OF DIRECTORS

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

NOTICE

NOTICE is hereby given that the Forty Second Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2014 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, 2014 and the Reports of the Directors' and Auditors thereon.
2. To elect Director in place of Sri M.L.Sachdeva who retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Brahmayya & Co., Chartered Accountants (Firm Registration No.000513S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Forty Fifth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) at such remuneration including out-of-pocket, travelling and other incidental expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors”

By order of the Board
Sd/-

Place : Hyderabad
Date : 30 May, 2014
CIN : L64203AP1972PLC001513

V Subramanian
Vice President & Secretary

NOTES :

1. **A member entitled to attend and vote at the meeting can appoint a proxy to attend and vote instead of himself and a proxy need not be a member.** The proxy form shall be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2014 to 30.09.2014 (both days inclusive).
3. The Notice of AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. To support the 'Green Initiative', the Members who have not registered their e-mail addresses, are requested to register the same with the Company at fa@galadapower.com
5. The shares of the Company are listed in the Mumbai Stock Exchange and the listing fees have been paid upto date.

INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING.

1. Name of the Director : Sri M.L.Sachdeva
2. Date of birth : 19.09.1938
3. Date of appointment : 29.10.1999
4. Expertise : Transmission and Sub-station expert having more than 4 decades experience.
5. List of Public Ltd Companies in which outside Directorship was held as on 31st March, 2014: **Nil**
6. Chairman / Member of the Committees of other Public Ltd Companies on which he was a Director as on 31st March, 2014 : **Nil**
7. Number of Shares held in the Company: **Nil**

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

Item No.3

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

M/s. Brahmayya & Co., Chartered Accountants (Firm Registration No.000513S), were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 30.09.2013.

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

In view of the above, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors proposed the appointment of M/s. Brahmayya & Co as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Forty Fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

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

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 42nd Annual Accounts of the Company for the financial year ended 31st March, 2014.

Amount (Rs.Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Sale value of production	1549	1787
Gross profit	19	100
Interest	593	591
Cash loss	574	491
Dep & w/o	302	128
Exceptional Item	(862)	0
Loss before tax	14	619
Loss after tax	14	619
Dividend	—	—

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 2013-14.

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 inspite of absence of working capital facilities.

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 has 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 break-through in the matter has borne fruit and IDBI & UTI have agreed for one-time settlement of their dues. As regards others, the modalities are being worked out. It is hoped that with the improvement in the power scenario due to reforms, the situation is expected to turn-around in favour of the Company.

DIRECTORS

In terms of Articles of Association of the Company, Shri.M L Sachdeva retires by rotation and is eligible for re-appointment.

AUDITORS

M/s.Brahmayya & Co, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 inserted vide the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss for the year 1st April, 2013 to 31st March, 2014.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

AUDITOR'S REPORT

As regards the basis for Qualified Opinion, we submit that:

1. Due to liquidity constraints, dividend declared for the year 1995-96 has not been fully distributed and the same is being suitably dealt with in rehabilitation proposal.
2. Additional interest / liquidated damages payable to Financial Institutions and others are not provided as the Company has sought waiver of these amounts from the Institutions. We have already received approvals from IDBI & UTI and as regards others, modalities are being worked out.
3. Interest on working capital demand loan has not been provided from the date of initiation of legal proceedings by Banks.

As regards observations at para 9(b) forming part of Annexure to Auditor's Report, we submit that the payment of arrears of sales tax and property tax is being suitably dealt with in the Rehabilitation Package / OTS proposal. As regards the re-appointment of Executive Director and Managing Director, we submit that the re-appointments were made on the same terms and conditions stipulated on 30.11.1994 and no increase whatsoever was considered pending the complete turn-around of the Company.

As regards observations in the Corporate Governance Certificate, we submit that the issue of composition of the Board is dealt with in our report on Corporate Governance for the year 2013-14.

PERSONNEL

Your Directors wish to place on record their appreciation for the devoted services rendered by employees at all levels.

OTHER INFORMATION

Information required by the Companies (Amendment) Act, 1988 is given in Annexure-I forming part of this Report along with Corporate Governance & Management Discussion and Analysis.

ACKNOWLEDGEMENTS

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

By order of the Board

D.C.Galada
Managing Director

Devendra Galada
Executive Director

Place : Hyderabad

Date : 30.05.2014

ANNEXURE – 1 TO DIRECTORS REPORT

(Additional information given in terms of Notification no.1029 of 31-12-1988 issued by the Department of Company affairs)

Disclosures

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.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY

The Company's philosophy on corporate governance relates to laying the foundation for corporate excellence. It wants to enhance shareholder value with best practices of corporate governance. The high standard of corporate governance is maintained by being transparent and accountable and through continuous interaction with shareholders, employees, lending institutions, banks, government agencies, customers and society in general.

Corporate ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

a) Code of Conduct for Board Members and Senior Management.

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 30.06.2006. The Code highlights Corporate Governance as the corner stone for sustained management performance for servicing all the stakeholders and for instilling pride of association.

The Code is applicable to all directors and specified senior management executives. The Code impresses upon directors and senior management executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the Code is based is that the directors and senior management executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

b) Code of Conduct for prevention of Insider Trading.

The Company has adopted a Code of Conduct for prevention of Insider Trading for its management, staff and directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and staff widely dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

c) Whistle Blower Policy.

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate in good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical

behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Company Secretary / Executive Director or Audit Committee of the Board as the case may be, to safeguard them against victimization.

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors as at 31.03.2014 comprises seven directors, of which five are non-executive. The Chairman is non-executive and the number of independent directors, i.e. those who have no business relationship with the Company is three. The composition is as under:

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

The Company in the Board Meeting held on 30.06.2008 decided to appoint one more Independent Director to comply with the provisions of SEBI'S revised guidelines dated 08.04.2008. The Company is finalizing its capital restructuring scheme which would lead to broad basing of Board as required by strategic investors. This process would be completed during the current year and stock exchange is informed accordingly.

b) Meetings and attendance record of each Director:

Four Board Meetings were held during the year, the dates being 31.05.2013, 03.08.2013, 14.11.2013 and 03.02.2014. The last AGM was held on 30.09.2013.

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 S M Kankaria	3	(Y/N) N	-	-
Sri D C Galada	4	Y	1	-
Sri Devendra Galada	4	Y	-	-
Sri M C Galada	3	N	1	-
Sri T B Subramaniam	4	Y	2	2 (2)
Sri M L Sachdeva	4	N	-	-
Sri S V Kanaka Seshu	3	N	7	3

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

(c) Pecuniary relationship or transactions of the Directors vis-à-vis the Company:

The Managing Director and Executive Director receive only the remuneration payable to them and do not have any material pecuniary relationship or transactions with the Company (vide para 39 of Notes to Accounts).

The Company's Non-executive Directors do not have any pecuniary relationship or transactions with the Company.

(d) Information supplied to the Board.

The following information were provided to the Board as part of agenda papers in advance of the Board Meetings or presented at the time of Board Meetings:

- Ø industry scenario
- Ø operational performance of the company
- Ø financial working results of the company
- Ø action taken on the decisions of the previous Board meetings
- Ø payment of statutory dues
- Ø appointment of directors / senior managerial personnel.
- Ø disclosure of interest of directors
- Ø particulars of share transfers and demating of shares.
- Ø compliance certificates from Managing Director and Secretary of the company.
- Ø other significant developments

3. AUDIT COMMITTEE

The members of the Audit Committee as at 31.03.2014 are as given below:

Sri T B Subramaniam	...	Chairman (Non-executive Independent Director)
Sri M L Sachdeva	...	Member (Non-executive Independent Director)
Sri M C Galada	...	Member (Non-executive Promoter Director)

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 in compliance with revised clause 49 of the Listing Agreement. Sri T B Subramaniam, Chairman has qualification and experience in finance and accounts.

Audit Committee meetings are also attended by Vice President & Secretary (Compliance Officer) of the Company and the Statutory Auditors of the Company.

Four Audit Committee meetings were held, the dates being 31.05.2013, 03.08.2013, 14.11.2013 and 03.02.2014.

The role and terms of reference of the Audit Committee are comprehensive and cover the matters specified for Audit Committees under the Listing Agreements with the Stock Exchanges.

4. REMUNERATION COMMITTEE

The members of the Remuneration Committee as at 31.03.2014 are as given below:

Sri T B Subramaniam	...	Chairman
Sri M L Sachdeva	...	Member

The role of the Remuneration Committee is to recommend / review the remuneration package of the Managing Director and Executive Director . The remuneration payable to the Managing Director and the Executive Director is subject to the approval of the Board and of the Company in General Body Meeting and such other approvals, as may be necessary. Remuneration Committee last met on 07.08.2012 to consider the reappointment of Sri Devendra Galada, Executive Director on the existing terms and conditions for a further period of five years from 01.04.2012 to 31.12.2017.

The Non-Executive Directors were paid sitting fee @ Rs.500 and other expenditure for each meeting of the Board / Committee attended by them. The remuneration paid to the Managing Director and the Executive Director are given in para 39 to the Notes to Accounts.

5. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The members of the Share Holders' / Investors' Grievance Committee as at 31.03.2014 are as given below:

Sri T B Subramaniam	...	Chairman
Sri M C Galada	...	Member

The Committee approves share transfers, transmission of shares, sub-division of shares, issue of fresh share certificates and other related work. The Committee periodically interacts with Registrars and Share Transfer Agents to look into the quality of service rendered to the shareholders and also review the reports submitted by them for necessary action.

The Committee also look into the redressal of shareholders' / investors' complaints and maintain good investor relation.

a) Number of complaints received from shareholder during the year : nil

b) Number of pending share transfers as on 31.03.2014 : nil

Name and Designation of Compliance Officer : Sri V Subramanian, Vice President & Secretary

6. ANNUAL GENERAL MEETINGS

a) The details of date, time and location of Annual General Meetings (AGM) held in last three years are as under:

Date of Meeting & Year	Venue of the Meeting	Time of Meeting
30.09.2011 (2010-2011)	Hotel Kamath Lingapur, Chikoti gardens, Begumpet, Hyderabad – 500 016.	10.00 am
28.09.2012 (2011-2012)	Hotel Kamath Lingapur, Chikoti gardens, Begumpet, Hyderabad – 500 016.	10.00 am
30.09.2013 (2012-2013)	Hotel Kamath Lingapur, Chikoti gardens, Begumpet, Hyderabad – 500 016.	10.00 am

b) Information on directors seeking appointment / reappointment as required under the Listing agreement with Stock Exchange.

Given under Notes appended to Notice under the heading "Information on Director seeking re-appointment at the Annual general Meeting".

c) No Special Resolutions have been put through by postal ballot by the Company during the Financial Year 2013-14. The Company does not have any proposal for postal ballot this year.

7. SUBSIDIARY COMPANY.

The Company has no Subsidiary Company.

8. DISCLOSURES

There are no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management or relatives etc. that would have potential conflict with the interests of the Company at large.

No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review.

The Whistle Blower Policy (WBP) has been adopted by the Company to report to management concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. WBP also provides safeguards against victimization of the employees who avail the mechanism and no personnel has been denied access to the Audit Committee.

The Company has complied with the mandatory requirement of this clause and has also adopted the Whistle Blower Policy which is a non-mandatory requirement of this clause.

9. MEANS OF COMMUNICATION.

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are prepared and approved by the Board. These are published in the prescribed proforma within the prescribed time of the conclusion of the meeting of the Board in which they are considered, in one English newspaper and in one vernacular newspaper of the State where the registered office of the Company is situated. The quarterly financial results during the financial year 2013-2014 were published as detailed below:

Quarter ended	Date of Board Meeting	Date of publication	Name of New paper
30.06.2013	03.08.2013	04.08.2013	The Financial Express Andhra Prabha
30.09.2013	14.11.2013	15.11.2013	The Financial Express Andhra Prabha
31.12.2013	03.02.2014	04.02.2014	The Financial Express Andhra Prabha
31.03.2014	30.05.2014	31.05.2014	The Financial Express Andhra Prabha

The web site is commissioned and it is available at www.galadapower.com.

Management Discussions and Analysis Report.

The Management Discussion and Analysis Report is a part of the Annual Report.

GENERAL INFORMATION

- | | | | |
|-----|--|---|---|
| 1. | Date, time and venue of Annual General Meeting. | : | 30 th September, 2014 at 10 a.m
Hotel Kamath Lingapur,
Chikoti gardens, Begumpet,
Hyderabad – 500 016 |
| 2. | Date of Book Closure (both days inclusive) | : | 26.09.2014 to 30.09.2014 |
| 3. | Dividend payment date | : | Not applicable. |
| 4. | Listing on Stock Exchanges | : | Bombay Stock Exchange Ltd.,
P J Towers, Dalal Street,
Mumbai – 400 001 |
| 5. | Stock Code | : | BSE 504697 |
| 6. | Name and address of the Registrar for shares held in electronic form. | : | Venture Capital and Corporate
Investment Ltd.,
12-10-167, Bharathnagar,
Hyderabad – 500 018. |
| 7. | Electronic connectivity | : | National Securities Depository Ltd.,
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

Central Depository Services (India) Ltd
Phiroze Jeejeebhoy Towers, 28 th floor,
Dalal street, Mumbai – 400 023 |
| 8. | Registered Office | : | P 2/6, IDA, Block III,
Uppal, Hyderabad-500 039 |
| 9. | Communication regarding share transfers and other related correspondence | : | Galada Towers (3 rd floor 301)
1-10-74/C, Ville Bapuji
Begumpet,
Hyderabad – 500 016
Tel: 27766224/25 Fax: 27766226
Email: fa@galadapower.com |
| 10. | Share Transfer system | : | Shares lodged for physical transfer would be registered within a period of 15 days, if the documents are clear and in order in all respects. The shares duly transferred would be dispatched to the concerned shareholders within a week's time. Shares in dematerialized form are transferred within a shorter period. |
| 11. | Shareholding pattern as on 31-03-2014 | | |

Category	No.of Shares	% holding
a) Promoters, their relatives and associates.	1177021	16
b) Financial Institutions	1095477	15
c) Bodies corporate	1240778	17
d) Public	3976604	52
Total	7489880	100

12. Dematerialization of Equity Shares:

The Company has made arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 6549937 equity shares aggregating 87.45 % of the total equity capital is held in dematerialized form as on 31st March, 2014. ISIN allotted to the Company's script is: **INE255C01018**.

13. Outstanding GDRs / ADRs or Warrants or any convertible instrument, conversion dates and likely impact on equity.

There are no GDRs / ADRs or Warrants or any other convertible instrument which are pending for conversion into equity shares.

14. Plant location: Silvassa Unit : Survey No.319, Khadoli Village,
Silvassa – 396 230. UT of D&NH

15. Market Price Data:

The Company's shares are being traded actively on The Stock Exchange, Mumbai. The Company's share price was quoted between Rs.3 and Rs 7 during the financial year under review.

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

16. Declaration for Code of Conduct.

The declaration by Managing Director and CEO affirming compliance of Board members and senior management personnel to the Code is annexed herewith.

17. Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of corporate governance as stipulated in clause 49 of the Listing Agreement which is also annexed herewith.

The Company in the Board Meeting held on 30.06.2008 decided to appoint one more Independent Director to comply with the provisions of SEBI'S revised guidelines dated 08.04.2008. The Company is finalizing its capital restructuring scheme which would lead to broad basing of Board as required by strategic investors. This process would be completed during the current year and stock exchange is informed accordingly.

18. Secretarial Audit:

The Company gets the Secretarial Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total Equity Capital with both the depositories and in physical form with the total paid up capital as per the books. The Secretarial Audit Reports are placed before the Board of Directors on a quarterly basis and are also sent to the Stock Exchange where the Company's shares are listed.

DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct up to the year ended 31st March, 2014.

For Galada Power and Telecommunication Ltd

Place: Hyderabad

Date : 30.05.2014

D C Galada

Managing Director

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION.

We, Sri D C Galada, Managing Director as CEO and Sri V Subramanian, Vice President & Secretary as CFO of Galada Power and Telecommunication Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts as well as the cash flow statements and the director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading;

3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company and we have:
 - a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
 - c) disclosed in this report any change that has materially affected the Company's internal control over financial reporting;
6. We have disclosed to the Company's auditors and the audit committee of the Company's Board of Directors;
 - a) deficiencies in the design or operation of internal controls and steps taken / proposed to be taken to rectify these deficiencies;
 - b) significant changes in internal controls over financial reporting, if any, during the year covered by this report;
 - c) significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements and
 - d) instances of significant fraud of which we are aware that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

Place: Hyderabad
Date : 30.05.2014

V Subramanian
Vice President & Secretary

D C Galada
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

(forming part of Directors' Report)

a) Business review and outlook.

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

Most of the State Electricity Boards have accepted to implement "reforms" to enable them to become commercially and economically viable. As a result of the reforms under implementation, the following two major benefits will accrue to the State Electricity Boards:

- rational pricing of power with the approval of the State Electricity Tariff Advisory Committee which will put the State Electricity Boards back on viable lines.
- privatisation of distribution network which will bring down substantially the technical losses and set right the revenue collection mechanism for the State Electricity Boards.

Most of the finance is now made available under Accelerated Power Development and Reform Programme (APDRP) announced by the Government of India and only those State Electricity Boards who have gone in with the formulation and implementation of power reforms are eligible for availing of the said finance. This is expected to play a vital role in easing financial difficulties and ensuring growth in the power sector, which in turn will immensely benefit manufacturers like us.

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 unauthorised use or disposition and all financial records are maintained properly. The Company's Board has an Audit Committee which consists of three 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 and further hearings are in progress.

In the meantime, the Company's efforts to make a break through in the matter has borne fruit and IDBI & UTI have agreed for one time settlement of dues. As regards others, the modalities are being worked out. It is hoped that with the improvement in the power scenario due to reforms, 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.

CERTIFICATE

To the Members of
GALADA POWER AND TELECOMMUNICATION LIMITED
HYDERABAD (A.P).

We have examined the compliance of conditions of Corporate Governance by GALADA POWER AND TELECOMMUNICATION LIMITED, Hyderabad (AP) for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except that:

The composition of the Board is not as suggested by SEBI, in case where the non - executive Chairman is a promoter,

The Company has not adhered to the time Schedule prescribed for Publication of Quarterly and also annual Results during the year.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-
(P. CHANDRAMOULI)

Partner

Membership Number: 025211

Place: Hyderabad
Date : 30.05 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of GALADA POWER AND TELECOMMUNICATION LIMITED,
HYDERABAD.

Report on the Financial Statements:

We have audited the accompanying financial statements of GALADA POWER AND TELECOMMUNICATION Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion:

- a. In the absence of confirmation letters from the parties, we are unable to ascertain whether the amounts shown under the heads Trade receivables, Current Assets and Loans and Advances are realisable and the payables shown under various heads of account are also subject to confirmation by the respective institutions / parties. In the absence of sufficient evidence, we are unable to comment on the recoverability of these receivables and consequential effect on the financial statements.
- b. 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 non compliance amounting to Rs. 235.45 lakhs up to 31st March, 2013 and Rs.13.87 lakhs for the year is not provided in the Accounts.
- c. The Company has not provided for the liability on account of additional interest and liquidated damages payable to the Financial Institutions and / or other financiers for non compliance with certain terms of sanction of loans and / or repayment schedules amounting to Rs.30,316.18 lakhs up to 31st March, 2013 and Rs.5,418.13 lakhs for the year.
- d. The Company has not provided for the liability on account of interest on recalled bank working capital loans amounting to Rs.20,313.31 lakhs up to 31st March, 2013 and Rs.3,616.13 lakhs for the year.

Consequent to the above, the loss for the year and the liabilities as at 31.03.2014 is understated by Rs.9,048.13 lakhs and Rs. 59,913.07 lakhs respectively.

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion, the 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss , of the loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Emphasis of Matter:

- a. Without qualifying our opinion, we draw attention to Note 1 to the financial statements regarding the preparation of the financial statements on a going concern basis, despite substantial erosion of the net worth, lower cash inflows from the existing business activities and continuous default in payment of dues to banks / financial institutions and the legal proceedings initiated by the Bankers of the Company for the recovery of the debts.
- b. We draw attention to Note 27 to the financial statements also regarding the appointment and payment of Managerial Remuneration. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. **Except for the matters described in the Basis for Qualified Opinion**, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, **except for the matters described in the Basis for Qualified Opinion**, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, **except for the matters described in the Basis for Qualified Opinion**, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs.
 - e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956

nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(P. CHANDRAMOULI)

Partner

Membership Number: 025211

Place: Hyderabad

Date : May 30, 2014

Annexure 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 31st March 2014.,

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 most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
c) During the year the Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a) During the year, the Company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- b) In view of our comment in paragraph 3(a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public. Hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for the time being.
7. In our opinion, the Company has an internal audit system, the scope and coverage of which, in our opinion, needs to be enlarged so as to make it commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
9. a) According to the records, during the year, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. However, the Company is not regular in depositing the dues relating to Investor Education and Protection Fund, Sales Tax and Property Tax

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable except the following

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	115,56,699	1996	30.12.2003	Not yet paid
APGST Act	IFST Loan Deferred Sales Tax Sales tax	3,11,190 67,10,843 8,25,000	1988 1996 2000	25.07.1997 01.04.2001 01.08.2001	Not yet paid
AP Municipalities Act, 1965	Property Tax	9,84,920 2,07,075 2,07,075 2,07,075 2,07,075 2,07,075	1997 to 2011 2011 to 2012 2011 to 2012 2012 to 2012 2012 to 2013 2013 to 2014	1997- 2011 30.09.2011 31.03.2012 30.09.2012 31.03.2013 30.09.2013	Not yet paid
Customs Act 1942	Duty on Imports	227,50,002			Not yet paid

- c) According to the records of the Company and the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.

10. The accumulated losses of the Company as at the end of the financial year under reference are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
11. In our opinion the Company has defaulted in repayment of dues to financial institutions, banks and debenture holders. However, the period and amount of default is not furnished as the Company has submitted its rehabilitation proposal to re-schedule all dues payable to the financial institutions, banks and debenture holders.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the Company has not obtained any term loans during the year.
17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures, therefore the question of creating security or charge in respect thereof does not arise. However in respect of the debentures issued to Unit Trust of India in earlier years and outstanding as at this year end, the security or charge is not yet created.
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Place: Hyderabad
Date : May 30, 2014

(P. CHANDRAMOULI)
Partner
Membership Number: 025211

BALANCE SHEET AS AT 31 MARCH , 2014.

PARTICULARS	NOTES	31.03.2014 Rs.	31.03.2013 Rs.
EQUITY AND LIABILITIES			
Share holders funds			
Share Capital	04	74,898,800	74,898,800
Reserves and Surplus	05	(1,518,980,075)	(1,517,590,396)
		<u>(1,444,081,275)</u>	<u>(1,442,691,596)</u>
Non - Current liabilities			
Long Term Borrowings	06	217,791,456	218,065,824
Long - Term Provisions	07	2,382,187	2,329,549
		<u>220,173,643</u>	<u>220,395,373</u>
Current liabilities			
Short term borrowings	08	419,746,482	419,746,482
Trade Payables	09	25,187,443	59,329,558
Other Current Liabilities	10	1,091,333,070	1,116,691,719
Short - Term Provisions	11	51,523	46,434
		<u>1,536,318,518</u>	<u>1,595,814,193</u>
	TOTAL	<u>312,410,886</u>	<u>373,517,970</u>
ASSETS			
Non - Current assets			
Fixed Assets			
Tangible Assets	12	93,642,665	100,940,429
Machinery in Transit		113,210,705	113,210,705
Long-Term Loans and Advances	13	5,800,949	14,033,002
		<u>212,654,319</u>	<u>228,184,136</u>
Current Assets			
Inventories	14	5,197,226	34,413,166
Trade Receivables	15	21,839,268	58,616,677
Cash and Cash Equivalents	16	42,615,241	32,632,911
Short-Term Loans and Advances	17	21,771,673	11,706,287
Other Current Assets	18	8,333,159	7,964,793
		<u>99,756,567</u>	<u>145,333,834</u>
	TOTAL	<u>312,410,886</u>	<u>373,517,970</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS 01 - 44

for and on behalf of the Board

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

 D C GALADA
 Managing Director

 DEVENDRA GALADA
 Executive Director

 V SUBRAMANIAN
 Vice President & Secretary

 P.CHANDRAMOULI
 Partner
 Membership Number: 025211
 Place: Hyderabad
 Date : 30.05.2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH,2014.

PARTICULARS	NOTES	31.03.2014 Rs.	31.03.2013 Rs.
INCOME			
Revenue from Operations	19	152,178,203	176,401,837
Other Income	20	7,134,154	6,584,321
TOTAL REVENUE		159,312,357	182,986,158
EXPENSES			
Cost of Material Consumed	21	68,284,312	82,149,061
(Increase)/Decrease in Inventories	22	4,404,381	4,264,171
Employee Benefits Expense	23	24,174,184	21,855,881
Finance Costs	24	59,341,942	59,067,074
Depreciation Expense	25	12,129,833	12,627,561
Other Expenses	26	78,575,291	64,906,824
TOTAL EXPENSES		246,909,943	244,870,572
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(87,597,586)	(61,884,414)
EXCEPTIONAL ITEMS: Lease Rentals waived by IDBI		86,207,907	-
PROFIT/(LOSS) BEFORE TAX		(1,389,679)	(61,884,414)
TAX EXPENSE		-	-
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		(1,389,679)	(61,884,414)
EARNINGS PER EQUITY SHARE OF Rs.10/-EACH			
Basic and diluted		(0.19)	(8.26)

NOTES FORMING PART OF FINANCIAL STATEMENTS 01 - 44

for and on behalf of the Board

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

 D C GALADA
 Managing Director

 DEVENDRA GALADA
 Executive Director

 V SUBRAMANIAN
 Vice President & Secretary

 P.CHANDRAMOULI
 Partner

 Membership Number: 025211
 Place: Hyderabad
 Date : 30.05.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014.

PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(1,389,679)	(61,884,414)
Adjustments for:		
Depreciation	12,129,833	12,627,561
Net gain on sale of Tangible assets	(16,466)	(149,816)
Bad Debts written off	18,104,460	-
Interest (Net)	54,617,378	55,431,136
Excess Provisions written back	(41,319)	(19,234)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	83,404,207	6,005,233
Adjustments for:		
Increase / (decrease) in Long Term Provisions	52,638	1,860,946
Increase / (decrease) in Trade Payables	(34,142,114)	16,282,874
Increase / (decrease) in Other Current liabilities	(84,126,404)	4,941,425
Increase / (decrease) in Short Term Provisions	5,089	(1,575,787)
(Increase) / decrease in Long Term Loans and advances	8,232,053	2,253,462
(Increase) / decrease in Short Term Loans and advances	(10,065,386)	(3,555,027)
(Increase) / decrease in Inventories	29,215,940	(19,660,877)
(Increase) / decrease in Trade Receivables	18,672,949	(10,798,776)
(Increase) / decrease in Other Current Assets	1,122,582	(1,493,257)
Direct Taxes Paid (net of refunds)	(1,532,707)	3,640,651
NET CASH FROM OPERATING ACTIVITIES (A)	10,838,847	(2,099,133)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(5,083,102)	(1,725,867)
Sale of Fixed Assets	267,500	2,449,615
Interest received	4,248,634	1,786,783
NET CASH USED IN INVESTING ACTIVITIES (B)	(566,968)	2,510,531
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (decrease) in Long Term Borrowings	(289,548)	365,824
Interest paid	-	(48,281)
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	(289,548)	317,543
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	9,982,331	728,941
Cash and Cash equivalents as at beginning of the year	32,632,910	31,903,969
Cash and Cash equivalents as at the end of the year #	42,615,241	32,632,910
# including restricted balance of	3,535,862	29,959,151

for and on behalf of the Board

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

 D C GALADA
 Managing Director

 DEVENDRA GALADA
 Executive Director

 V SUBRAMANIAN
 Vice President & Secretary

 P.CHANDRAMOULI
 Partner

 Membership Number: 025211
 Place: Hyderabad
 Date : 30.05.2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014**1. NATURE OF OPERATIONS:**

GALADA POWER AND TELECOMMUNICATION LIMITED was incorporated on 24.06.1972. At present, the Company is engaged in the business of manufacturing Aluminum conductors and other allied products. The Company has recorded a net loss of Rs.9,062.03 Lakhs for the year and has accumulated losses of Rs.77,063.49 Lakhs as at March 31, 2014, resulting in substantial erosion of the net worth. Further, there were lower cash inflows from the existing business activities. The Company has defaulted in payment of dues to banks / financial institutions and could not comply with the terms of sanction and / or repayment schedules of the lending institutions and Banks; consequently all the lending institutions recalled the loans and the Bankers of the Company also initiated legal proceedings for the recovery of the debts. The matter was referred to Board for Industrial and Financial Reconstruction (BIFR) and the Company had been declared sick. Later on, BIFR confirmed their opinion for winding up in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide order dt:14-09-2007. The Company preferred an appeal before AAIFR which confirmed the BIFR order. The Company further preferred an appeal before the Hon'ble High Court of Andhra Pradesh which has stayed BIFR order and further hearings are in progress. As the Management of the Company is of the view that an acceptable and viable rehabilitation package can be worked out since all term lenders have in principle consented for financial restructuring, the accompanying financial statements have been prepared on a "going concern" basis.

2. **BASIS OF ACCOUNTING:** The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) read with the General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

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

b) Fixed Assets:

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

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

c) Depreciation:

- i. Depreciation on Fixed Assets is provided on Written down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.
- ii. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

d) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset do no longer exist or have decreased.

e) Inventories:

- i. Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.
- ii. Goods in transit are valued at cost.
- iii. Finished goods, work in progress, scrap, by-products and loose tools are valued at lower of cost and net realizable value.
- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on FIFO basis and cost of finished goods includes excise duty.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

f) Prior period items:

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

g) Investments:

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

h) Revenue Recognition:

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

- i. Sale of Goods: Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.

Revenue on account of price escalations is accounted for on acceptance of such claims by the buyers.

- ii. Income from Services:

Revenue is recognized as and when the Services are rendered as per the terms of individual Service Contract. Income from Services is accounted inclusive of service tax.

- iii. Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- iv. Export Benefits:

Export Entitlements in the form of Duty Drawback and Duty Entitlement Pass Book (DEPB) Schemes are recognized in the Profit and Loss account on realisation.

- v. Other Sundry incomes:

Insurance claims, conversion and escalations are accounted for on accrual basis.

i) Government Grants and Subsidies:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

j) Retirement and Other Employee Benefits:

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

k) Borrowing Costs:

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

l) Leases:

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

Where the Company is the lessee:

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

Where the Company is the lessor:

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

m) Earnings per Share (Basic and Diluted):

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

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

n) Taxes on Income:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

o) Cash Flow Statement:

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

p) Contingent Liabilities:

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

q) Provisions:

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

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.																
04.	SHARE CAPITAL:																		
	AUTHORISED:																		
	10,900,000 Equity Shares of Rs.10/- each	109,000,000	109,000,000																
	10,000 - 9.5% Cumulative Redeemable Preference Shares of Rs.100/- each	1,000,000	1,000,000																
	TOTAL	110,000,000	110,000,000																
	ISSUED:																		
	7,489,880 Equity Shares of Rs.10/- each	74,898,800	74,898,800																
	10,000 - 9.5% Cumulative Redeemable Preference Shares of Rs.100/- each	1,000,000	1,000,000																
	TOTAL	75,898,800	75,898,800																
	SUBSCRIBED AND PAID - UP:																		
	7,489,880 Equity Shares of Rs.10/- each	74,898,800	74,898,800																
	TOTAL	74,898,800	74,898,800																
a.	Rights attached to equity Shares: The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.																		
b.	Details of shareholders holding more than 5% shares in the company																		
		<table border="1"> <thead> <tr> <th colspan="2">31.03.2014</th> <th colspan="2">31.03.2013</th> </tr> <tr> <th>Nos</th> <th>Percentage</th> <th>Nos</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1,043,069</td> <td>13.93</td> <td>1,043,069</td> <td>13.93</td> </tr> <tr> <td>504,126</td> <td>6.73</td> <td>504,126</td> <td>6.73</td> </tr> </tbody> </table>		31.03.2014		31.03.2013		Nos	Percentage	Nos	Percentage	1,043,069	13.93	1,043,069	13.93	504,126	6.73	504,126	6.73
31.03.2014		31.03.2013																	
Nos	Percentage	Nos	Percentage																
1,043,069	13.93	1,043,069	13.93																
504,126	6.73	504,126	6.73																
	Equity Shares of Rs.10/- each fully paid																		
	Industrial Development Bank of India																		
	DD Investment and Leasing Private Limited																		
05.	RESERVES AND SURPLUS:																		
	Capital Redemption Reserve	100,000	100,000																
	Securities Premium Reserve	137,336,800	137,336,800																
	Share Forfeiture Account	7,500,000	7,500,000																
	Capital Reserve	51,125,000	51,125,000																
	Surplus i.e. balance in Statement of Profit and Loss :																		
	Opening balance	(1,713,652,196)	(1,651,767,782)																
	Add: Net loss transferred from																		
	Statement of Profit and Loss	(1,389,679)	(61,884,414)																
	Closing Balance	(1,715,041,875)	(1,713,652,196)																
	TOTAL	(1,518,980,075)	(1,517,590,396)																

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
06.	LONG TERM BORROWINGS:		
	Term Loans: (Secured) #		
	Industrial Investment Bank of India (IIBI)	40,000,000	40,000,000
	Industrial Development Bank of India (IDBI)	80,000,000	80,000,000
	Non-Convertible Debentures: (NCD) (Secured) #		
	477,000 - 17.5% Redeemable NCD of Rs.100/- each issued to Unit Trust of India (UTI)	47,700,000	47,700,000
	500,000 - 18% Redeemable NCD of Rs.100/- each issued to IDBI	50,000,000	50,000,000
	Other Loans and Advances:		
	Hire purchase loans secured by Vehicles	91,456	365,824
	TOTAL	<u>217,791,456</u>	<u>218,065,824</u>
a.	17.5% Secured Redeemable Non-Convertible Debentures of Rs.100/- each aggregating Rs.477 Lakhs issued to UTI are to be redeemed in 3 equal annual instalments starting from the end of the third year of allotment (The date of allotment being 28th December, 1995 and 25th August 1997). Though the same are secured by pari passu first charge on the fixed assets of the Company, the documentation is not completed.		
b.	18% Secured Redeemable Non-Convertible Debentures of Rs.100/- each aggregating Rs.500 Lakhs issued to IDBI are to be redeemed in 3 equal annual instalments starting from the end of the fourth year of allotment (The date of allotment being 29th April, 1999) and secured by pari passu first charge on the present and further fixed assets of the Company and irrevocable personal guarantees of two of the Directors of the Company.		
c.	Term Loans from IDBI and IIBI 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.		
#	The loans are already overdue for repayment and the Company is in continuous default in repayments. However, as the Company's rehabilitation proposal submitted to BIFR is pending with the Hon'ble High Court of AP ,the loans are continued to be classified as long term, which are otherwise current dues.		
07.	LONG TERM PROVISIONS:		
	Provision for employee benefits:		
	Provision for Leave Encashment	581,034	525,597
	Provision for Gratuity	1,801,153	1,803,952
	TOTAL	<u>2,382,187</u>	<u>2,329,549</u>

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
08.	SHORT TERM BORROWINGS :		
	Working Capital Loans from Banks (secured)	419,746,482	419,746,482
	TOTAL	419,746,482	419,746,482
	The Working Capital facilities from Canara Bank and Syndicate Bank are 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 Bankers have initiated legal Proceedings for recovery of above debts.		
09.	TRADE PAYABLES:		
	Creditors for Supplies and Services (refer Note :35)	22,987,479	57,238,732
	Creditors for accrued wages and Salaries	2,199,964	2,090,826
	TOTAL	25,187,443	59,329,558
10.	OTHER CURRENT LIABILITIES:		
	Current maturities of long term borrowings:		
	Interest Free Sales Tax Loan	311,190	311,190
	Sales Tax Deferment	6,710,843	6,710,843
	Hire Purchase instalments	274,368	289,548
	Lease Rentals Payable to IDBI	8,500,000	96,307,908
	DPG Instalments Due to IDBI	107,854,691	107,854,691
	Interest accrued and due on Debentures	301,412,636	283,063,136
	Interest accrued and due on Term Loans	325,021,316	303,021,316
	Interest accrued and not due on Term Loans	936,986	936,986
	Interest accrued and due on DPG Instalments	259,909,425	241,434,671
	Assigned liabilities	48,393,118	48,393,118
	Advance from Customers	4,084,674	5,185,425
	Trade/ Security Deposits	5,118,829	5,118,828
	Other Advances	2,500,000	-
	Other liabilities:		
	Excise Duty payable	404,082	283,820
	Sales Tax payable	900,350	2,156,102
	Withholding Taxes payable	133,295	65,329
	Municipal taxes payable	2,227,370	1,813,220
	Due to Directors	245,493	447,758
	Interest on Trade payable	702,576	702,576
	Unpaid Dividends	11,556,699	11,556,699
	Other Statutory dues	211,689	106,106
	Other payables	3,923,440	932,449
	TOTAL	1,091,333,070	1,116,691,719
11.	SHORT TERM PROVISIONS:		
	Provision for employee benefits:		
	Provision for Leave Encashment	7,864	7,133
	Provision for Gratuity	43,659	39,301
	TOTAL	51,523	46,434

12. TANGIBLE ASSETS :

(Amount in Rupees)

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01.04.2013	ADDI- TIONS	DEDU- CTIONS	AS AT 31.03.2014	UPTO 31.03.2013	FOR THE YEAR	ON DEDUC TIONS	UPTO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
1	Land	11,743,132	-	-	11,743,132	-	-	-	-	11,743,132	11,743,132
2	Buildings: Factory Office	50,777,354 12,239,572	- -	- -	50,777,354 12,239,572	21,907,009 2,820,208	1,695,964 200,032	- -	23,602,973 3,020,240	27,174,381 9,219,332	28,870,345 9,419,364
3	Plant and Equipment	182,514,676	937,346	-	183,452,022	134,325,516	9,666,232	-	143,991,748	39,460,274	48,189,160
4	Furniture and Fixtures	1,640,229	-	-	1,640,229	1,210,468	45,144	-	1,255,612	394,617	429,761
5	Vehicles	3,154,702	4,041,056	784,097	6,411,661	1,314,500	443,029	533,064	1,224,465	5,187,196	1,840,202
6	Office Equipment	954,398	50,306	-	1,004,704	671,765	20,874	-	692,639	312,065	282,633
7	Data Processing Equipments	735,164	54,394	-	789,558	569,332	58,558	-	627,890	161,668	165,832
	Total	263,759,227	5,083,102	784,097	268,058,232	162,818,798	12,129,833	533,064	174,415,567	93,642,665	100,940,429
	Previous Year	286,822,779	1,725,867	24,789,419	263,759,227	172,680,857	12,627,561	22,489,620	162,818,798	100,940,429	114,141,322

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
13.	LONG TERM LOANS AND ADVANCES: (unsecured and considered good)		
	Capital advances	771,751	-
	Security Deposits		
	Earnest Money Deposits	1,535,000	3,535,000
	Other Deposits	244,198	7,248,002
	Deposits for Power Supply # # in the form of Fixed Deposits with Banks	3,250,000	3,250,000
	TOTAL	5,800,949	14,033,002
14.	INVENTORIES (at Cost):		
	Raw Material	43,011	13,971,660
	Raw Material in Transit	-	10,787,787
	Work in Process	11,410	5,509,070
	Finished Goods	3,673,373	2,580,094
	Stores and Spares	1,469,432	1,564,555
	TOTAL	5,197,226	34,413,166
15.	TRADE RECEIVABLES: (unsecured and considered good)		
	Due for more than six months	16,380,435	29,277,955
	Due for less than six months	5,458,833	29,338,722
	TOTAL	21,839,268	58,616,677
16.	CASH AND CASH EQUIVALENTS:		
	Balances with Banks:		
	on Current accounts	6,343,808	1,187,251
	Cash on Hand	128,254	145,151
	Other Bank balances		
	Deposits with original maturity of more than twelve months	32,607,317	1,341,358
	Margin money deposits	3,535,862	29,959,151
	TOTAL	42,615,241	32,632,911
17.	SHORT TERM LOANS AND ADVANCES: (unsecured and considered good)		
	Advances for purchases and expenses	276,359	1,755,492
	Other Deposits	12,000,000	-
	Staff Advances	117,450	484,250
	Balance with Statutory Authorities	9,377,864	9,466,545
	TOTAL	21,771,673	11,706,287
18.	OTHER CURRENT ASSETS:		
	Advance Income Tax	5,480,226	3,947,519
	Interest accrued	2,209,740	2,251,499
	Accrued Job Work Charges	464,307	1,322,916
	Prepaid Expenses	178,886	442,859
	TOTAL	8,333,159	7,964,793

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
19.	REVENUE FROM OPERATIONS:		
	Sale of Goods:		
	Finished Goods		
	Aluminium Conductor	90,462,665	105,101,488
	Sale of Services:		
	Conversion Charges	62,307,917	46,089,451
	Other Operating Income		
	Certification Charges	7,010,250	32,203,666
	Others	1,873,300	3,939,939
	Revenue from Operations (gross)	161,654,132	187,334,544
	Less: Excise Duty	9,475,929	10,932,707
	Revenue from Operations (Net)	152,178,203	176,401,837
20.	OTHER INCOME:		
	Interest Income		
	Bank Deposits	4,206,876	3,441,400
	Income Tax	76,880	412,377
	Other Non Operating Income		
	Net Gain on Sale of Tangible Assets	16,466	149,816
	Rentals earned	2,625,638	2,504,424
	Excess Provisions and Credit Balances Written Back	41,319	19,234
	Misc Receipts	166,975	57,070
	TOTAL	7,134,154	6,584,321
21.	COST OF MATERIAL CONSUMED:		
	Inventory at the Beginning of the year	13,971,660	625,704
	Add: Purchases	54,355,663	96,193,401
		68,327,323	96,819,105
	Less: Cost of Inventory sold	-	698,384
	Less: Inventory at the Closing of the year	43,011	13,971,660
	Cost of raw material consumed	68,284,312	82,149,061
	Details of Raw material consumed		
	Aluminium	57,859,017	69,471,855
	Steel Rod	8,042,712	9,646,556
	Packing Materials	2,382,583	3,030,650
		68,284,312	82,149,061
	Details of Inventory		
	Aluminium	-	12,538,955
	Steel Wire	-	837,090
	Packing Materials	43,011	595,615
		43,011	13,971,660

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
22.	(INCREASE) / DECREASE IN INVENTORIES:		
	Inventory at the End of the year		
	Finished Goods	3,673,373	2,580,094
	Stock In Process	-	5,392,630
	Scrap	11,410	116,440
		<u>3,684,783</u>	<u>8,089,164</u>
	Inventory at the Beginning of the year		
	Finished Goods	2,580,094	8,555,565
	Stock In Process	5,392,630	2,545,225
	Scrap	116,440	1,252,545
		<u>8,089,164</u>	<u>12,353,335</u>
	Increase/(Decrease) in Inventories	<u>(4,404,381)</u>	<u>(4,264,171)</u>
23.	EMPLOYEE BENEFITS EXPENSE:		
	Salaries, Wages and Bonus	21,680,305	19,515,829
	Contribution to Provident and Other Funds	706,879	636,094
	Staff Welfare Expenses	1,547,539	1,364,534
	Gratuity	239,461	339,424
	TOTAL	<u>24,174,184</u>	<u>21,855,881</u>
24.	FINANCE COSTS:		
	Interest on loans	40,474,754	40,474,754
	Interest on Debentures	18,349,500	18,349,500
	Hire Purchase Charges	229,976	48,282
	Bank Charges	287,712	194,538
	TOTAL	<u>59,341,942</u>	<u>59,067,074</u>
25.	DEPRECIATION AND AMORTISATION EXPENSE:		
	Depreciation on tangible assets	12,129,833	12,627,561
	TOTAL	<u>12,129,833</u>	<u>12,627,561</u>

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
26.	OTHER EXPENSES:		
	Stores Consumed	13,135,845	6,787,799
	Contract Labour	13,024,572	9,910,304
	Freight and Transport	2,576,098	5,524,933
	Rates and Taxes	2,694,799	2,938,340
	Excise Duty #	120,262	(657,296)
	Power and Fuel	13,366,832	25,029,181
	Rent	723,550	673,200
	Equipment Rentals	-	5,758,467
	Insurance	278,328	326,228
	Travelling and Conveyance	2,852,418	2,117,199
	Vehicle Maintenance	1,034,374	1,107,436
	Legal and Professional Charges	1,614,584	655,998
	Payments to Auditors		
	as auditors	75,000	75,000
	for certification	14,000	20,000
	for tax audits	26,000	40,000
	Repairs and Maintenance to:		
	Machinery	2,258,925	590,761
	Own Buildings	713,764	91,725
	Other Assets	129,029	178,775
	Security Charges	2,446,177	1,912,398
	Bad debts written off	18,104,460	-
	Stores and Spares written off	-	151,162
	Miscellaneous Expenses	3,386,274	1,675,214
	TOTAL	78,575,291	64,906,824
#	Represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on Opening and Closing Stocks of finished /saleable goods.		

27. Appointment and payment of Managerial Remuneration:
- a. The reappointment of executive director with effect from 01.04.2002 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to Rs.9,183,036/-(including for Current year Rs.937,250/-) and accordingly the provisions of Section 309(5A) of the Companies Act, 1956 are applicable. However, the said amount is charged to the profit and loss account as managerial remuneration, as the management is of the view that the said provisions are not applicable to the Company, as the matter is a part of Rehabilitation Scheme referred to **BIFR** under the Sick Industrial Companies (Special Provisions) Act, 1985.
 - b. The appointment of managing director with effect 01.01.2006 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to Rs.8,929,896/-(including for Current year Rs. 979,491) 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.
28. No debenture redemption reserve is created in view of the losses being suffered by the Company.
29. The Company has not received confirmation of balances from the parties included under Trade Receivables, Loans and Advances, Trade Payables and Other Liabilities.
30. Additional Interest and Liquidated damages payable to the financial institutions and / or other financiers for non compliance with terms of sanctions and/or repayment schedules amounting to Rs.30,316.18 lakhs from 01.07.1997 to 31.03.2013 and Rs.5,418.13 lakhs for the current year is not provided in the books of account.
31. Interest on Working Capital Loans from Banks, amounting to Rs.20,313.31 lakhs from 01.07.2000 to 31.03.2013 and Rs. 3,616.13 lakhs for the current year is not provided in the books of Account.
32. The Company declared dividend for the year 1995-96 in the Annual General Meeting held on 30.12.96 and unpaid amount of Rs.115,56,699/- has become due for transfer to Investor Education and Protection Fund. However, the Company is of the opinion that the said amount need not be transferred to Investor Education and Protection Fund as the same is payable to the share holders and has been included in its rehabilitation proposal as payable at a later date.
33. ICICI Bank Limited has assigned all the amounts due to it by the Company to a third party with effect from 01.01.2006 on "as is where is" basis. Pending legal documentation and other negotiations as to the repayment with the third party, the total amount due as at 31st December, 2005 including principal on account of this mutual agreement was classified as assigned liabilities and shown as other current liability.

34. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
35. 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. Details of total outstanding dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006, are as follows:

PARTICULARS	31-03-2014 Rs.	31-03-2013 Rs.
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

36. Calculation of Earnings per share	31.03.2014	31.03.2013
a) Net Loss for the year (in Rs.)	1,389,679	61,884,414
b) Weighted average number of Equity shares (Nos.)	7,489,880	7,489,880
c) Face value per share (in Rs.)	10	10
d) Earnings per share (Basic and Diluted) (in Rs.)	(0.19)	(8.26)

37. Disclosure relating to the Gratuity liability (not funded) as per Accounting Standard 15 "Employee Benefits"

	Particulars	31.03.2014 Rs.	31.03.2013 Rs.
a)	The amounts recognised in the Balance Sheet		
	Present Value of obligation	4,472,058	40,24,408
	Fair value of plan assets	2,627,246	21,81,155
	Net liability recognised in the Balance sheet	1,844,812	18,43,253
b)	Changes in the present value of the defined obligation		
	Opening defined benefit obligation	4,024,408	35,20,949
	Current service Cost	126,077	1,12,513
	Interest Cost	321,953	2,81,676
	Actuarial (gain)/loss on obligation	(380)	1,24,212
	Benefits paid	—	(14,942)
	Closing defined benefit obligation	4,472,058	40,24,408
c)	Changes in the Fair value of Plan assets		
	Opening Fair value of Plan assets	2,181,155	19,04,933
	Contributions	237,902	1,12,187
	Actual returns on plan assets	208,189	1,78,977
	Benefits paid	—	(14,942)
	Closing Fair value of Plan assets	2,627,246	21,81,155
d)	The amounts recognised in the Profit and Loss account		
	Current service Cost	126,077	1,12,513
	Interest Cost	321,953	2,81,676
	Actual returns on plan assets	(208,189)	(1,78,977)
	Actuarial (gain)/loss on obligation	(380)	1,24,212
	Net benefit Expenditure	239,461	3,39,424
e)	Principal actuarial assumptions	2013 -14	2012 -13
	Mortality table (LIC)	1994-96	1994-96
	Discount Rate	8.00%	8.00%
	Rate of escalation in Salary (per annum)	4.00%	4.00%
	Attrition Rate	1.00%	1.00%
	Retirement Age in years	58 years	58 years

The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is certified by an actuary.

38. The Company's main business is manufacturing of Aluminum Conductors and other allied products and all other activities of the Company revolve around the main business and as such there are no separate reportable segments as per the Accounting Standard AS 17 "Segment Reporting" as notified by Companies (Accounting Standards) Rules, 2006.

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

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

i. Key Management Personnel:

Sri Dharam Chand Galada	Managing Director
Sri Devendra Galada	Executive Director

ii. Relatives of Key Management Personnel:

Sri Mahavir Chand Galada	Father of Managing Director
Smt. Snehlata 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:	31.03.2014	31.03.2013
	Rs.	Rs.

Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	979,491	9,82,694
Sri Devendra Galada		
Managerial Remuneration	937,250	9,98,794
Relatives of Key Management Personnel		
Smt. Snehlatha Galada		
Payment of Rent	114,000	1,14,000
Sri Shail Galada		
Payment of Rent	93,000	93,000
Remuneration	882,828	8,35,827
Sri Shashi Galada		
Payment of Rent	93,000	93,000
Sri Ewanth Kumar Parekh		
Remuneration	1,073,908	9,89,740

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

Sri Dharam Chand Galada	(148,528)	(1,97,671)
Sri Devendra Galada	(96,965)	(2,50,087)

40. In terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006, there is a net deferred tax asset as on 31st March, 2014. In the absence of convincing evidence regarding the availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to tax effect of timing differences at present.

41. As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognized during the year.

S.NO.	PARTICULARS	31.03.2014 Rs.	31.03.2013 Rs.
42.	Contingent liabilities and Commitments :		
	Contingent liabilities:		
	Bank guarantees and Letters of credit ;	3,535,862	299,59,151
	Claims against the Company not acknowledged as debts	33,542,529	294,10,856
	Duty Payable on Imports in Transit	22,750,002	215,99,653
	Income Tax demands disputed by the Company	50,54,342	50,54,342
	Commitments:		
	Estimated amounts of contracts remaining to be executed on capital account and not Provided for	1,190,324	—
43.	Analysis of materials consumed:	2013-14	2012-13
		Percentage	Rs.
	Imported	—	—
	Indigenous	100.00	88,936,860
		100.00	88,936,860
44.	Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.		
	per our report of even date for Brahmayya & Co. Chartered Accountants Firms : Registration Number: 000513S	for and on behalf of the Board	
	P. CHANDRAMOULI Partner Membership Number: 025211	D.C.GALADA Managing Director	
		DEVENDRA GALADA Executive Director	
	Place Hyderabad Date :30.05.2014	V.SUBRAMANIAN Vice President & Secretary	

Folio No.	Name of the Member in Capital Letters	ADMISSION SLIP

42nd ANNUAL GENERAL MEETING on 30th September, 2014 at 10.00 a.m. at Kamat Lingapur Chikoti Garden, Begumpet, Hyderabad - 500 016.	<input type="checkbox"/> MEMBER <input type="checkbox"/> PROXY <hr/> NAME OF THE PROXY (IN CAPITAL LETTERS)
--	---

I Hereby register my presence at the meeting

Signature of the Member / Party



PROXY FORM

I/We.....

 of.....

in the district of.....being a member/member of GALAD POWER AND TELECOMMUNICATOIN LIMITED hereby appoint.....or failing him.....as my our Proxy to vote for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Tuesday, the 30th September, 2014 and at any adjournment thereof.

Signed this.....day of.....2014

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING	AFFIX REVENUE STAMP
FOR OFFICE USE ONLY	
PROXY No.	DATE OF RECEIPT

Signature



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