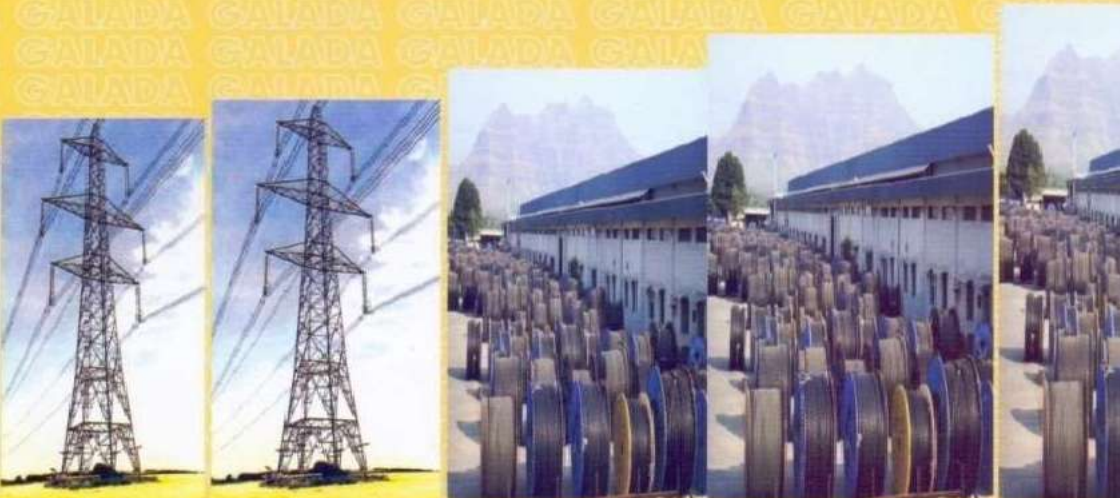


**47<sup>th</sup> ANNUAL REPORT**  
**2018 - 2019**



**GALADA**  
**POWER AND TELECOMMUNICATION LTD.**



## **BOARD OF DIRECTORS**

<b>Chairman</b>	Shri S.M. Kankaria
<b>Directors</b>	Shri M.L. Sachdeva Ms. Ameeta Trehan Shri Shashi Galada
<b>Managing Director</b>	Shri D. C. Galada
<b>Executive Director</b>	Shri Devendra Galada
<b>Vice President,Secretary&amp;CFO</b>	Shri V. Subramanian
<b>Auditors</b>	M/s. K.S.RAO & Co Chartered Accountants, Flat No. 602, Golden Green Appts, Erramanzil Colony, Hyd – 500 082.
<b>Stock Exchange</b>	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
<b>Registered Office</b>	P 2/6, I.DA., Block 1/1, Uppal, Hyderabad – 500 039.
<b>Factory</b>	Village Khadoli, Silvassa, U. T. of Dadra & Nagar Haveli.
<b>Administrative Office</b>	3 rd Floor, F.301, Galada Towers, Begumpet, Hyderabad – 500 016.

## NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Company will be held on Friday, the 27<sup>th</sup> September, 2019 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 31<sup>st</sup> March, 2019 and the Reports of the Directors' and Auditors thereon.
2. To appoint Director in place of Sri D C Galada who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint K S Rao & Co Chartered Accountants (Firm Registration No.003109S) as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to authorize the Board to fix their remuneration as may be mutually agreed.

### SPECIAL BUSINESS

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

“Resolved that Sri Shashi Galada (DIN 01263867) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 10.11.2018 and who holds office upto the date of this Annual General Meeting, pursuant to the applicable provisions of the Companies Act,2013 including any schedules and relevant rules thereof and in respect of whom the Company has received a notice in writing under the applicable provisions of the Companies Act, 2013 and Rules thereof (including any statutory modification(s) or re-enactment thereof) proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation “

By order of the Board

Sd/-

V Subramanian

Vice President & Secretary

Place: Hyderabad

Date : 28.05.2019

## NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself. The proxy not be a member of the Company. Proxy Form to be effective must be filed with the Company at the Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013, setting out material facts in respect of the Special Business of this Notice is annexed herewith.
3. Shareholders are requested to bring their copy of the Annual Report to the Meeting
4. Members/ Proxies should fill the Attendance Slip for attending the Meeting.
5. Members who hold shares in dematerialized form are requested to write their client ID and DPID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. The register of members will be closed from 21.09.2019 to 27.09.2019
7. The equity shares of the Company are listed at BSE Limited .
8. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 24.09.2019 and ends on 26.09.2019. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 20.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN relevant for Galada Power and Telecommunication Ltd (EVS No 190808015).
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or

NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

10. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at

[www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

11. M/s S V Achary & Co, Company Secretaries, represented by Mr. S.V.Narayana Charyulu, Practicing Company Secretary (Membership No. 5981) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director of the Company.
13. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.galadapower.com](http://www.galadapower.com) and on the website of CDSL within three (3) days of passing of the resolutions of the AGM of the Company and communicated to BSE Ltd.

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

1. Name of the Director : Sri D C Galada
2. Date of birth : 19.07.1942
3. Date of last appointment : 15.11.2017
4. Qualification : PG in Instrumentation Tech from MIT
5. DIN : 01834084
6. Expertise : Industrial / Business experience of more than three decades.
7. List of Public Ltd Companies in which outside Directorship was held as on 31<sup>st</sup> March, 2019:  
Nil
8. Chairman / Member of the Committees of other Public Ltd Companies on which he was a Director as on 31<sup>st</sup> March, 2019 :  
Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No 4**

Sri Shashi Galada is a Graduate and has rich experience in Business. He was appointed as Additional Director by the Board at its meeting held on 10.11.2018 His appointment is necessary for the continuance of the business of the Company and hence recommends the resolution for approval of the Shareholders. He is the Son of Sri D C Galada Managing Director of the Company and nephew of Sri Devendra Galada Executive Director of the Company..



## DIRECTORS REPORT

Your Directors have pleasure in presenting the 47<sup>th</sup> Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2019

### 1. Financial Highlights

<i>Amount in Rs.Lacs</i>		
<b>Particulars</b>	<b>Year ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Sale value of production	465	1832
Gross profit	(42)	264
Interest	234	232
Cash Profit	(276)	32
Dep & w/o	72	86
Exceptional Item	-	207
Profit before tax	(348)	153
Profit after tax	(348)	149
Dividend	-	-

### 2. DIVIDEND

In view of the operating loss suffered by the Company during the period under report, your Directors are not in a position to recommend any dividend for the year 2018-19

### 3. PRODUCTION AND SALES

The Company has not been operating its Uppal (Hyderabad) plant since May 2000 and at present only its Silvassa plant is working. As the banks suspended all the credit facilities earlier made available, the Company revised its business strategy by accepting and executing job orders. This is reflected in

continuance of business in spite of absence of working capital facilities. The Company produced 6677 Mts of Conductor during the year under Report as compared to 8673 Mts in the previous year.

#### **4. REFERENCE TO BIFR**

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

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

In the meantime, the Company’s efforts to make a breakthrough in the matter has borne fruit and Edelweiss ( assignee of IIBI and Canara Bank) & UTI have agreed for one-time settlement of their dues. As regards others, modalities are being worked out and the present status is given in notes 31,32 &33 to the Financial statement. It is hoped that with massive investment planned in Power Sector, the situation is expected to turn-around in favour of the Company.

#### **5. Contract / arrangement with related party**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties, were in the ordinary course of business and on an arm’s length basis. Your Directors draw attention of the members to Note 44 to the financial statement which sets out related party disclosures.

#### **6. Particulars of loans, investments and guarantees**

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

## **7. Management Discussion and Analysis**

### **a. Business review and outlook**

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

### **b. Internal Control System and their adequacy.**

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

### **c. Rehabilitation Scheme.**

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

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

### **d. Material developments in human resources / industrial relations.**

The Company values human resource as one of its most important assets and is strengthening it in line with its growth plans. The Company has always had an excellent track record of cordial and harmonious industrial relations. This year too, the industrial relations in the Company have been very cordial and not a single man-day was lost on this account.

### **e. Cautionary Statement.**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities law and regulations. Actual results could differ materially from those

expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax law and other statutes and other incidental factors.

## 8. Composition of Directors

The Board of Directors as at 31.03.2019 comprises Six directors, of which four are non-executive. The Chairman is non-executive and the number of independent directors, i.e. those who have no business relationship with the Company is two. The composition is as under:

<b>Name of the Director</b>	<b>Position</b>
<b>Executive</b>	
Sri D C Galada	Promoter & Managing Director & CEO
Sri Devendra Galada	Promoter & Executive Director
<b>Non-Executive Promoter</b>	
Sri S M Kankaria	Promoter & Chairman
Sri Shashi Galada	Promoter & Director
<b>Non-Executive Independent</b>	
Sri M L Sachdeva	Director
Ms Ameeta Trehan	Director

## 9. Meetings of each Director:

Four Board Meetings were held during the year, the dates being 26.05.2018,11.08.2018,10.11.2018 and 01.02.2019. The last AGM was held on 28.09.2018.

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

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

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

## 10. Policy for selection of Directors

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

### 1) Introduction

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

### 2) Scope

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

### **3) Policy**

#### **a) Qualifications and Criteria**

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

#### **b) Criteria of Independence**

- i) The Board shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
  - ii) The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.
- c) Other directorships / committee memberships**
- i) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Board shall take into account the nature of and the time involved in a Director’s service on other Boards, in evaluating the suitability of the individual Director.
  - ii) A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
  - iii) A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a whole-time Director in any Listed Company.
  - iv) A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

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

## **11. Remuneration Policy**

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

### **1. Introduction**

Galada Power and Telecommunication Ltd., (GPTL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore

formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

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

## **2. Scope**

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

## **3. Policy**

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

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

- \* Basic Pay
- \* Perquisites and Allowances
- \* Retiral benefits

### **b) Remuneration to Non-Executive Directors.**

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



### **c) Remuneration to other employees**

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

### **12. Declaration by Independent Director**

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

### **13. Board Evaluation**

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

### **14. Training of Independent Directors**

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

### **15. Committees of the Board**

The following Committees were reconstituted with effect from 11.02.2017.

#### **a. Audit Committee**

1	Ms Ameeta Trehan	Chairman
2	Shri M L Sachdeva	Member

#### **b. Nomination and Remuneration Committee**

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

1	Ms Ameeta Trehan	Chairman
2	Shri M L Sachdeva	Member

**16. Director's Responsibility Statement**

- a. In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d. The Directors have prepared the annual accounts on a 'going concern ' basis
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**17. Auditors & Auditor's Report**

**1. Statutory Auditors**

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

## **2. Cost Auditors**

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

## **3. Secretarial Auditor**

The Board appointed S V Achary, Practising Company Secretary to conduct Secretarial Audit from the financial year 2014-15 onwards. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and was taken on record by the Board in their meeting held on 28.05.2019. The Audit Report is attached herewith as Annexure I.

## **18. Annual Return**

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

## **19. Risk Management**

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

## **20. Internal financial control**

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

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

### **A. Conservation of Energy**

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

### **B. Technology Absorption**

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

### **C. Foreign Exchange Earnings and Outgo**

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

## **22. General**

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

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

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

## **ACKNOWLEDGEMENTS**

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

**By order of the Board**

**D C Galada**  
**Managing Director**

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

Place : Hyderabad  
Date : 28.05.2019

**Form No. MR-3**

**Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2019**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**To**  
**The Members,**  
**M/s Galada Power And Telecommunication Limited**  
**(CIN: L64203TG1972PLC001513)**  
**P2/6, IDA, Block III, Uppal,**  
**Hyderabad, Telangana, 500039 India**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Galada Power And Telecommunication Limited (hereinafter referred to as the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion the Company has, during the financial year ended on 31<sup>st</sup> March, 2019 (audit period), complied with all the statutory provisions listed hereunder and proper Board-processes and compliance-mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter:

1) I have examined the secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company 'as per Annexure I' for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of;

- i) The Companies Act 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
- iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The industry specific Acts, labour and other applicable laws as provided by the management of the Company.

2) We have also examined compliance with the applicable clauses of:-

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

3) I further report that:-

i) I have examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) The Company being a Listed Company complies with all the Clauses of Listing Agreement.

iii) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iv) Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

v) Company has filed forms as required under the provisions of the act.

4) During the period under review Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards.

- Contracts or arrangements made with related parties.
- The Company has obtained all necessary approvals under various provisions of the Act where necessary.

5) I further report that:-

i) The Company constitutes the Board of Directors of the Company with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Company appointed Shashi Galada as an Additional Director on the Board on 10/11/2018.

ii) The Company complies with the provisions of section 177 of Companies Act, 2013, read with Rule 6 and 7 of Companies (Meetings of the Board and its Powers) Rules, 2013.

iii) The Company complies with the provisions of section 178(1) of Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee.

6) I further report that during the audit period, there were no instances of:

i) Redemption of buy-back of securities.

ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

iii) Merger / amalgamation / reconstruction etc.

iv) Not declared any dividends during the financial year.

v) Corporate Social Responsibility initiatives as the said provisions are not applicable.

vi) Neither accepted nor renewed any deposits during the period under review.

vii) Company has not Created, Modified and Satisfied any charge on the assets of the Company during the year.

7) I further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For S.V. Achary & Co  
Company Secretaries

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

Place: Hyderabad

Date: 28<sup>th</sup> May, 2019

**ANNEXURE - I TO THE SECRETARIAL AUDIT REPORT  
LIST OF DOCUMENTS VERIFIED**

1. Memorandum and Articles of Association of the Company, Bye Laws, Rules and Policies of the Company.
2. Annual Reports for the Financial Year ended 31<sup>st</sup> March, 2019; 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.
3. Minutes of the meetings of the Board of Directors.
4. Minutes of General Body Meetings held during the Financial Year under review.
5. Statutory Registers viz.
  - Register of Directors and KMP.
  - Register of Directors' Shareholding.
  - Register of Charge.
  - Register of Contracts.
  - Register of Members
  - Register of loans, guarantees, securities and acquisitions made by the Company.
  - Register of Transfers.
6. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings respectively.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. All statutory forms filed by the Company under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under review.
9. ROC file, Books of Accounts and other documents as provided by the Company for the year under review.



**To,  
The Members,  
Galada Power And Telecommunication Limited**

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

- a) The maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d) Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- f) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S.V. Achary & Co  
Company Secretaries

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

Place: Hyderabad  
Date: 28<sup>th</sup> May, 2019

**ANNEXURE II TO BOARDS' REPORT**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**NIL**

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
<b>Sub -total (A) (1)</b>	<b>1165067</b>	<b>0</b>	<b>1165067</b>	<b>15.56</b>	<b>1165067</b>	<b>0</b>	<b>1165067</b>	<b>15.56</b>	<b>0</b>
(2) Foreign	0	0	0	0	0	0	0	0	0
<b>Sub -total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)</b>	1165067	0	1165067	15.56	1165067	0	1165067	15.56	0
<b>B. Public Shareholding</b>									
Institutions									
Banks / FI	722172	1200	723372	9.65	722172	1200	723372	9.65	0
<b>Sub-total (B)(1):-</b>	722172	1200	723372	9.65	722172	1200	723372	9.65	0
<b>2. Non-Institutions</b>									
Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2307901	845448	3153349	42.10	2377586	832648	3210234	42.86	(+)0.76
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2348092	0	2448092	32.69	2391207	0	2391207	31.93	(-)0.76
<b>Sub-total (B)(2):-</b>	4755993	845448	5601441	74.79	4768793	832648	5601441	74.79	0
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5478165</b>	<b>846648</b>	<b>6324813</b>	<b>84.44</b>	<b>5490965</b>	<b>833848</b>	<b>6324813</b>	<b>84.44</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	6643232	846648	7489880	100.00	6656032	833848	7489880	100.00	0

**(ii) Shareholding of Promoter-**

Sl no	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase /decrease in share holding during the year (2018-19)		
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	Date	No. of Shares	Reason
1	Amita Galada	143987	1.92	143987	1.92			
2	Aditya Kumar Kankaria	19000	0.25	19000	0.25			
3	Binod Chand Kankaria	30400	0.41	30400	0.41			
4	Biraj Kavar Galada	67000	0.89	67000	0.89			
5	Chandra Kant Kankaria	38000	0.51	38000	0.51			
6	Devendra Galada	145090	1.94	145090	1.94			
7	Dharam Chand Galada	187530	2.50	187530	2.50			
8	Gaurav Kankaria	5500	0.07	5500	0.07			
9	Lalit Kumar Kankaria	46670	0.62	46670	0.62			
10	M C Galada	59045	0.79	59045	0.79			
11	Manisha Kankaria	9000	0.12	9000	0.12			
12	Manohar Kumar Kankaria	35960	0.48	35960	0.48			
13	Phool Kumari Kankaria	28350	0.38	28350	0.38			
14	Pramila Kankaria	51664	0.69	51664	0.69			
15	Sandip Kumar Kankaria	17000	0.23	17000	0.23			
16	Sardarmull Kankaria	36023	0.48	36023	0.48			
17	Shail Galada	27391	0.37	27391	0.37			
18	Shashi Kankaria	39000	0.52	39000	0.52			
19	Snehlata Galada	141737	1.89	141737	1.89			
20	Subhas Chand Kankaria	32000	0.43	32000	0.43			
21	D C Galada HUF	2520	0.03	2520	0.03			
22	Shail Galada HUF	2200	0.03	2200	0.03			
	<b>Total</b>	<b>1165067</b>	<b>15.56</b>	<b>1165067</b>	<b>15.56</b>			

NIL

**Change in Promoters' Shareholding**

Sl No	Particulars	No. of shares	% of total shares of the company
	At the beginning of the year	1165067	15.56
	Increase / Decrease in Promoters Shareholding during the year	0	0
	At the end of the year	1165067	15.56

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

Sl No	Name	No. of shares (as on 31.03.2019)	No of shares (as on 31.03.2018)	Increase / decrease in shareholding during the year (2018-19)	
				No of shares	Reason
1	GIICL	178465	178465	No change	
2	DD Investment and Leasing Pvt Ltd	498136	498136	No change	No change
3	IDBI	670964	670964	No change	
4	Ecoman Vinimay P Ltd	100000	100000	No change	
5	Bhauvesh kumar bansal	99809	99809	No change	No change
6	Hemant Kumar Gupta	457646	467102	(-)9456	No change
7	Sharon Gupta	152103	152103	No change	No change
8	Shweta Mehul Shah	113280	334280	(-)221000	Transfer
9	Preeti Mishra	74742	75742	(-)1000	Transfer
10	Mehul R Shah	111200	0	(+)111200	Transfer
11	Mehul R Shah HUF	111000	0	(+)111000	Transfer

**(iv) Shareholding of Directors and Key Managerial Personnel:**

Sl No	Name	Shareholding at the beginning of the year (as on 01.04.2018)	Change during the year (2018-19)	Shareholding at the end of the year (as on 31.03.2019)
1	Dharam chand Galada	187530	0	187530
2	Devendra Galada	145090	0	145090

**V) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	428951400	8862259	0	437813659
ii) Interest due but not paid	71305832	0	0	71305832
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	500257232	8862259	0	509119491
<b>Change in Indebtedness during the financial year</b>				
* Addition	14342324	0	0	14342324
* Reduction	0	159586	0	159586
<b>Net Change</b>	14342324	(159586)	0	14182738

<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	425699400	8702673	0	434402073
ii) Interest due but not paid	88900156	0	0	88900156
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>514599556</b>	<b>8702673</b>	<b>0</b>	<b>523302229</b>

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## **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Dharam chand Galada	Devendra Galada	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	492000	480000	972000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	162549	62080	224629
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	654549	542080	1196629
	Ceiling as per the Act	900000	900000	1800000

### **B. Remuneration to other directors**

Sl No	Particulars of Remuneration	Name of the Directors			Total Amount
		M L Sachdeva	Ameeta Trehan		
1	Independent Directors				
	Fee for attending board committee meetings	4000	4000	8000	
	Commission	0	0	0	
	Incidental Expenses	0	0	0	
	Total (1)	4000	4000	8000	
2	Other Non-Executive Directors	S M Kankaria	Shashi Galada		
	Fee for attending board committee meetings	1000	500	1500	
	Commission	0	0	0	

Incidental Expenses	0	0	0
Total (2)	1000	500	1000
Total (B)=(1+2)	5000	4 500	9500
Total Managerial Remuneration			1206129
Overall Ceiling as per the Act			1809500

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

Sl no	Particulars of Remuneration	CS & CFO
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	577262
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	144000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	
	- as % of profit	0
	others, specify...	0
5	Others, please specify	0
	Total	721262

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **GALADA POWER AND TELECOMMUNICATION LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS), of the state of affairs of the Company as at March 31, 2019, its profit, the total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 to the financial statements which indicates that the company has net accumulated losses of Rs. 10,311.55 lakhs as at the year ended March 31, 2019 and as of that date the company's current liabilities exceeded its total assets by Rs. 4,699.64 lakhs. These conditions, along with other matters as set forth in the said Note, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Emphasis of Matter:**

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

- a. Note 33 to the financial statements regarding the non-provision of interest on working Capital Loan.
- b. Note 34 to the financial statements on non-compliance with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special Bank Account.
- c. Note 35 to the financial statements regarding the appointment and payment of Managerial Remuneration.

Our opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key Audit Matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

#### **KAM Title**

*Going Concern Assessment*

#### **KAM Description**

The circumstances as discussed in note 1 to the financial statements and under 'Material Uncertainty Related to Going Concern' paragraph, indicate a condition that may cast significant doubt on the Company's ability to continue as a going concern. In preparation of the Company's financial statements, management had made an assessment on its working capital sufficiency and also the probability of the positive outcome of the negotiations with the term lenders regarding OTS and on evaluation of the realizable value of the non-core/ unused assets has concluded that the Company will have sufficient working capital to finance its operations and to meet its financial commitments to the term lenders as and when they fall due for at least next twelve months from the end of the reporting period. Accordingly, the financial statements have been prepared on the going concern basis. The going concern assessment was based on the cash flow forecast from operations and disposal of non-core/ unused assets and the outcome of the negotiations with term lenders that required significant judgement and assumptions about inherently uncertain future outcomes of events and conditions.

## **Our Response**

Our procedures in relation to the management's assessment of going concern included assessing the appropriateness of the key assumptions adopted by the management in preparation of the cash flow forecasts, reasonableness of key assumptions used based on our knowledge of the business, industry and historical data and also the ongoing negotiations with the term lenders for OTS and the possibility of the sale of non-core/ unused assets. We reconciled input data to supporting evidence, such as orders on hand, communication letters with term lenders and board resolutions. We also considered the impact of reasonably possible downside effects in the assumptions underlying the cash flow forecasts and assessed the possible mitigating actions identified by management.

## **KAM Title**

*Valuation of Deferred Tax Assets*

## **KAM Description**

The company has not recognised deferred tax asset for deductible temporary differences and unused tax losses. As the utilisation of deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilise deductible temporary differences and tax losses before they expire. We determined this to be a key audit matter due to the inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and utilisation of tax losses.

Management has supported the non-recoverability of the deferred tax assets mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.

## **Our Response**

Our audit procedures included, among others, evaluating the projected tax computations prepared by the company to assess the recognition and measurement of the current and deferred tax assets and liabilities and evaluate the compliance with the tax legislation. We paid attention to the long-term forecasts and critically assessed the assumptions and judgments underlying these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We assessed the adequacy and the level of estimation involved.

## **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, **total comprehensive income**, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for **safeguarding** of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls **with reference to financial statements** of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) **With respect to the other matters to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended, refer to our comment made in clause (c) under ‘Emphasis of Matter’ paragraph.**
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note **21** to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer Note **34** to the Financial statements)

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

Place : Hyderabad  
Date : May28, 2019

(T. SUKESH KUMAR)  
Partner  
Membership Number: 229963

## **Annexure -A to the Auditor's Report:**

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **GALADA POWER AND TELECOMMUNICATION LIMITED**, HYDERABAD, for the year ended March 31,2019,

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

7. a. According to the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable are as follows.

Nature of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Due date	Date of payment
The Companies Act, 1956	Investor Education and Protection Fund #	11,556,699	1996	30.12.2003	Not yet paid
APGST Act	IFST Loan Differed Sales Tax Sales tax	311,190 6,710,843 100,000	1988 1996 2000	25.07.1997 01.04.2001 01.08.2001	Not yet paid
The Dadra and Nagar Haveli VAT Regulation, 2005	CST	13,500	May, 2017	20.06.2017	Not yet paid

# refer note 34 to the financial Statements

- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
8. In our opinion, the company has defaulted in repayment of loans to financial institutions and banks. The details of such defaults are
- Working Capital loan from Syndicate Bank - Rs. 264,135,400/- due from year 2000
  - Stressed Assets Stabilisation Fund – Rs. 149,700,000/- Period of default 31 Months
  - Edelweiss Asset Reconstruction Company Limited - Rs. 1,056,000/- Period of default 2Months
  - Unit Trust of India - Rs. 50,000,000/ Period of default 18 Months
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for remuneration during the year, to the Managing Director and to the Executive Director amounting to Rs. 654,549/- and Rs. 542,080/-respectively, which is subject to the approval of the Central Government, as the company has defaulted in repayment of its debts in the preceding financial year before the date of their appointment. As such the payment of remuneration is not in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place : Hyderabad  
Date : May 28, 2019

(T. SUKESH KUMAR)  
Partner  
Membership Number: 229963

## **Annexure – B to the Auditors' Report**

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

We have audited the internal financial controls **with reference to the financial statements** of **GALADA POWER AND TELECOMMUNICATION LIMITED**, HYDERABAD ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls:**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control **with reference to the financial statements** criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls **with reference to the financial statements** based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls **with reference to the financial statements** was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system **with reference to the financial statements** and their operating effectiveness. Our audit of internal financial controls **with reference to the financial statements** included obtaining an understanding of internal financial controls **with reference to the financial statements**, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



**Meaning of Internal Financial Controls with Reference to the Financial Statements:**

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to the Financial Statements:**

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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for K.S.RAO & CO.,  
Chartered Accountants  
Firm's Registration Number: 031095

Place : Hyderabad  
Date : May 28, 2019

(T. SUKESH KUMAR)  
Partner  
Membership Number: 229963

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
**CIN No: L64203TG1972PLC001513**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Note No.	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	75,972,978	85,417,738
Financial Assets			
Other financial assets	5	3,436,876	3,281,100
Deferred Tax Assets(net)	6	-	-
		<u>79,409,854</u>	<u>88,698,838</u>
<b>Current assets</b>			
Inventories	7	2,216,431	1,866,537
Financial Assets			
Trade receivables	8	2,034,826	5,055,610
Cash and cash equivalents	9	832,754	257,157
Others financial assets	10	1,326,874	3,398,254
Current Tax Assets (Net)		2,119,770	2,186,301
Other current assets	11	15,528,054	18,611,702
		<u>24,058,709</u>	<u>31,375,561</u>
<b>Total Assets</b>		<b><u>103,468,563</u></b>	<b><u>120,074,399</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	74,898,800	74,898,800
Other Equity	13	(546,975,069)	(512,151,050)
		<u>(472,076,269)</u>	<u>(437,252,250)</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Financial Liabilities			
Borrowings	14	-	-
Provisions	15	2,111,914	1,919,437
		<u>2,111,914</u>	<u>1,919,437</u>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	16	265,816,040	265,975,626
Trade payables	17	21,179,861	20,088,855
Other financial liabilities	18	281,363,645	263,650,446
Other current liabilities	19	1,242,917	2,107,741
Provisions	20	3,830,455	3,584,544
		<u>573,432,918</u>	<u>555,407,212</u>
Contingent Liabilities and Commitments	21		
<b>Total Equity and Liabilities</b>		<b><u>103,468,563</u></b>	<b><u>120,074,399</u></b>
NOTES TO THE FINANCIAL STATEMENTS	1 - 47		

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

**for and on behalf of the Board**

**D C GALADA**  
Managing Director

**T SUKESH KUMAR**  
Partner  
Membership Number: 229963

**DEVENDRA GALADA**  
Executive Director

Place: Hyderabad  
Date : 28.05.2019

**V SUBRAMANIAN**  
Vice President, Secretary & CFO

**GALADA POWER AND TELECOMMUNICATION LIMITED**

CIN No: L64203TG1972PLC001513

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Note No.	Amount in ₹	
		for the year ended 31.03.2019	for the year ended 31.03.2018
Revenue from Operations	22	36,481,760	129,707,790
Other Income	23	10,007,095	53,445,252
<b>Total Income</b>		<b>46,488,855</b>	<b>183,153,042</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	-	81,808,853
Employee Benefits Expense	25	17,468,894	21,341,091
Finance costs	26	23,417,349	23,175,640
Depreciation and amortisation expense	27	7,216,835	7,494,911
Other expenses	28	33,147,148	34,669,956
<b>Total expenses</b>		<b>81,250,226</b>	<b>168,490,451</b>
Profit before tax		<b>(34,761,371)</b>	<b>14,662,591</b>
<b>Tax Expenses:</b>			
Income Tax - Earlier years		-	363,893
Deferred Tax		-	-
		-	<b>363,893</b>
Profit for the Year		<b>(34,761,371)</b>	<b>14,298,698</b>
<b>Other Comprehensive income</b>			
Other Comprehensive income	29		
Items that will not be reclassified subsequently to profit or loss		(62,648)	557,249
Income tax relating to items that will not be reclassified to profit or loss		-	-
		<b>(62,648)</b>	<b>557,249</b>
Total Comprehensive Income for The Year		<b>(34,824,019)</b>	<b>14,855,947</b>
<b>Earnings per equity share from Continuing operations:</b>			
Basic & Diluted- ₹	30	(4.65)	1.98
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>1 - 47</b>		

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

**T SUKESH KUMAR**  
Partner  
Membership Number: 229963

Place: Hyderabad  
Date : 28.05.2019

**for and on behalf of the Board**

**D C GALADA**  
Managing Director

**DEVENDRA GALADA**  
Executive Director

**V SUBRAMANIAN**  
Vice President, Secretary & CFO

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
**CIN No: L64203TG1972PLC001513**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

A. EQUITY SHARE CAPITAL	Amount in ₹	
	As at 31.03.2019	As at 31.03.2018
i. At the beginning of the year	74,898,800	74,898,800
ii. Changes during the year		
iii. At the end of the year	<b>74,898,800</b>	<b>74,898,800</b>

B. OTHER EQUITY	Amount in ₹						
	Particulars	Capital Redemption Reserve	Shares Forfeited	Securities Premium	Capital Reserve	Retained Earnings	OCI Actuarial Gain(Loss)
i. Balance as at March 31, 2018	100,000	7,500,000	137,336,800	339,242,926	(997,063,515)	732,739	(512,151,050)
Profit for the year	-	-	-	-	(34,761,371)	-	(34,761,371)
Other Comprehensive income for the year	-	-	-	-	-	(62,648)	(62,648)
ii. Balance as at March 31, 2019	<b>100,000</b>	<b>7,500,000</b>	<b>137,336,800</b>	<b>339,242,926</b>	<b>(1,031,824,886)</b>	<b>670,091</b>	<b>(546,975,069)</b>

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

**for and on behalf of the Board**

**D C GALADA**  
Managing Director

**T SUKESH KUMAR**  
Partner  
Membership Number: 229963

**DEVENDRA GALADA**  
Executive Director

Place: Hyderabad  
Date : 28.05.2019

**V SUBRAMANIAN**  
Vice President, Secretary & CFO

**GALADA POWER AND TELECOMMUNICATION LIMITED**

**CIN No: L64203TG1972PLC001513**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**

**Amount in ₹**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b><i>I. Cash flow from operating activities:</i></b>		
<i>Profit before tax</i>	(34,761,371)	14,662,591
Add: Other Comprehensive Income before Tax	(62,648)	557,249
	<u>(34,824,019)</u>	<u>15,219,840</u>
<i>Adjustment for non-cash transactions:</i>		
Depreciation and amortization expenses	7,216,835	7,494,911
Net Gain on Sale of Property, Plant and Equipment	(8,112,074)	(30,576,712)
Excess Provision written back	-	(20,706,587)
Credit Balances written back	(800,025)	(837,777)
Debit Balances written off	448,656	24,075
Deposits written off	-	1,020,910
Input credits written off	-	108,741
Fixed Assets Discarded	-	1,173
	<u>(36,070,627)</u>	<u>(28,251,426)</u>
<i>Adjustment for investing and financing activities:</i>		
Interest Income:		
From bank deposits and others	(228,215)	(239,512)
From financial assets	(6,557)	-
Interest on Term Loans	23,417,349	23,175,640
	<u>23,182,577</u>	<u>22,936,128</u>
<i>Adjustment for changes in working capital:</i>		
Decrease / (increase) in inventories	(349,894)	(129,237)
Decrease / (increase) in trade receivables	3,020,784	(4,580,102)
Decrease / (increase) in other current financial assets	2,071,380	(1,994,555)
Decrease / (increase) in other non current financial assets	(149,219)	1,056,010
Decrease / (increase) in other bank balances	-	154,849
Decrease / (increase) in other current assets	2,648,467	3,448,279
(Decrease) /Increase in trade payables	1,891,031	1,835,746
(Decrease) /Increase in other current financial liabilities	3,370,865	877,267
(Decrease) /Increase in other current liabilities	(864,824)	(10,339,694)
(Decrease) /Increase in long term provisions	192,477	(2,536,491)
(Decrease) /Increase in short term provisions	245,911	2,743,228
	<u>12,076,978</u>	<u>(9,464,700)</u>
<i>Cash generated from operations</i>	<u>(811,072)</u>	<u>(14,779,998)</u>
Less: Direct taxes paid (net of refunds)	66,531	6,987,496
<b><i>Net cash flow from operating activities (I)</i></b>	<u><u>(744,541)</u></u>	<u><u>(7,792,502)</u></u>

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
**CIN No: L64203TG1972PLC001513**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Amount in ₹	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>II. Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP	-	(21,186)
Sale of Fixed Assets	10,339,999	33,631,980
Interest Income received	214,740	263,605
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>10,554,739</b>	<b>33,874,399</b>
<b>III. Cash flows from financing activities</b>		
Net Proceeds from Long Term Borrowings	(3,252,000)	(10,664,000)
Net Proceeds from Short Term Borrowings	(159,586)	940,226
Interest Paid	(5,823,015)	(16,254,080)
<b>Net cash flow from/ (used in) financing activities (III)</b>	<b>(9,234,601)</b>	<b>(25,977,854)</b>
<b>IV. Net (decrease)/increase in cash and cash equivalents (I + II + I)</b>	<b>575,597</b>	<b>104,043</b>
Cash and cash equivalents at the beginning of the year	257,157	153,114
<b>V. Cash and cash equivalents at the end of the year</b>	<b>832,754</b>	<b>257,157</b>
<b>VI. Components of cash and cash equivalents:</b>		
Cash on hand	42,544	55,317
With banks:		
On Current Account	790,210	201,840
<b>Total cash and cash equivalents (Note no 9)</b>	<b>832,754</b>	<b>257,157</b>

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

**T SUKESH KUMAR**  
Partner  
Membership Number: 229963

Place : Hyderabad  
Date : 28.05.2019

**for and on behalf of the Board**

**D C GALADA**  
Managing Director

**DEVENDRA GALADA**  
Executive Director

**V SUBRAMANIAN**  
Vice President, Secretary & CFO

**1. Corporate information:**

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

The Company has recorded a net Loss of Rs. 348.24 Lakhs for the year and it has accumulated losses of Rs. 10,311.55 Lakhs as at March 31, 2019, resulting in total erosion of the net worth. Further, there were lower cash inflows from the existing business activities. The Company has defaulted in payment of dues to banks / financial institutions and could not comply with the terms of sanction and / or repayment schedules of the lending institutions and Banks. Consequently, all the lending institutions recalled the loans and the Bankers of the Company also initiated legal proceedings for the recovery of the debts. The matter was referred to Board for Industrial and Financial Reconstruction (BIFR) and the Company had been declared sick. Later on, BIFR Confirmed their opinion for winding up in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide order dt:14.09.2007. The Company preferred an appeal before AAIFR which confirmed the BIFR order. The Company further preferred an appeal before the Hon'ble High Court of Andhra Pradesh which has stayed BIFR order and further hearings are in progress.

In the meantime, all term lenders except Syndicate Bank have assigned their dues to various Asset Reconstruction Companies/designated financial Institutions (SASF) and the Company has entered into OTS agreements with them.

The Company could not comply with the OTS payment terms of Stressed Assets Stabilisation Fund(SASF) and consequently SASF filed a suit before the Debt Recovery Tribunal (DRT) at Hyderabad to recover the original dues along with Interest and invoked the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended (SARFAESI Act) and took physical possession of 1.812 acres of land at Uppal and symbolic possession of facilities at Silvassa on 13.6.2018. The proceedings before DRT against the recovery suit filed by SASF are in progress(also refer Note: 31)

Inter alia, SASF has made an application before National Company Law Tribunal (NCLT), Hyderabad Bench to initiate corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016 claiming default by the company in repayment of dues. The company has filed the counter praying for dismissal of the application and for a direction to be issued to SASF to honour their commitment of considering its OTS proposal. NCLT advised both the parties to mutually negotiate and settle the matter before admitting the application made by SASF and posted the case for hearing on 04.06.2019.

Though the above circumstances indicate that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, the Company is of the view that an acceptable and viable OTS schedule can be worked with SASF and also with Syndicate Bank. Hence, the accompanying financial statements have been prepared on a "going concern" basis.

These financial statements were approved by the Board of Directors and authorised for Issuance in their meeting held on May 28, 2019.

**2. Basis of Preparation:**

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

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

**3. Significant Accounting policies:**

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

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

**Estimates and Assumptions:**

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

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

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

**ii. Defined Benefit Plans:**

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



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

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

**iv. Contingencies:**

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

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

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

**vi. Income Taxes:**

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

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

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

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

**b) Current Vs Non-current classifications**

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

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

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

All other assets are classified as non-current assets.

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

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

All other liabilities are classified as non-current.

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

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

**c) Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of input credits, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

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

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

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

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

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

Estimated useful life of the assets are as follows:

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

**d) Impairment of non-financial assets:**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or have decreased. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**e) Leases:**

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

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

**Classification on inception of lease:**

a. Operating lease:

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

b. Finance Lease:

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

**Accounting of Operating leases:**

a. Where the Company is the lessee:

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

b. where the Company is the lessor:

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

**f) Inventories:**

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

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

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

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

**g) Revenue recognition:**

Revenue from contracts with customers includes Sale of Goods and Services and is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Revenue is measured at the fair value of consideration received or receivable and is recognized when the control in all respects, over the Goods or Services is transferred to and accepted by the customer and the company has not retained any significant risks of ownership and future obligations with respect to such Goods or Services. Specifically, the following basis is adopted for various sources of income:

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

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

iii. **Interest:** Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. **Other Sundry incomes:** Insurance claims, conversion escalations are accounted for on accrual basis.

**h) Foreign Currency Transactions:**

- i. Functional and Reporting Currency:** The Company's functional and reporting currency is Indian National Rupee.
- ii. Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency on the date of the transaction.
- iii. Conversion on reporting date:** Foreign currency monetary items are reported at the closing rate. Foreign currency non-monetary items are reported at historical cost.
- iv. Exchange Differences:** Exchange difference arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

**i) Borrowing Costs:**

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

**j) Retirement and other employee benefits:**

- i.** Employer's contribution to Provident Fund/Employee State Insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii.** The company operates a gratuity plan which is in the nature of defined benefit obligation. The company's liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".
- iii.** Gratuity liability is considered as post-employment benefit expense as per Ind AS -19. Accordingly, re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.
- iv.** Accumulated leaves, which are expected to be utilised within the next twelve months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

**k) Earnings Per Share:**

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

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

**l) Provisions:**

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

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

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

**m) Contingencies:**

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

**n) Taxes on Income:**

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

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

**o) Prior period items:**

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

**p) Cash and cash equivalents:**

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

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

**q) Segment Reporting:**

**Identification of Segments:**

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

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

**Allocation of Common Costs:**

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

**Unallocated Items:**

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

**r) Financial instruments:**

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

**Financial Assets:**

**a. Initial recognition and measurement:**

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

**b. Subsequent measurement:**

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

- a. Debt instruments at amortised cost
- b. Debt Instruments at fair value through profit and loss (FVTPL)
- c. Equity instruments at fair value through profit and loss (FVTPL)

**a. Debts Instruments at amortised cost:**

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

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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



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

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

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

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

**c. Derecognition:**

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

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

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

**d. Impairment of financial assets:**

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

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

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

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

**Financial liabilities:**

**a. Initial recognition and measurement:**

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

**b. Subsequent measurement:**

**i. Financial liabilities at fair value through profit or loss**

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

**ii. Financial liabilities at amortised cost:**

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

**c. Derecognition:**

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

**Reclassification:**

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

**s) Fair Value Measurement:**

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

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

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

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

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

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

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

- a. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- c. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

**GALADA POWER AND TELECOMMUNICATION LIMITED**

CIN No: L64203TG1972PLC001513

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**4. PROPERTY, PLANT AND EQUIPMENT**

Amount in ₹

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2018	ADDITIONS	DEDUCTIONS	AS AT 31.03.2019	UP TO 31.03.2018	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
1	Land( refer Note:31)	10,204,377	-	602,236	9,602,141	-	-	-	-	9,602,141	10,204,377
2	Buildings:										
	Factory	52,482,874	-	-	52,482,874	29,810,906	1,567,459	-	31,378,365	21,104,509	22,671,968
	Office	9,343,156	-	2,171,648	7,171,508	3,064,418	126,640	545,959	2,645,099	4,526,409	6,278,738
3	Plant and Equipment	206,610,920	-	-	206,610,920	161,244,667	5,245,268	-	166,489,935	40,120,985	45,366,253
4	Furniture and Fixtures	988,547	-	-	988,547	942,600	618	-	943,218	45,329	45,947
5	Vehicles	1,701,629	-	-	1,701,629	1,019,347	208,379	-	1,227,726	473,903	682,282
6	Office Equipment	1,075,643	-	-	1,075,643	942,174	33,767	-	975,941	99,702	133,469
7	Data Processing Equipment	1,026,328	-	-	1,026,328	991,624	34,704	-	1,026,328	-	34,704
	<b>Total</b>	<b>283,433,474</b>	<b>-</b>	<b>2,773,884</b>	<b>280,659,590</b>	<b>198,015,736</b>	<b>7,216,835</b>	<b>545,959</b>	<b>204,686,612</b>	<b>75,972,978</b>	<b>85,417,738</b>
	<b>Previous Year</b>	<b>288,325,311</b>	<b>21,186</b>	<b>4,913,023</b>	<b>283,433,474</b>	<b>192,377,407</b>	<b>7,494,911</b>	<b>1,856,582</b>	<b>198,015,736</b>	<b>85,417,738</b>	<b>95,947,904</b>

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
**CIN No: L64203TG1972PLC001513**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
<b>5</b>	<b>Other financial assets - Non Current:</b>		
	Security Deposits	141,962	31,100
	Bank Deposits for Power Supply	3,250,000	3,250,000
	Prepaid Lease Rentals	44,914	-
	<b>Total</b>	<b>3,436,876</b>	<b>3,281,100</b>
<b>6</b>	<b>Deferred Taxes:</b>		
	<i>Net deferred tax asset/ (liability) not recognised in Balance Sheet</i>		
	Accelerated depreciation	(10,659,843)	(11,546,592)
	Other disallowances	24,989,442	20,319,521
	Carry forward Losses	61,718,279	54,708,991
	<b>Total</b>	<b>76,047,878</b>	<b>63,481,920</b>
	In terms of Indian Accounting Standard (Ind AS 12) - "Income Taxes" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, there is a net deferred tax asset as on 31st March 2019. In the absence of convincing evidence regarding the availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to temporary differences and unused tax losses at present.		
<b>7</b>	<b>Inventories:</b>		
	At Cost:		
	Stores and Spares	2,216,431	1,866,537
	<b>Total</b>	<b>2,216,431</b>	<b>1,866,537</b>
<b>8</b>	<b>Trade Receivables:</b>		
	Unsecured, Considered Good	2,034,826	5,055,610
	<b>Total</b>	<b>2,034,826</b>	<b>5,055,610</b>
<b>9</b>	<b>Cash and cash equivalents:</b>		
	Balances with Banks		
	on Current Accounts	790,210	201,840
	Cash on Hand	42,544	55,317
	<b>Total</b>	<b>832,754</b>	<b>257,157</b>
<b>10</b>	<b>Other financial assets - Current:</b>		
	Staff Advances	-	21,250
	Claims receivable	1,326,874	1,326,874
	Other Receivables	-	2,050,130
	<b>Total</b>	<b>1,326,874</b>	<b>3,398,254</b>

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
**CIN No: L64203TG1972PLC001513**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
<b>11</b>	<b>Other Current Assets:</b>		
	Advance for Purchases and Expenses	7,564	41,561
	Balance with Statutory Authorities	14,816,075	18,117,892
	Prepaid Expenses	225,043	165,896
	Accrued Conversion Charges	465,897	286,353
	Prepaid Lease Rentals	13,475	-
	<b>Total</b>	<b>15,528,054</b>	<b>18,611,702</b>
<b>12</b>	<b>Equity Share Capital:</b>		
	<b>Authorised Share Capital</b>		
	10,900,000 Equity Shares of ₹ 10/- each	109,000,000	109,000,000
	10,000 - 9.5% Cumulative Redeemable Preference Shares		
	of ₹ 100/- each	1,000,000	1,000,000
	<b>Total</b>	<b>110,000,000</b>	<b>110,000,000</b>
	<b>Issued and Subscribed:</b>		
	7,489,880 Equity Shares of ₹ 10/- each	74,898,800	74,898,800
	10,000 - 9.5% Cumulative Redeemable Preference Shares		
	of ₹ 100/- each	1,000,000	1,000,000
	<b>Total</b>	<b>75,898,800</b>	<b>75,898,800</b>
	<b>Paid up:</b>		
	7,489,880 Equity Share of ₹ 10/- each	74,898,800	74,898,800
	<b>Total</b>	<b>74,898,800</b>	<b>74,898,800</b>
	<b>Reconciliation of the shares outstanding at the beginning and at the end of respective years:</b>		
	In no. of Shares		
	At the Beginning and at the end of the year	7,489,880	7,489,880
	In value of Shares - ₹		
	At the Beginning and at the end of the year	74,898,800	74,898,800
	<b>Rights attached to the Equity Shares</b>		
	The company has only one class of equity shares having a face value of ₹ 10/- per share with one vote per each share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	<b>Details of Shareholders holding more than 5% shares in the company</b>		
	Equity Shares of ₹ 10/- each fully paid:		
	M/s Industrial Development Bank of India, - In No.'s	670,964	670,964
	- In %	8.96	8.96
	M/s. DD Investment and Leasing Private Limited - In nos	498,136	498,136
	- In %	6.65	6.65

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
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S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
<b>13 Other Equity:</b>			
	Capital Redemption Reserve:		
	At the beginning and at the end of the year	100,000	100,000
	Shares Forfeited:		
	At the beginning and at the end of the year	7,500,000	7,500,000
	Securities Premium:		
	At the beginning and at the end of the year	137,336,800	137,336,800
	Capital Reserve:		
	At the beginning and at the end of the year	339,242,926	339,242,926
	Surplus in Statement of Profit and Loss		
	At the beginning of the year	(997,063,515)	(1,011,362,213)
	Profit for the year	(34,761,371)	14,298,698
	At the end of the year	<b>(1,031,824,886)</b>	<b>(997,063,515)</b>
	Other Comprehensive Income		
	On Acturial Gain/(loss) on post employment benefits		
	At the beginning of the year	732,739	175,490
	for the year	(62,648)	557,249
	At the end of the year	<b>670,091</b>	<b>732,739</b>
	<b>Total</b>	<b>(546,975,069)</b>	<b>(512,151,050)</b>
<b>14 Borrowings - Non Current:</b>			
	<b>Term Loans: ( Secured ) #</b>		
	From Financial Institutions		
	Edelweiss Asset Reconstruction Company Limited	6,864,000	10,116,000
	Less: Current maturities	6,864,000	10,116,000
		-	-
	Stressed Assets Stabilisation Fund ( refer note 31)	149,700,000	149,700,000
	Less: Current maturities	149,700,000	149,700,000
		-	-
	Unit Trust of India	5,000,000	5,000,000
	Less: Current maturities	5,000,000	5,000,000
		-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

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

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
<b>15 Provisions - Non Current:</b>			
	Provision for employee benefits		
	Provision for Gratuity (refer Note No:39)	1,728,063	1,243,890
	Provision for compensated absences	383,851	675,547
	<b>Total</b>	<b>2,111,914</b>	<b>1,919,437</b>
<b>16 Borrowings - Current:</b>			
	<b>Secured</b>		
	<b>Working Capital Loans:</b>		
	Cash Credit from Syndicate Bank(refer Note:33)#	264,135,400	264,135,400
	<b>Unsecured</b>		
	<b>Other Loans:</b>		
	from directors	1,680,640	1,840,226
	<b>Total</b>	<b>265,816,040</b>	<b>265,975,626</b>
	# The Working Capital facility from Syndicate Bank is secured by hypothecation of all movable assets of the Company and a second charge on all Fixed Assets of the Company and irrevocable personal guarantees of five of the Directors of the Company.As the company could not Comply with the terms of sanction,the Banker has initiated legal Proceedings for recovery of above debt.		
<b>17 Trade Payables - Current:(refer Note : 37)</b>			
	For Supplies and Services		
	Related parties	361,517	490,300
	Others	20,818,344	19,598,555
	<b>Total</b>	<b>21,179,861</b>	<b>20,088,855</b>
<b>18 Other financial liabilities - Current:</b>			
	Salaries and Wages payable		
	Directors	1,223,019	662,799
	Others	8,680,202	4,241,639
	Security Deposits		
	Others	1,300,000	2,760,502
	Current maturities of long term borrowings		
	Interest Free Sales Tax Loan	311,190	311,190
	Sales Tax Deferment	6,710,843	6,710,843
	Edelweiss Asset Reconstruction Company Limited	6,864,000	10,116,000
	Stressed Assets Stabilisation Fund	149,700,000	149,700,000
	Unit Trust of India	5,000,000	5,000,000
	Interest accrued and due on Term Loans	88,900,156	71,305,822
	Due to Directors	-	337,702
	Unpaid Dividends	11,556,699	11,556,699
	Other Payables	1,117,536	947,250
	<b>Total</b>	<b>281,363,645</b>	<b>263,650,446</b>



**GALADA POWER AND TELECOMMUNICATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

S.No	PARTICULARS	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
<b>19</b>	<b>Other current liabilities:</b>		
	Advance from Customers	-	122,582
	Other liabilities:		
	Sales Tax Payable	113,500	148,500
	GST Payable	428,228	1,286,905
	Withholding Taxes payable	68,973	109,630
	Other Statutory dues	632,216	440,124
	<b>Total</b>	<b>1,242,917</b>	<b>2,107,741</b>
<b>20</b>	<b>Provisions - Current:</b>		
	Provision for employee benefits		
	Provision for Gratuity (refer Note: 39)	3,023,902	2,889,940
	Provision for compensated absences	806,553	694,604
	<b>Total</b>	<b>3,830,455</b>	<b>3,584,544</b>
<b>21</b>	<b>Contingent Liabilities and Commitments:</b>		
	Contingent Liabilities		
	Claims against the Company not acknowledged as debts		
	i. Claims Made by Ex-Employees of the Company	105,838,413	1,270,813
	ii. Claims Made by Transporters on the Company	940,172	940,172
	iii. Claims Made by Vendors on the Company	702,576	702,576
	iv. Sales Tax Claims	1,464,688	1,464,688
	Claims made by Term Lenders (refer Note:31)	8,421,977,972	7,058,343,355
	<b>Total</b>	<b>8,530,923,821</b>	<b>7,062,721,604</b>

Notes:

- i. There was a settlement with the Recognised Labour Union Viz., "GPTL Karmika Sangam" in the year 2001 and the settlement amount was paid and accepted by the workmen. The settlement covered 214 workmen against which 205 workmen accepted the payment. Out of 205 workmen, 139 workmen have filed for a further claim in 2017 before the Additional Labour Court alleging that the Company misled the workmen with the support of the President of Union. The case is in the hearing stage. Though the remaining 9 workmen were also part of the Recognised Union refused to accept the payment and abide by the terms of the settlement. The claim made by them towards the arrears of the emoluments is disputed by the Company and pending with the Hon'ble High Court of erstwhile AP.
- ii. Represents the claims made by the transporters on the company towards interest on the arrears of transport charges which is disputed by the company.
- iii. Represents interest claim made by the vendors on the company on delayed payments which is disputed by the company.
- iv. The sales made by Silvassa Unit were exempt from Sales Tax. During the assessment proceedings relating to the years 2008-09 and 2009-10 the company could not submit some of the C Forms and the assessment was completed based on the court direction with a stipulation that if any liability arises on account of non submission of C Forms to the extent of ₹ 1,464,688/- (including interest of ₹ 134,565/-)the same is to be discharged by the company.

**GALADA POWER AND TELECOMMUNICATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Amount in ₹

S.No	PARTICULARS	for the year ended 31.03.2019	for the year ended 31.03.2018
<b>22</b>	<b>Revenue from Operations:</b>		
	Sale of Goods		
	Aluminium Conductor	-	82,532,539
	Aluminium Wires	-	2,230,312
	Sale of Services		
	Conductor Conversion Charges	36,481,760	44,324,486
	Other Operating Revenue		
	Sale of Scrap	-	620,453
	<b>Total</b>	<b>36,481,760</b>	<b>129,707,790</b>
<b>23</b>	<b>Other Income:</b>		
	Interest Income		
	on bank deposits	228,215	239,512
	on Income Tax	101,520	551,542
	on Financial Assets	6,557	-
	on Others	-	54,419
	Other Non-operating Income (net of expenses)		
	Gain on Sale of Property, Plant and Equipment (Net)	8,112,074	30,576,712
	Excess provisions written back	-	20,706,587
	Credit balances written back	800,025	837,777
	Miscellaneous Income	758,704	478,703
	<b>Total</b>	<b>10,007,095</b>	<b>53,445,252</b>
<b>24</b>	<b>Cost of Materials Consumed:</b>		
	Inventory at the beginning of the year	-	-
	Add: Purchase of materials	-	81,808,853
		-	81,808,853
	Less: Inventory at the end of year	-	-
	<b>Total</b>	<b>-</b>	<b>81,808,853</b>
<b>25</b>	<b>Employee Benefits Expense:</b>		
	Salaries, Wages and Bonus	15,754,169	18,082,331
	Contribution to Provident and Other Funds	915,201	1,188,878
	Staff Welfare Expenses	244,037	1,171,163
	Gratuity	555,487	898,719
	<b>Total</b>	<b>17,468,894</b>	<b>21,341,091</b>
<b>26</b>	<b>Finance costs</b>		
	Interest	23,417,349	23,175,640
	<b>Total</b>	<b>23,417,349</b>	<b>23,175,640</b>

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Amount in ₹

S.No	PARTICULARS	for the year ended 31.03.2019	for the year ended 31.03.2018
<b>27</b>	<b>Depreciation and amortisation expense:</b>		
	Depreciation on Property ,Plant and Equipment	7,216,835	7,494,911
	<b>Total</b>	<b>7,216,835</b>	<b>7,494,911</b>
<b>28</b>	<b>Other expenses:</b>		
	Stores Consumed	3,188,748	2,490,726
	Contract Labour	10,308,346	12,100,244
	Freight and Transport	47,280	30,392
	Rates and Taxes	222,733	436,350
	Power and Fuel	10,570,817	9,681,284
	Rent	421,065	250,800
	Bank charges and commission	13,384	24,191
	Amortisation of Prepaid Lease Rentals	8,306	-
	Insurance	137,599	240,653
	Travelling and Conveyance	1,616,688	1,864,798
	Vehicle Maintenance	570,576	642,477
	Legal and Professional Charges	939,192	655,547
	Payments to Auditors		
	as auditors	100,000	100,000
	for certification	14,000	10,500
	for tax audits	-	30,000
	Repairs and Maintenance to:		
	Machinery	1,051,229	404,033
	Own Buildings	107,841	159,768
	Other Assets	86,556	98,867
	Security Charges	2,186,289	2,558,084
	Deposits Written Off	-	1,020,910
	Input Credits Written Off	-	108,741
	Fixed Assets Discarded	-	1,173
	Miscellaneous Expenses	1,556,499	1,760,418
	<b>Total</b>	<b>33,147,148</b>	<b>34,669,956</b>
<b>29</b>	<b>Other comprehensive income:</b>		
	Actuarial Gain/(Losses) on Gratuity Expense for the year	(62,648)	557,249
	Deferred Taxes on above	-	-
	<b>Total</b>	<b>(62,648)</b>	<b>557,249</b>
<b>30</b>	<b>Earnings Per Equity Share:</b>		
	Total Comprehensive Income for the year	(34,824,019)	14,855,947
	Weighted average number of equity shares of ₹ 10/- each	7,489,880	7,489,880
	<b>Earnings per share of par value ₹ 10/- per share</b>	<b>(4.65)</b>	<b>1.98</b>

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

The proceedings before DRT against the recovery suit filed by SASF are in progress. The Company has submitted an Application before DRT for restoration of defense evidence for marking additional documents relating to the payment of Rs.2.10 crores made by the Company to SASF. It is posted for hearing on 13.06.2019

In the meantime, SASF filed an application before NCLT and the Company filed Counter on 01.11.2018. SASF filed a rejoinder on 15.11.2018. Based on the advice of the Legal Counsel, the Company filed an Application before NCLT on 18.12.2018 praying for the dismissal of the application. SASF filed a Counter on 08.01.2019. In the hearing held on 18.02.2019, NCLT advised both the parties to mutually negotiate and settle the matter. The Company communicated a revised and improved OTS offer to SASF and in the hearing held on 07.05.2019, NCLT has given further time and posted the case for hearing on 04.06.2019

**32.** Edelweiss Asset Reconstruction Company (EARC) vide their letters dated 16.10.2018 cancelled the Financial Assistance for non-payment of Dues invoking the provisions of the One Time Settlement (OTS) agreement with regard to IIBI. As per the terms of the agreement, upon revocation of the OTS, repayments made till date shall stand forfeited and EARC will be entitled to recover total dues of Bank and IIBI along with interest at contractual rates, further interest and other charges from the said date till the date of realisation after adjusting the amount forfeited. At the request of the Company EARC reinstated the Settlement vide their letter dated November 26, 2018, subject to the condition that this settlement shall automatically stand cancelled on admission of a petition voluntarily filed by the company or filed against the company by any Financial Creditor, Operational Creditor before the National Company Law Tribunal (NCLT) under the provisions of Insolvency and Bankruptcy Code, 2016 and EARC shall be entitled to recover the total outstanding dues of IIBI along with interest at contractual rates, further interest and other charges from the said date till the date of realisation after adjusting amount forfeited.

**33.** Interest on Working Capital Loan from Syndicate Bank, amounting to ₹27,553 Lakhs from 01.07.2000 to 31.03.2018 and ₹4,454 lakhs for the current year is not provided in the books of account, Considering the progress in the negotiations for OTS, the Company is of the opinion, that the possibility of any financial outflow over and the above amount recognised in the books of account is very remote and no further provision is required in this regard as a letter from the said bank was already received.

**34.** The Company declared dividend for the year 1995-96 in the Annual General Meeting held on 30.12.96 and unpaid amount of ₹ 115,56,699/- has become due for transfer to Investor Education and Protection Fund. The Company has not complied with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special bank account and the interest payable for such noncompliance amounting to ₹ 304.82 lakhs up to 31st March 2018 and ₹ 13.87 lakhs for the year is not provided in the books of account. However, the Company is of the opinion that the said Provisions are not applicable to the Company, as the same is payable to the shareholders as per its rehabilitation proposal as payable at a later date.

**35.** Appointment and payment of Managerial Remuneration:

a. The reappointment of Executive Director with effect from 01.04.2002 is subject to the conditions laid down in schedule XIII to the Companies Act, 1956. However, the Company has not obtained Central Government approval pursuant to the said conditions for payment of remuneration from that date amounting to ₹11,722,515/- and accordingly the provisions of Section 309(5A) of the Companies Act, 1956 are applicable. However, the said amount is charged to the profit and loss account as managerial remuneration, as the management is of the view that the said provisions are not applicable to the Company, as the matter is a part of Rehabilitation Scheme referred to **BIFR** under the Sick Industrial Companies (Special Provisions) Act, 1985.

Payment of remuneration to the Executive Director with effect from 01.04.2017 amounting to ₹1,233,677/- is subject to the approval of the Central Government, as per the provisions of the Section 197 of the companies Act, 2013 read with schedule V, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment.

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

Payment of remuneration to the Managing Director with effect from 01.01.2015 amounting to ₹4,406,494/- (including for Current year ₹654,549/-) is subject to the approval of the Central Government, as per the provisions of the Section 197 of the companies Act, 2013 read with schedule V, as the company has defaulted in repayment of its debts in the preceding financial year before the date of such appointment.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

36. The Company is in the process of obtaining confirmation of balances from the parties included under Borrowings, Trade Payables and Other current Liabilities.
37. Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. During the year, there were no transactions with Micro and Small Enterprises; hence the disclosures as per Micro, Small and Medium Enterprise Development Act, 2006, are not applicable to the Company for the time being.

**38. Movements in Provisions:**

Amount in ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Gratuity: (Refer Note:39 also)</b>		
At the beginning of the year	4,133,830	4,030,832
Charge for the year	618,135	341,470
Released during the year	--	(238,472)
<b>At the end of the year</b>	<b>4,751,965</b>	<b>4,133,830</b>
<b>Compensated Absences:</b>		
At the beginning of the year	1,370,151	1,266,412
Charge for the year	7,358	168,340
Released during the year	(187,105)	(64,601)
<b>At the end of the year</b>	<b>1,190,404</b>	<b>1,370,151</b>

## 39. Retirement and other Benefit Obligation

Amount in ₹

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A.</b>	<b>Defined Contribution Plan (Expenses)</b>		
	Contribution to Provident Fund	897,587	1,165,356
	Contribution to Employee State Insurance	17,614	23,522
<b>B.</b>	<b>Post – employment Defined Benefit Plan (Gratuity)</b>		
<b>1.</b>	<b>Movement in Obligation</b>		<b>Amount in ₹</b>
	<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Present Value of Obligation at the beginning of year	6,799,978	7,076,099
	Current Service Cost	217,878	268,805
	Past Service Cost	--	383,331
	Interest Cost	469,791	499,743
	Benefits Paid	(1,855,177)	(825,706)
	Actuarial (Gain)/Loss on Obligation	31,764	(602,295)
	<b>Present Value of Obligation at the end of year</b>	<b>5,664,234</b>	<b>6,799,978</b>
<b>2.</b>	<b>Changes in fair value of plan assets</b>		
	<b>Particulars</b>		
	Opening fair value of plan assets	2,666,148	3,045,267
	Expected return on plan assets	132,183	253,160
	Re-measurements – return on Plan Assets	(30,884)	(45,045)
	Contributions by employer	--	238,472
	Benefits paid (including transfer)	(1,855,177)	(825,706)
	<b>Closing fair value of plan assets</b>	<b>912,269</b>	<b>2,666,148</b>
<b>3.</b>	<b>Expenses recognised in Profit and Loss Statement:</b>		
	<b>Particulars</b>		
	Current Service Cost	217,878	268,805
	Interest Cost on Obligation	469,791	499,743
	Expected return on plan assets	(132,183)	(253,160)
	Past Service Cost	--	383,331
	<b>Expense for the year</b>	<b>555,487</b>	<b>898,719</b>
<b>4.</b>	<b>Recognised in Other Comprehensive Income:</b>		
	<b>Particulars</b>		
	Actuarial (gain)/loss arising during year	31,764	(602,295)
	Re-measurements – return on Plan Assets	30,884	45,045
	<b>Total Expenditure/(income) recognised</b>	<b>62,648</b>	<b>(557,249)</b>

5.	Amount Recognised in Balance Sheet	Amount in ₹	
	Particulars	For the Year Ended March 31, 2019	For the Year ended March 31, 2018
	Defined benefit obligation	5,664,234	6,799,978
	Fair value of plan assets	(912,269)	(2,666,148)
	<b>Plan (Asset) / Liability</b>	<b>4,751,965</b>	<b>4,133,830</b>

6. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:			
a.	Attrition Rate	PS: 0 to 40: 5 %	PS: 0 to 40: 5 %
b.	Discount Rate	7.60%	8.00%
c.	Expected Rate of Increase in Salary	4.00%	4.00%
d.	Retirement Age	58 years	58 years
e.	Mortality Rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
f.	Expected Average remaining working lives of employees (years)	13.75	16.00

7.	Sensitivity Analysis			Amount in ₹
	Sensitivity	Change	Effects on obligation	
	Discount Rate	+1%	(118,465)	(205,812)
		-1%	129,946	226,604
	Salary Escalation Rate	+1%	175,006	280,823
		-1%	(164,074)	(260,721)

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

Amount in ₹			
6.	Expected Payout - Gratuity	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
	Expected payments – 1st Year	3,023,902	2,889,940
	Expected payments – 2nd Year	188,027	338,014
	Expected payments – 3rd Year	1,446,115	335,325
	Expected payments – 4th Year	866,385	1,523,462
	Expected payments – 5th Year	65,378	1,746,642
	Expected payments – 6th year to 10th Year	574,662	650,966

#### 7. Other Information:

##### i. Plan Assets:

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



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

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

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

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

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

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

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

**Amount in ₹**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Gratuity: -</u></b>		
a. Current Portion	3,023,902	2,889,940
b. Non-current portion	1,728,063	1,243,890
<b><u>Compensated Absences: -</u></b>		
a. Current Portion	806,553	694,604
b. Non-current portion	383,851	675,547

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

## 40. Income tax expense and Deferred Taxes

Amount in ₹

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income Tax Expense: -</b>			
a.	Current Tax	--	--
b.	Deferred Tax (arising on temporary differences)	--	--
<b>Total Tax Expense for the year</b>		<b>--</b>	<b>--</b>

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Effective Tax Reconciliation: -</b>			
a.	Net Profit/(Loss) before taxes	(34,824,019)	15,219,840
b.	Tax rate applicable to the company as per normal provisions	26.00%	25.75%
c.	Tax expense on net profit (c = a*b)	<b>NIL</b>	<b>3,919,109</b>
d.	Increase/(decrease) in tax expenses on account of:		
i.	Accelerated Depreciation	--	562,928
ii.	Expenses not allowed under income tax	--	59,346
iii.	Net Expenses allowed under payment basis	--	509,142
iv.	Other allowances	--	(13,075,191)
vi.	Other adjustments (Capital Gains)	--	2,792,508
	<b>Total Increase/(decrease) in tax expenses (d)</b>	<b>NIL</b>	<b>(9,151,267)</b>
e.	<b>Tax as per normal provision under Income tax (c + d)</b>	<b>NIL</b>	<b>NIL</b>

## d. Rupee Term Loans:

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

## e. Short Term Borrowings:

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

**42. Fair Value hierarchy:**

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

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2019:

Amount in ₹

Particulars	Total	Fair Value measurement using	
		Quoted prices in active markets	Significant observable inputs
<b>Financial Assets measured at Amortised Cost:</b>			
Security Deposits	141,962	--	141,962
<b>Financial Liability measured at Amortised Cost:</b>			
Repayable Security Deposits	1,300,000	--	1,300,000
Rupee Term Loans	161,564,000	--	161,564,000
Short Term Borrowings	264,135,400	--	264,135,400

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

Amount in ₹

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

**43. Segment Information:**

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

**Entity Wide Disclosures:**

Amount in ₹

Revenue from external customers	For the year ended March 31, 2019	For the year ended March 31, 2018
India	36,481,760	129,707,790
Outside India	--	--
<b>Total</b>	<b>36,481,760</b>	<b>129,707,790</b>
Revenue from One Customer	<b>30,441,376</b>	<b>108,234,872</b>

Non-Current Operating Assets	As at March 31, 2019	As at March 31, 2018
India	75,972,978	85,417,738
Outside India	--	--
<b>Total</b>	<b>75,972,978</b>	<b>85,417,738</b>

**GALADA POWER AND TELECOMMUNICATION LIMITED**

CIN: L64203TG1972PLC001513

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

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

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

## i. Key Management Personnel:

Sri Dharam Chand Galada	Managing Director
Sri Devendra Galada	Executive Director

## ii. Relatives of Key Management Personnel:

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

## b. Particulars of Transactions during the year:

	31.03.2019	31.03.2018
	Rs.	Rs.
Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	654,549	1,331,615
Un-Secured loan taken	650,000	2,000,000
Un-Secured loan repaid	159,586	300,000
Interest paid on Un-Secured loan	809,586	66,474
Sri Devendra Galada		
Managerial Remuneration	542,080	691,597
Un-Secured loan taken	6,035,000	--
Un-Secured loan repaid	6,035,000	--
Relatives of Key Management Personnel		
Smt. Snehalata Galada		
Payment of Rent	--	114,000
Sri Shail Galada		
Payment of Rent	--	93,000
Remuneration	--	1,063,789
Sri Shashi Galada		
Payment of Rent	--	93,000
Sri Ewanth Kumar Parekh		
Remuneration	1,174,840	1,221,145

c. Balances due from / (due to) as at the year end		
Sri Dharam Chand Galada	(2,265,564)	(2,323,986)
Sri Devendra Galada	(772,812)	(516,741)
Smt. Snehalata Galada	(226,800)	(226,800)
Sri Shail Galada	--	(131,750)
Sri Shashi Galada	--	(131,750)

#### 45. Financial Risk Management objectives and policies:

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

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

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

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

##### i. Market Risk:

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

##### a. Interest rate risk:

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

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

**b. Foreign Currency Risk:**

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

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

**c. Other price risk:**

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

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

**ii. Credit risk:**

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

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

**a. Exposure to credit risk:**

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

**b. Credit risk concentration profile:**

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

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

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

**iii. Liquidity risk:**

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

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

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

Particulars	Amount in ₹			
	On demand	< 12 months	1 to 5 years	Total
<b>Year ended 31 March, 2019</b>				
Borrowings – Non-Current	155,756,000	5,808,000	--	<b>161,564,000</b>
Borrowings – Current	265,816,040	--	--	<b>265,816,040</b>
Trade Payables	--	21,179,861	--	<b>21,179,861</b>
Other financial liabilities	278,946,109	2,417,536	--	<b>281,363,645</b>
<b>Year ended 31 March, 2018</b>				
Borrowings – Non-Current	155,422,000	9,394,000	--	<b>164,816,000</b>
Borrowings – Current	265,975,626	--	--	<b>265,975,626</b>
Trade Payables	--	20,088,855	--	<b>20,088,855</b>
Other financial liabilities	95,126,694	3,707,752	--	<b>98,834,446</b>

#### Excessive Risk Concentration:

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

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

#### 46. Capital Management:

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

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

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Borrowings #	427,380,040	430,791,626
<b>Net Debt</b>	<b>427,380,040</b>	<b>430,791,626</b>
Equity	74,898,800	74,898,800
Other Equity	(546,975,069)	(512,151,050)
<b>Total Equity</b>	<b>(472,076,269)</b>	<b>(437,252,250)</b>
Gearing ratio	(9.56)	(66.68)

# Total Borrowings include Long Term borrowings, short term maturities of long term borrowings and working capital loans like Cash Credit and Buyers Credit.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.

**47. Standards Issued but not yet effective:**

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 has notified the Ind AS 116 – Leases effective from 01.04.2019

a. Ind AS 116 - Leases

Ind AS 116 will supersede the current standard Ind AS 17 -Leases and the related interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of Leases.

b. The MCA has also carried out amendments to the following Indian Accounting Standards

- i. Ind AS 103 : Business Combinations
- ii. Ind AS 109 : Financial Instruments
- iii. Ind AS 111 : Joint Arrangements
- iv. Ind AS 12 : Income Taxes
- v. Ind AS 19 : Employee Benefits
- vi. Ind AS 23 : Borrowing Costs
- vii. Ind AS 28 : Investments in Associates and Joint Ventures.

The company has not applied the above accounting standard and other amendments as they come into force from April 01, 2019.

The company has evaluated the impact of the above amendments on its financial statements and found to be insignificant in nature.

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

for and on behalf of the Board

T. SUKESH KUMAR  
Partner  
Membership Number: 229963

**D C GALADA**  
Managing Director

**DEVENDRA GALADA**  
Executive Director

Place : Hyderabad  
Date : 28.05.2019

**V SUBRAMANIAN**  
Vice President, Secretary & CFO



## ATTENDANCE SLIP

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

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

DP Id*	
Client Id*	

Folio No	
No of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 47<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Friday, 27.09.2019 at 10.00 a.m at Hotel Kamat Lingapur, Chitkoti Gardens, Begumpet, Hyderabad.

\*Applicable for investors holding shares in electronic form.

Signature of Shareholder / Proxy \_\_\_\_\_

## PROXY FORM

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

Galada Power and Telecommunication Ltd CIN:L64203TG1972PLC001513

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

Name of the member	
Registered address	

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

I/We being the members of of Galada Power and Telecommunication Ltd held \_\_\_\_\_ Shares, hereby appoint: \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ whose signature is appended below as my / our proxy to attend and vote for me / us and on my/our behalf at the 47<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Friday, 27.09.2019 at 10.00 a.m at Hotel Kamat Lingapur, Chitkoti Gardens, Begumpet, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Signed this \_\_\_\_ day of \_\_\_\_ 2019

\_\_\_\_\_  
Signature of shareholderAffix a Rs.1/-  
Revenue Stamp

## Notes:

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