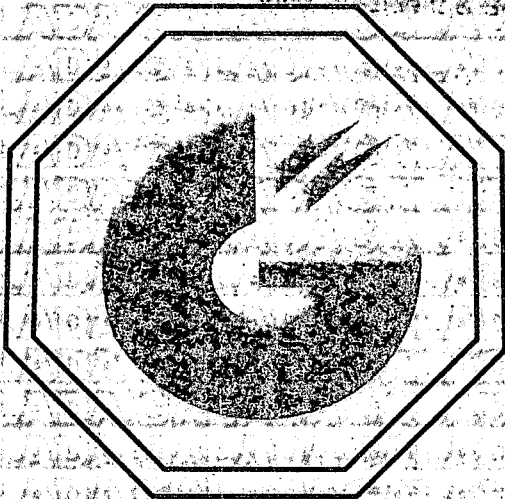


37th Annual Report 2008-2009

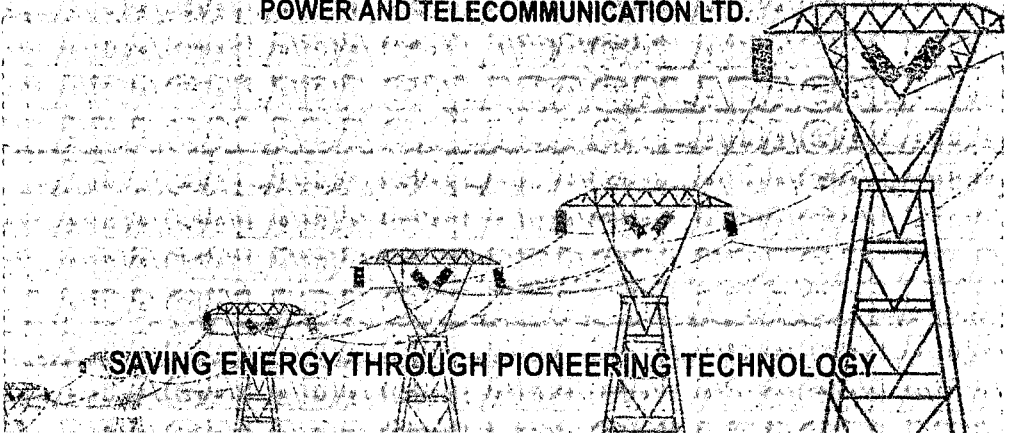
Carish Lim
Chief Executive Officer

[Signature]
Managing Director & Secretary



GALADA

POWER AND TELECOMMUNICATION LTD.



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY



MESSAGE FROM MANAGING DIRECTOR

Dear fellow shareholders,

Untimely collapse of global financial sector, coupled with volatile Aluminium prices and squeeze on access to credit and working capital, affected the company's prospects of closing the one time settlement with institutions and banks. The hope to achieve the same still lingers for the simple reason that conductor demand has to boom due to Government of India's ambitious plan of "Power for All". The remaining part of 11th plan and the 12th plan (upto 2017) offers great opportunities to industries in power sector. Indian economy has already started showing the initial signs of revival that can transform your company's performance.

The country has planned under the power Sector, Reforms, a reduction in ATC losses from existing 30% plus to 15%, which can save for the country Rs. 15000 crores (or) more year after year. The unfortunate part of the strategy is that the input materials like conductors, insulators, poles etc., are not in conformity with the international norms design-wise or with the Indian standards quality wise. The country is faced with an epidemic of too low a price (many a times below cost) which results in the use of substandard raw materials and even scrap for manufacture of conductor. Three tier Inspection procedure has been introduced and is under implementation by the Government and this kindles a ray of hope for genuine manufactures like your company.

The constant effort of primary manufacturers of Aluminium combined with the speculative trends in international metal markets, is to jack up the prices of Aluminium to higher levels which will enable them to make unprecedented profits at the cost of secondary manufacturers. The Government needs to put a stop to this. Otherwise, the cost of "Power for All" schemes will go up tremendously.

Coming back to the year under review for your company, the steps taken during 2008-09 to shift the wire-rod and conductor facilities from Hyderabad to Silvassa have been implemented. This year we will increase the total production of wire-rod and conductor to over 12000 MT as templated. The performance will definitely show an improvement. But had the one time settlement (OTS) been implemented and working Capital made available, the company's performance would have leaped to new horizons, Let us hope that the year 2009-10 will usher us back to optimal performance in the next few years.

The company is planning to produce, the new type high conductivity & high temperature conductors which will meet the demands of power sector for increased power transfer. The R&D efforts is on and by the end of the year, samples, of these new products will hit the market.

The company's efforts are on to keep alive the one time settlement offers of institutions and bank and get rehabilitated.

I sincerely wish to acknowledge the excellent support from all the stakeholders which boosted our morale. Your company is now gearing up to turn into a profitable company.



BOARD OF DIRECTORS

Chairman	Shri S.M. Kankaria
Directors	Shri S.V. Kanaka Seshu Shri M. C. Galada Shri T.B. Subramaniam Shri M.L. Sachdeva
Managing Director	Shri D.C. Galada
Executive Director	Shri Devendra Galada
Vice President & Secretary	Shri V. Subramanian
Auditors	M/s. Brahmayya & Co., Chartered Accountants Flat No. 404, Golden Green Appts., Erramanzil Colony, Hyd.-500 082.
Stock Exchange	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
Registered Office & Factory -I	P 2/6, I.D.A. Block III, Uppal, Hyderabad - 500 039.
Factory -II	Village Khadoli, Silvassa, U.T. of Dadra & Nagar Haveli.
Administrative Office	2nd Floor, F. 201 Galada Towers, Begumpet, Hyderabad - 500 016.



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NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Company will be held on Wednesday, the 30th September, 2009 at Hotel Kamat Lingapur, Chikoti Gardens, Begumpet, Hyderabad-500 016 at 10 a.m to transact the following items of business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2009 and the Reports of the Directors' and Auditors thereon.
2. To elect Director in place of Sri M C Galada who retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To reappoint M/s. Brahmayya & Co., Chartered Accountants, as Auditors to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the Board to fix the remuneration of the said Auditors.

By order of the Board
Sd/-

V Subramanian
Vice President & Secretary

Place: Hyderabad

Date : 31.07.2009

NOTE

1. A member entitled to attend and vote at the meeting can appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27.09.2009 to 30.09.2009 (both days inclusive).
3. Members are requested to intimate immediately any change in their address.
4. The shares of the Company are listed in Mumbai Stock Exchanges and the listing fees have been paid upto date.

INFORMATION ON DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

1. Name of the Director : Sri M C Galada
2. Date of birth : 30.05.1925
3. Date of appointment : 29.09.2006
4. Expertise : Industrial /business experience
for over six decades.
5. List of Public Ltd Companies in which outside Directorship was held as on 31st March, 2009: NIL
6. Chairman / Member of the Committees of other Public Ltd Companies on which he was a Director as on 31st March, 2009 : NIL



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DIRECTORS' REPORT

Your Directors have pleasure in presenting the 37th Annual Accounts of the Company for the financial year ended 31st March, 2009.

Amount in Rs.Lacs

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Sale value of production	3441	3653
Gross profit / (loss)	(135)	(73)
Interest	679	639
Cash loss	814	712
Depreciation & write off	176	124
Loss before tax	990	836
Fringe benefit tax	4	8
Loss after tax	994	844
Dividend	—	—

DIVIDEND

In view of the operating loss suffered by the Company during the period under report, your Directors are not in a position to recommend any dividend for the year 2008-09.

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.

REFERENCE TO BIFR

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

BIFR vide its order dated 14.09.2007 confirmed its opinion of winding up in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act. The Company preferred an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) who stayed aforesaid Order passed by BIFR.



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In the meantime, the Company's efforts to make a break through in the matter has borne fruit and IDBI, SASF, UTI, Canara Bank & Syndicate Bank have since indicated their willingness for one-time settlement of their dues and the modalities are being worked out. Similarly, the Company is making efforts to settle the dues of other lending institutions. It is hoped that with the improvement in the power scenario due to reforms, the situation is expected to turn around in favour of the Company.

DIRECTORS

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

AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Loss for the year 1st April, 2008 to 31st March, 2009.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

AUDITOR'S REPORT

As regards observations at para 4 (vii), we submit that :

1. Due to liquidity constraints, dividend declared for the year 1995-96 has not been fully distributed and the same will be regularized in due course.
2. Additional interest / liquidated damages payable to Financial Institutions and others are not provided as the Company has sought waiver of these amounts from the Institutions.
3. Interest on working capital demand loan has not been provided from the date of initiation of legal proceedings by Banks.

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



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As regards observation in the corporate governance certificate we submit that the issue of composition of the Board is dealt with in our report on corporate governance for the year 2008-09. The publication of results took place on 07-07-2008 instead of 30-06-2008 due to non availability of the chairman of the audit committee which was informed to stock exchange.

PERSONNEL

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

OTHER INFORMATION

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

ACKNOWLEDGEMENTS

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

By order of the Board

Sd/-
D.C.Galada
Managing Director

Sd/-
Devendra Galada
Executive Director

Place : Hyderabad
Date : 31.07.2009

ANNEXURE – 1 TO DIRECTORS REPORT

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

Disclosures

A. Conservation of Energy

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and Outgo

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



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2008-09

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

1. COMPANY'S PHILOSOPHY

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

Corporate ethics

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

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

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

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

b) Code of Conduct for prevention of Insider Trading.

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

c) Whistle Blower Policy.

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Company Secretary / Executive Director or Audit Committee of the Board as the case may be, to safeguard them against victimisation.



2. BOARD OF DIRECTORS

a) Composition

The Board of Directors as at 31.03.2009 comprises seven directors, of which five are non-executive. The Chairman is non-executive and the number of independent directors, i.e. those who have no business relationship with the Company is three. The composition is as under:

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

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

a) Meetings and attendance record of each Director:

Four Board Meetings were held during the year, the dates being 07.07.08, 09.08.08, 15.11.08 and 24.01.09. The last AGM was held on 25.09.2008.

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

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

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



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

The Managing Director and Executive Director receive only the remuneration payable to them and do not have any material pecuniary relationship or transactions with the Company (vide para 24 of Notes to Accounts).

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

(d) Information supplied to the Board.

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

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

3. AUDIT COMMITTEE

The members of the Audit Committee as at 31.03.2009 are as given below:

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

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

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

Four Audit Committee meetings were held, the dates being 07.07.08, 09.08.08, 15.11.08 and 24.01.09. The attendance of each Member is as given below:

Name of the Director	Attendance particulars
Sri T B Subramaniam	4
Sri M L Sachdeva	4
Sri M C Galada	4

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

4. REMUNERATION COMMITTEE

The members of the Remuneration Committee as at 31.03.2009 are as given below:

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



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The role of the Remuneration Committee is to recommend / review the remuneration package of the Managing Director / Executive Director / senior Managerial Personnel. The remuneration payable to the Managing Director and the Executive Director is subject to the approval of the Board and of the Company in General Body Meeting and such other approvals, as may be necessary. Remuneration Committee did not meet during the year.

The Non-Executive Directors were paid sitting fee @ Rs.500 and other expenditure for each meeting of the Board / Committee attended by them. The remuneration paid to the Managing Director and the Executive Director are given in para 14 to the Notes to Accounts.

5. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The members of the Share Holders' / Investors' Grievance Committee as at 31.03.2009 are as given below:

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

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

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

- a) Number of complaints received from shareholder during the year: nil
b) Number of pending share transfers as on 31.03.09 : nil

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

6. ANNUAL GENERAL MEETINGS

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

Date of Meeting & Year	Venue of the Meeting	Time of Meeting
29.09.2006 (2005-2006)	Hotel Kamath Lingapur, Chikoti gardens, Begumpet, Hyderabad – 500 016	10.00 a.m
28.09.2007 (2006-2007)	Hotel Kamath Lingapur, Chikoti gardens, Begumpet, Hyderabad – 500 016	10.00 a.m
25.09.2008 (2007-2008)	Hotel Kamath Lingapur, Chikoti gardens, Begumpet, Hyderabad – 500 016	10.00 a.m



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

Given under Notes appended to the Explanatory Statement under the heading 'Information on Director seeking re-appointment at the Annual general Meeting'.

- c) No Special Resolutions have been put through by postal ballot by the Company during the Financial Year 2008-09. The Company does not have any proposal for postal ballot this year.

7. SUBSIDIARY COMPANY.

The Company has no Subsidiary Company.

8. DISCLOSURES

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

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

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

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

9. MEANS OF COMMUNICATION.

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are prepared and approved by the Board. These are published in the prescribed proforma within the prescribed time of the conclusion of the meeting of the Board in which they are considered, in one English newspaper and in one vernacular newspaper of the State where the registered office of the Company is situated. The quarterly financial results during the financial year 2008-2009 were published as detailed below:

Quarter	Date of Board Meeting	Date of publication	Name of Newspaper
I	07.07.2008	08.07.2008	The Financial Express Andhra Prabha
I	09.08.2008	10.08.2008	The Financial Express Andhra Prabha
III	15.11.2008	16.11.2008	The Financial Express Andhra Prabha
IV	24.01.2009	25.01.2009	The Financial Express Andhra Prabha

The web site is not yet ready.

Management Discussions and Analysis Report.

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



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GENERAL INFORMATION

1. Date, time and venue of Annual General Meeting. : 30th September, 2009 at 10 a.m
Hotel Kamath Lingapur,
Chikoti gardens, Begumpet,
Hyderabad – 500 016
2. Date of Book Closure (both days inclusive) : 27th Sept., 09 to 30th Sept., 09
3. Dividend payment date : Not applicable.
4. Listing on Stock Exchanges : Bombay Stock Exchange Ltd.,
P J Towers, Dalal Street,
Mumbai – 400 001
5. Stock Code : BSE 504697
6. Name and address of the Registrar for shares held in electronic form. : Venture Capital and Corporate
Investment Ltd.,
12-10-134 (MIG-134) 2nd floor,
Bharathnagar Colony,
Hyderabad – 500 018.
7. Electronic connectivity : National Securities Depository Ltd.,
Trade World, Kamala Mills Compound
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

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



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11. Shareholding pattern as on 31-03-2009

Category	No. of Shares	% holding
a) Promoters, their relatives and associates.	1182140	16
b) Financial Institutions	1353288	18
c) Bodies corporate	1016959	14
d) Public	3937493	52
Total	7489880	100

12. Dematerialisation of Equity Shares:

The Company has made arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 57,43,921 equity shares aggregating 76.69% of the total equity capital is held in dematerialized form as on 31st March, 2009. ISIN allotted to the Company's script is: **INE255C01018**.

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

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

14. Plant locations:

Uppal Unit : P 2/6, IDA Block III, Uppal, Hyderabad – 500 039
Silvassa Unit : Survey No.319, Khadoli Village, Silvassa – 396 230. UT of D&NH

15. Market Price Data:

The Company's shares are being traded actively on The Stock Exchange, Mumbai. The Company's share price was quoted between Rs.5 and Rs.20 during the financial year under review.

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

16. Declaration for Code of Conduct.

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

17. Compliance Certificate by Auditors:

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

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

18. Secretarial Audit:

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

DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct upto the year ended 31st March, 2009.

for Galada Power and Telecommunication Ltd

Place : Hyderabad
Date : 31.07.2009

D C Galada
Managing Director



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

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

1. We have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts as well as the cash flow statements and the director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company and we have:
 - a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
 - c) disclosed in this report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting;
6. We have disclosed to the Company's auditors and the audit committee of the Company's Board of Directors;
 - a) deficiencies in the design or operation of internal controls and steps taken / proposed to be taken to rectify these deficiencies;
 - b) significant changes in internal controls over financial reporting, if any, during the year covered by this report;
 - c) significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements and
 - d) instances of significant fraud of which we are aware that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

Sd/-

Sd/-

Place: Hyderabad

V Subramanian

D C Galada

Date : 31.07.2009

Vice President & Secretary

Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

(forming part of Directors' Report)

a) Business review and outlook.

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

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

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

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

b) Internal Control System and their adequacy.

The Company has a proper and adequate system of internal controls with laid-down policies and procedures for all its operations and financial functions to see that all its assets are safeguarded and protected against loss from any unauthorised use or disposition and all financial records are maintained properly. The Company's Board has an Audit Committee which consists of four 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 Appellate Authority for Industrial and Financial Re-construction (AAIFR) who stayed aforesaid Order passed by BIFR.

In the meantime, the Company's efforts to make a break through in the matter has borne fruit and IDBI, SASF, UTI, Canara Bank & Syndicate Bank have since indicated their willingness for one-time settlement of their dues and the modalities are being worked out. Similarly, the Company is making efforts to settle the dues of other lending institutions. It is hoped that with the improvement in the power scenario due to reforms, the situation is expected to turn-around in favour of the Company.

d) Material developments in human resources / industrial relations.

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



e) **Cautionary Statement.**

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

CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by GALADA POWER AND TELECOMMUNICATION LIMITED, HYDERABAD. (A.P.) for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in the above mention Listing Agreement expect, that:

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

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

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

for **BRAHMAYYA & CO.,**
Chartered Accountants.

Sd/-

(P.CHANDRAMOULI)

Partner

Membership No.25211

Place: Hyderabad
Date : 31.07.2009



AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of GALADA POWER AND TELECOMMUNICATION LIMITED, HYDERABAD (A.P) as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In the absence of confirmation letters from the parties, we are unable to ascertain whether the amounts shown under the heads Sundry Debtors, Other Current Assets and Loans and Advances are realizable and the payables shown under various heads of account are also subject to confirmation by the respective institutions / parties.
 - vii) a) The Company has not complied with the provisions of Sec-205-A (1) of the Companies Act, 1956 regarding transfer of unpaid dividend to a special bank account and the interest payable for such non compliance amounting



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to Rs. 166.06 lakhs upto 31st March, 2008 and Rs.13.87 lakhs for the year is not provided in the Accounts.

- b) The Company has not provided for the liability on account of additional interest and liquidated damages payable to the Financial Institutions and / or other financiers for non compliance with certain terms of sanction of loans and / or repayment schedules amounting to Rs.14,475.89 lakhs up to 31st March, 2008 and Rs.3,317.38 lakhs for the year.
- c) The Company has not provided for the liability on account of interest on recalled bank working capital loans amounting to Rs.8,120.05 lakhs up to 31st March, 2008 and Rs.1,817.34 lakhs for the year.

Consequent to the above, the loss for the year and the liabilities as at 31.03.2009 are understated by Rs.5,148.59 lakhs and Rs. 27,910.59 lakhs respectively.

- viii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Schedules annexed therewith and subject to our comments in para 4 (vi) and 4 (vii) above and Note no. 2 and 20 of Schedule 20 regarding the assumption of "going concern basis" and managerial remuneration respectively give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) in the case of the profit and loss account, of the Loss of the Company for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

for **BRAHMAYYA & CO.**
Chartered Accountants

Sd/-
(P. CHANDRAMOULI)
Partner
Membership No.25211

Place: Hyderabad
Date : 31st July, 2009

Annexure to the Auditor's Report:
referred to in paragraph 3 of our report of even date,

Re: GALADA POWER AND TELECOMMUNICATION LIMITED, HYDERABAD.

- 1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.



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- c) During the year the Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.
2.
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3.
 - a) During the year, the Company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) In view of our comment in paragraph 3(a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public. Hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for the time being.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

9. a) According to the records, during the year the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. However the company is not regular in depositing dues relating to Investor Education and Protection Fund, Sales Tax and property tax.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2009 for a period of more than six months from the date they became payable except the following.

Nature of Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Due date	Date of payment
The Companies Act, 1956	Investor Education and Protection Fund	115,56,699	1996	30.12.2003	
APGST Act	IFST Loan Differed Sales Tax Sales tax	3,11,190 45,00,000 22,50,000	1988 1996 2000	25.07.1997 01.04.2001 01.08.2001	Rs.1,00,000 paid up to 31.07.09
APMunicipalities Act, 1965	Property Tax	4,82,357	1997 to 2009	1997 to 2009	

- c) According to the records of the company and the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
10. The accumulated losses of the Company as at the end of the financial year under reference are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
11. In our opinion the company has defaulted in repayment of dues to financial institutions, banks and debenture holders. However, the period and amount of default is not furnished as the Company has submitted its rehabilitation proposal to reschedule all dues payable to the financial institutions, banks and debenture holders.



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

for **BRAHMAYYA & CO.**
Chartered Accountants

Sd/-
(P. CHANDRAMOULI)
Partner
Membership No.25211

Place: Hyderabad
Date : 31st July, 2009



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE REFERENCE	AS AT 31.03.2009	AS AT 31.03.2008
I. SOURCES OF FUNDS :			
1) Share holders' Funds :			
a) Capital	1	74,898,800	74,898,800
b) Reserves & Surplus	2	193,236,800	174,936,800
		<u>268,135,600</u>	<u>249,735,600</u>
2) Loan Funds :			
a) Secured Loans	3	757,292,711	760,223,327
b) Un-secured Loans	4	7,022,033	7,022,033
c) Debentures	5	307,314,863	288,965,363
		<u>1,071,629,607</u>	<u>1,056,210,723</u>
TOTAL RS.		<u>1,339,765,207</u>	<u>1,305,946,323</u>
II. APPLICATIONS OF FUNDS :			
1) Fixed Assets :	6		
a) Gross Block		302,526,375	322,291,404
b) Less : Depreciation		145,975,756	150,516,256
c) Net Block		<u>156,550,619</u>	<u>171,775,148</u>
d) Capital Work in Progress		930,951	930,951
e) Machinery in transit		<u>130,443,928</u>	<u>130,443,928</u>
		<u>287,925,498</u>	<u>303,150,027</u>
2) Investments	7	<u>10,714</u>	<u>47,662</u>
3) Current Assets, Loans and Advance :			
a) Inventories	8	64,156,275	50,224,903
b) Sundry Debtors	9	32,117,285	37,205,258
c) Cash and Bank Balances	10	13,224,363	10,838,256
d) Other Current Assets	11	31,058,107	29,860,126
e) Loans and Advances	12	<u>3,320,416</u>	<u>5,856,988</u>
		<u>143,876,446</u>	<u>133,985,531</u>
Less : Current Liabilities and provisions:			
a) Liabilities	13	555,425,454	494,973,809
b) Provisions		<u>2,813,995</u>	<u>3,041,280</u>
		<u>558,239,449</u>	<u>498,015,089</u>
Net Current Assets		<u>(414,363,003)</u>	<u>(364,029,558)</u>
4) Profit and Loss Account		<u>1,466,191,998</u>	<u>1,366,778,192</u>
TOTAL RS.		<u>1,339,765,207</u>	<u>1,305,946,323</u>
NOTES ON ACCOUNTS	20		

Per our report of even date
For **BRAHMAYYA & Co.,**
Chartered Accountants
Sd/-

P. Chandramouli
Partner

Place : Hyderabad
Date : 31-07-2009

For and on behalf of the Board
Sd/-

D.C. Galada
Managing Director

Sd/-
V. Subramanian
Vice President & Secretary

Sd/-
Devendra Galada
Executive Director



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	SCHEDULE REFERENCE	CURRENT YEAR RS.	PREVIOUS YEAR RS.
I. INCOME :			
Sales : (Less Returns)		316,323,231	434,176,545
Less : Excise Duty		36,975,792	60,414,530
		<u>279,347,439</u>	<u>373,762,015</u>
Conversion charges earned		25,891,903	15,331,434
Others	14	2,666,882	2,460,994
Provision for bad and doubtful debts written back		123,628,503	-
Waiver of finance charges		5,091,786	6,696,764
TOTAL		<u>436,626,513</u>	<u>398,251,207</u>
II. EXPENDITURE :			
Raw Material Consumed	15	278,514,496	305,963,213
Power and fuel		19,607,599	12,192,220
Staff Cost	16	15,141,819	17,333,021
Finance Charges	17	67,909,299	63,860,303
Others	18	49,496,931	43,913,328
Depreciation	6	13,966,902	12,421,916
(Increase) / Decrease in Stocks	19	(36,236,725)	26,261,014
Diminution in value of Investments		(77,052)	(151,562)
Bad debts/Advances written off		127,267,050	-
TOTAL		<u>535,590,319</u>	<u>481,793,453</u>
III. LOSS FOR THE YEAR		98,963,806	83,542,246
ADD: Previous Fringe Benefit Tax		450,000	500,000
		<u>99,413,806</u>	<u>84,042,246</u>
ADD: Fringe benefit tax of earlier years		-	318,291
: Loss brought forward from last year		1,366,778,192	1,282,417,655
IV. TOTAL LOSS CARRIED TO BALANCE SHEET		<u>1,466,191,998</u>	<u>1,366,778,192</u>
Earning per share-basic and diluted		(13.27)	(11.26)
NOTES ON ACCOUNTS	20		

Per our report of even date
For **BRAHMAYYA & Co.**,
Chartered Accountants

Sd/-
P. Chandramouli
Partner

Place : Hyderabad
Date : 31-07-2009

For and on behalf of the Board

Sd/-
D.C. Galada
Managing Director

Sd/-
V. Subramanian
Vice President & Secretary

Sd/-
Devendra Galada
Executive Director



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

A. CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in lacs)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary Items	(989.64)	(835.42)
Adjustments for:		
Depreciation	139.67	124.22
Interest (Net)	674.25	630.68
Provision for Doubtful Debts Written Back	(1,236.29)	0.00
Fixed Assets Discarded	8.58	0.00
Diminution in Value of investments	(0.77)	(1.52)
Bad debts and Advance. Written off	1,272.67	0.00
Investments written off	1.14	1.36
Excess Provisions/Credit balances Written back	(0.09)	(0.15)
Tax deducted at source written off	0.05	0.00
Operating Profit before Working Capital Changes	(130.43)	(80.83)
Adjustments for :		
Trade and Other Receivables	26.04	496.35
Inventories	(139.31)	423.68
Trade Payables	366.64	(642.97)
Cash Generated from Operations	122.94	196.23
Direct Taxes	1.82	(1.02)
Net Cash Flow from Operating Activities (A)	124.76	195.21
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets	(1.00)	(121.09)
Interest received	2.88	2.97
Net Cash used in Investing Activities (B)	1.88	(118.12)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	(14.60)	18.69
Interest paid	(88.18)	(104.56)
Dividend paid	0.00	(0.24)
Net Cash Flow used in Financing Activities (C)	(102.78)	(86.11)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	23.86	(9.02)
Cash and Cash equivalents at beginning of the year	108.38	117.40
Cash and Cash equivalents at the end of the year	132.24	108.38

Per our report of even date
For. **BRAHMAYYA & Co.,**
Chartered Accountants

Sd/-
P. Chandramouli
Partner

Place : Hyderabad
Date : 31-07-2009

For and on behalf of the Board
Sd/-

D.C. Galada
Managing Director

Sd/-
V. Subramanian
Vice President & Secretary

Sd/-
Devendra Galada
Executive Director



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	AS AT 31.03.2009	AS AT 31-03-2008
1. SHARE CAPITAL :		
Authorised :		
109,00,000 Equity Shares of Rs. 10/ each	109,00,000	109,00,000
10,000-9.5% Cumulative Redeemable Preference Share of Rs. 100/- each	1,00,000	1,00,000
TOTAL Rs.	110,00,000	110,00,000
Issued :		
74,89,880 Equity Shares of Rs. 10/ each	74,89,880	74,89,880
1,000-9.5% Cumulative Redeemable Preference Share of Rs. 100/- each	100,000	100,000
TOTAL Rs.	74,99,880	74,99,880
Subscribed and paid up :		
74,89,880 Equity Shares of Rs. 10/ each fully paid up	74,89,880	74,89,880
TOTAL Rs.	74,89,880	74,89,880
2. RESERVES AND SUPPLIERS :		
Securities premium Account	137,336,800	137,336,800
Share Forfeiture Account	7,500,000	7,500,000
Capital Redemption Reserve	100,000	100,000
Capital reserve		
as per last balance sheet	29,900,000	
Add : Addition during the year	18,400,000	29,900,000
(refer para 17 of sch 20)		
TOTAL Rs.	193,236,800	174,836,800

**SAVING ENERGY THROUGH PIONEERING TECHNOLOGY**

PARTICULARS	AS AT 31.03.2009	AS AT 31-03-2008
3. SECURED LOANS :		
Terms Loans from :		
: Industrial Investment Bank of India	40,000,000	40,000,000
: Industrial Development Bank of India	80,000,000	80,000,000
Interest accrued and due on above loans	214,961,043	192,940,220
Working Capital loans from banks	419,746,482	419,874,081
Loans under hire purchase	2,585,186	27,409,026
TOTAL Rs.	757,292,711	760,223,327
4. UNSECURED LOANS :		
From : A.P. State Government		
: Interest Free Sales Tax Loan	311,190	311,190
: Sales Tax Deferment	6,710,843	6,710,843
TOTAL Rs.	7,022,033	7,022,033
5. DEBENTURES :		
4,77,000-17.5% Secured Redemable Non Convertible Debentures of Rs. 100/- each issued to Unit Trust of India	47,700,000	47,700,000
5,00,000 - 18% Secured Redemable Non Convertible Debentures of Rs. 100/- each issued to Industrial Development Bank of India	50,000,000	50,000,000
Interest accrued and due on above debentures	209,614,863	191,265,363
TOTAL Rs.	307,314,863	288,965,363

6. FIXED ASSETS :

SL No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 31.03.08	ADDI-TIONS	DEDUC-TIONS	AS AT 31.03.09	UPTO 31.03.08	FOR THE YEAR	ON DEDUC-TIONS	UPTO 31.03.09	AS AT 31.03.09	AS AT 31.03.08
1.	Land	11,743,132	0	0	11,743,132	0	0	0	0	11,743,132	11,743,132
2.	Buildings :										
	Factory	56,224,663	0	1,346,961	54,877,702	16,438,598	1,832,917	1,279,613	16,991,902	37,885,800	39,786,065
	Office	12,298,692	0	0	12,298,692	1,849,391	201,001	0	2,050,392	10,248,300	10,449,301
3.	Plant & Machinery	233,190,599	0	16,034,217	217,156,382	126,950,404	11,458,640	14,927,109	123,481,935	93,674,447	106,240,195
4.	Furniture & Fittings	2,695,737	0	304,325	2,391,412	1,591,723	132,196	283,698	1,440,221	951,191	1,104,014
5.	Office Equipment	1,305,404	63,280	241,038	1,127,646	891,404	65,011	182,824	773,591	354,055	414,000
6.	Vehicle	2,374,574	0	0	2,374,574	878,000	176,151	0	1,054,151	1,320,423	1,496,574
7.	Data Processing Equipment	2,458,603	36,675	1,938,443	556,835	1,916,736	100,986	1,834,158	183,564	373,271	541,867
		322,291,404	99,955	19,864,984	302,526,375	150,516,256	13,966,902	18,507,402	145,975,756	156,550,619	171,775,148
8.	Capital work in progress	930,951	0	0	930,951	0	0	0	0	930,951	930,951
	Total Rs.	323,222,355	99,955	19,864,984	303,457,326	150,516,256	13,966,902	18,507,402	145,975,756	157,481,570	172,706,099
	Previous Year	334,470,962	12,109,543	0	346,580,505	161,452,490	12,421,916	0	173,874,406	172,706,099	173,018,472





SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

PARTICULARS	AS AT 31.03.2009	AS AT 31-03-2008
7 INVESTMENTS: (at cost) (Long Term) (Non Trade- Quoted)		
1200 Equity Shares of Rs.10/- each Fully paid of Punjab Woolcombers Limited	108,000	108,000
750 Equity Shares of Rs.10/- each Fully paid of Wintec Limited	75,000	75,000
7000 Equity Shares of Rs.10/- each Fully paid of Via Media India Limited	-	70,000
700 14% Optionally Convertible Debentures of Rs.40/- each of Via Media India Limited	-	28,000
400 Equity shares of Rs.10/- each Fully paid of PCI Chemicals and Pharmaceuticals Ltd	-	16,000
	<u>183,000</u>	<u>297,000</u>
Less : Diminution in the value of investments	172,286	249,338
TOTAL Rs.	<u>10,714</u>	<u>47,662</u>
8. INVENTORIES : (At cost unless other wise stated) (as valued and certified by the Managing Director)		
Raw materials	7,248,241	29,566,588
Finished goods	47,191,354	16,386,078
Stock in process	6,561,838	1,130,389
Stores and Spares	2,654,842	3,141,848
Machinery scrap at estimated realisable value	500,000	0
TOTAL Rs.	<u>64,156,275</u>	<u>50,224,903</u>
9. SUNDRY DEBTORS : (Unsecured)		
Debts due over six months		
: Considered good	241,044	341,485
: Considered doubtful	-	123,628,503
Less : Provision for Doubtful Debts	-	(123,628,503)
Other debts considered good	31,876,241	36,863,773
TOTAL Rs.	<u>32,117,285</u>	<u>37,205,258</u>



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

PARTICULARS	AS AT 31.03.2009	AS AT 31-03-2008
10. CASH AND BANK BALANCES :		
Cash in hand	109,962	100,354
Cash with Scheduled Banks		
: In Current Accounts	10,114,401	7,625,902
: In Fixed Deposits	3,000,000	3,112,000
TOTAL Rs.	13,224,363	10,838,256
11. OTHER CURRENT ASSETS :		
Prepaid Expenses	92,114	74,157
Deposits recoverable	4,352,368	2,976,188
Balance with Central Excise Department	3,195,994	4,707,212
Interest accrued	28,848	30,019
Invoked Bank Guarantees	21,324,386	21,324,386
Other Recevables	1,772,800	456,567
Claims Recevable	291,597	291,597
TOTAL Rs.	31,058,107	29,860,126
12. LOANS AND ADVANCES :		
(Unsecured, considered good, recoverable in cash or in kind or for value to be received)		
Advances for Suppliers and Expenses	1,722,629	4,110,896
Staff Advances	681,569	647,347
Advance Tax and Tax Deducted at Source	916,218	1,098,745
TOTAL Rs.	3,320,416	5,856,988
13. CURRENT LIABILITIES AND PROVISIONS:		
A) CURRENT LIABILITIES :		
Sundry Creditors		
: dues to Micro and Small Enterprises	12,881,953	8,304,244
: dues to other than Micro and Small Enterprises	212,090,717	184,931,844
Advances received against sales	9,093,165	12,549,525
Unpaid Dividends		
(See Schedule 20 Note No: 19)	11,556,699	11,556,699
Liabilities for other finances	32,656,189	19,229,955
Due to Directors	404,258	185,759
Interest accrued but not Due	1,402,741	1,350,805
DPG Instalments Due to IDBI	107,854,691	107,854,691
Interest Accrued and Due on DPG Instal.	167,485,041	149,010,287
TOTAL(A).	555,425,454	494,973,809

**SAVING ENERGY THROUGH PIONEERING TECHNOLOGY**

PARTICULARS	AS AT 31.03.2009	AS AT 31-03-2008
B) PROVISIONS :		
for Gratuity	1,278,491	1,393,689
for Earned leaves	585,504	647,591
for Fringe Benefit Tax	950,000	1,000,000
TOTAL(B).	2,813,995	3,041,280
TOTAL(A+B) Rs.	558,239,449	498,015,089

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
14 OTHER INCOME :		
Interest earned (Gross) (Others)	286,784	311,368
TDS : Current Year (Rs.-11,855)		
PreviousYear Rs. 18,942		
Miscellaneous Receipts	53,704	1,040
Excess provisions/Credit Balances Written back	8,693	15,395
Rents earned	1,817,701	1,805,395
Certification charges received	500,000	327,796
TOTAL Rs.	2,666,882	2,460,994
15 RAW MATERIALS CONSUMED :		
Opening stock	29,566,588	43,625,929
Add : Purchases	256,196,149	291,903,872
	285,762,737	335,529,801
Less: Closing stock	7,248,241	29,566,588
TOTAL Rs.	278,514,496	305,963,213
16 STAFF COST :		
Salaries,Wages and Bonus	13,317,887	15,177,192
Welfare expenses	1,160,341	1,161,525
Contribution to Provident and other Funds	584,052	601,314
Gratuity	79,539	392,990
TOTAL Rs.	15,141,819	17,333,021
17 FINANCE CHARGES :		
Interest on : Debentures	18,349,500	18,399,773
: Term loans	40,474,754	40,585,643
: Others	8,890,476	4,393,881
Bank charges	194,569	481,006
TOTAL Rs.	67,909,299	63,860,303



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
18 OTHER EXPENSES :		
Manufacturing expenses	5,203,516	3,711,576
Stores Consumed	17,645,166	14,628,400
Rents	6,298,317	6,379,593
Rates and Taxes	695,156	500,390
Excise duty	1,518,508	(2,451,753)
Legal and Professional charges	4,193,099	3,670,457
Watch and Ward	1,288,606	1,283,879
Printing and Stationery	249,912	327,769
Postage and Telephones	687,841	760,581
Directors Sitting Fees	66,000	53,000
Travelling and Conveyance	3,703,569	4,283,582
Vehicle Maintenance	857,018	825,278
Auditors Remuneration :		
As Auditors	55,150	56,180
For Tax Audit	-	16,836
For Tax Representation	15,000	30,000
For Certification	16,933	7,500
Repairs and Maintenance:		
Machinery	165,678	800,657
Buildings	267,989	481,703
Others	52,765	71,566
Insurance	273,678	359,433
Transport Charges	3,100,809	5,175,861
Advertisement and Publicity	28,297	21,576
Sundry Expenses	1,808,761	1,140,025
Sales commission	247,567	213,811
Donations	6,106	75,376
Prior Year expenditure	75,099	1,274,052
Investments Written off	114,000	136,000
Loss on Assets Discarded	857,583	-
Tax deducted at source written off	4,808	-
TOTAL Rs.	<u>49,496,931</u>	<u>43,913,328</u>
19. (INCREASE) / DECREASE IN STOCKS :		
a. Opening Stock:		
Finished Goods	16,386,078	34,679,737
Stock-in-process	1,130,389	9,097,744
TOTAL Rs.	<u>17,516,467</u>	<u>43,777,481</u>
b. Closing Stock:		
Finished Goods	47,191,354	16,386,078
Stock-in-process	6,561,838	1,130,389
TOTAL Rs.	<u>53,753,192</u>	<u>17,516,467</u>
(INCREASE) / DECREASE (a-b)	<u>(36,236,725)</u>	<u>26,261,014</u>



20. NOTES ON ACCOUNTS

- 1 The following are the significant accounting policies adopted by the Company in the preparation and presentation of financial statements.
 - i) Financial Statements are based on historical costs and on accrual basis.
 - ii) The preparation of financial statements requires the management of the Company to make certain estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure for the year. Examples of such estimates includes provisions for doubtful debts, employee retirement benefits and provision for taxes etc., Any revision to such estimates is recognised prospectively in the year in which it is revised.
 - iii) *Fixed assets are stated at cost net of accumulated depreciation and impairment losses If any. Cost comprises the purchase price and all attributable cost to its working Condition for its intended use.*
 - iv) Investments classified as long term investments are stated at cost. Provision is made to recognise a decline other than temporary in the value of each investment.
 - v) Depreciation on the assets of the Company is provided on straight line method/written down value method as per schedule XIV to the Companies Act, 1956.
 - vi) Raw materials are valued at cost based on First-in First-out method and other stores and spares are valued at cost based on weighted average method. Work-in-process is valued at cost. The other Stock-in-trade are valued at lower of cost or realisable value.
 - vii)
 - a) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
 - b) Post employment and other long term employee benefits are recognised as an expenses in the profit and loss account of the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable as determined by actuarial valuation. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
 - viii) Borrowing costs which are directly attributable to the acquisition, construction or production of fixed assets are capitalised as a part of the cost of that asset.
 - ix) All contingent liabilities are indicated by way of a note and will be provided/ paid on crystallisation.
 - x) The Excise Duty payable on finished/saleable goods is accounted for on the production of such goods.
 - xi) Sales are accounted for including taxes and duties collected and other expenses recovered relating to sales.
 - xii) Income on account of price escalations is accounted for on acceptance of such claims by the customers.



- xiii) Deferred tax asset and liability is calculated by applying the tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.
- xiv) All items of income/ expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of accounts in the Profit and Loss Account.
- xv) Impairment loss is recognised whenever the carrying amount of an asset is in excess of its recoverable amount and the same is recognised as an expense in the statement of Profit and Loss and the carrying amount of the asset is reduced to its recoverable amount.

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

- xvi) All the lease agreements entered into by the company both as lessee and lessor are only operating leases. The payments made or the amounts received under such operating leases are debited or credited as the case may be to profit and loss account on straight-line basis over the lease period.
- xvii) A provision is recognised when, the Company has a present obligation as a result of a past event, it is possible that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

- 2. Due to various financial constraints faced by the company it 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. As the matter was referred to Board for Industrial and Financial Reconstruction (BIFR), the company had been declared sick and ordered for winding up in terms of Section 20(1) of Sick Industrial Companies (Special provisions) Act, 1985 by BIFR vide order dt 14.09.2007. The Company preferred an appeal against the said order before Appellate Authority for Industrial and Financial Reconstruction (AAIFR). AAIFR has stayed BIFR order for winding up and further hearings are in progress. As the Board of Directors of the Company is of the view that an acceptable and viable rehabilitation package can be worked out, the accounts are prepared on "going concern basis".
- 3. a) Term Loans from Industrial Development Bank of India, Industrial Investment Bank of India and the guarantees given by Industrial Development Bank of India to Capital Equipment Suppliers for deferred payment are secured by the mortgage of Land, Buildings, Plant & 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.
- b) The Working Capital facilities from Canara Bank and Syndicate Bank are secured by hypothecation of all movable assets of the Company and a second charge on all Fixed Assets of the Company and irrevocable personal guarantees of five of the Directors of the Company.



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4. a) 17.5% Secured Redeemable Non-Convertible Debenture of Rs.100/- each aggregating to Rs.477 Lakhs issued to UTI are to be redeemed in 3 equal annual instalments starting from the end of the third year of allotment (The date of allotment being 28th December, 1995) and 25th August 1997), though the same are secured by Pari Passu first charge on the fixed assets of the Company, the documentation is not completed.
- b) 18% Secured Redeemable Non-Convertible Debentures of Rs.100/- each aggregating to Rs.500 Lakhs issued to IDBI are to be redeemed in 3 equal annual instalments starting from the end of the fourth year of allotment (The date of allotment being 29th April, 1999) and secured by pari passu first charge on the present and further fixed assets of the Company and irrevocable personal guarantees of two of the Directors of the Company.
5. Interest Free Sales Tax Loan from Andhra Pradesh State Government is over due for repayment.
6. Out of the deferred sales tax an amount of Rs.45,00,000 was overdue for repayment and balance Amount of Rs.22,10,843/- is payable on 1st April, 2014.
7. The aggregate market value of the quoted investments is Rs.10,714/- (Previous year is Rs.47,662 -/-).
8. Fixed Deposits of Rs.30,00,000/- (previous year Rs.30,00,000/-) are in the name of Executive Engineer, Electricity Department Dadra & Nagar Haveli, Silvassa towards Security Deposit for supply of power.
9. No debenture redemption reserve is created in view of the losses being suffered by the Company.
10. Depreciation on fixed assets is provided under Straight Line Method in accordance with Schedule XIV to the Companies Act 1956.
11. The value of the movable assets acquired on lease as on 31/03/2009 amounts to Rs.267.84 lakhs (previous year Rs. 267.84 lakhs). The Company is paying Compensatory Finance charges to the IDBI, the lessor , as the lease agreement is not yet concluded.
12. The Company has not received confirmation of balances from the parties included under Sundry Debtors, Loans and Advances, Sundry Creditors and Other Liabilities.
13. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
14. Managerial Remuneration included in other heads of account (minimum remuneration as per Schedule XIII to the Companies act, 1956.)

	Current Year Rs	Previous Year Rs
Managing Director		
Salary	492,000	492,000
Cost of perquisites and other benefits	474,792	437,852
Executive Director		
Salary	300,000	300,000
House Rent Allowance	180,000	180,000
Cost of perquisites and other benefits	292,282	224,615



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15. Additional Interest and Liquidated damages payable to the financial institutions and /or other financiers for non compliance with terms of sanctions and/or repayment schedules amounting to Rs.14475.89 lakhs from 01.07.1997 to 31.03.2008 and Rs. 3317.38 lakhs for the current year is not provided in the books of account.
16. Interest on Working Capital Loans from Banks, amounting to Rs.8120.05 lakhs from 01.07.2000 to 31.03.2008 and Rs. 1817.34 lakhs for the current year is not provided in the books of Account.
17. During the year, on settlement of dues to certain lenders, the company got waiver of Interest and Principal of Rs.50.92 lakhs (previous year Rs.66.97 lakhs) and Rs.184.00 lakhs(previous year Rs.299.00 lakhs) respectively. Interest waiver is credited to profit and loss account and the amount of Principal waived is directly credited to Capital reserve.
18. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the company regarding the status of suppliers as defined under the "Micro, small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. During the year, the company has no interest in terms of section 16 of the said Act.
19. The Company has declared dividend for the year 1995-96 in the Annual General Meeting held on 30.12.96 and unpaid amount of Rs.1,15,56,699/- has become due for transfer to Investor Education and Protection Fund. However, the Company is of the opinion that the said amount need not be transferred to Investor Education and Protection Fund as the same is payable to the share holders and has been included in its rehabilitation proposal as payable at a later date.
20. Re-appointment of Executive Director and Managing Director with effect from 01.04.2002 and 01.01.2006 respectively are 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, as it is of the opinion that the said conditions are not applicable to it.
21. The ICICI Bank Limited has assigned all the amounts due to it by the Company to a third party with effect from 01.01.2006 on "as is where is " basis pending legal documentation and other negotiations as to the repayment with the third party, the total amount due as at 31st December, 2005 including principal on account of this mutual agreement was classified and shown as current liability under the head Sundry Creditors.



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22. The following are the details of amount recognised in the financial statement in respect of employee benefits as required by AS 15 (revised).

a). Reconciliation of obligation and fair value of assets.

Particulars	Gratuity Amount/Rs. 31.03.09	(Funded) Amount/Rs. 31.03.08
Present value of obligation	25,10,450	23,94,960
Fair value of plan assets(12,31,959)	(10,01,271)
Amount recognized in Balance Sheet as provision	12,78,491	13,93,689

b). Changes in the present value of obligation representing reconciliation of opening and closing balance:

Present value of obligation as at the beginning of the year	23,94,960	19,27,016
Current service cost	34,416	1,07,616
Interest cost	1,91,597	1,54,161
Actuarial (Gain)/ Loss on obligation	(47,741)	2,06,167
Benefits paid	(62,782)	
Present value of obligation as at the end of the year	25,10,450	23,94,960

c). Reconciliation of opening and closing balances of fair value of assets.

Fair value of plan assets at the beginning of the year	10,01,271	3,55,970
Contributions	1,94,737	5,70,347
Actual returns on plan assets	98,733	74,954
Benefits paid	(62,782)	
Fair value of plan assets at the end of the year	12,31,959	10,01,271

d). The amounts recognised in profit and loss Account for the year ended as an expense.

Current Service cost	34,416	1,07,616
Interest cost	1,91,597	1,54,161
Returns on plan assets	(98,733)	1,31,213
Actuarial (Gain)/ Loss on obligation	(47,741)	
Net expense	79,539	3,92,990

e). Principal actuarial assumptions.

Mortality table (LIC)	1994-96	1994-96
Discount rate per annum	8.00%	8.00%
Rate of escalation in Salary (per annum)	4.00%	4.00%
Attrition Rate	1.00%	1.00%
Retirement age	58 years	58 years

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



23. The Companies main business is manufacturing of Aluminium Conductors and other related products and all other activities of the Company revolve around the main business and as such there are no separate reportable segments as per the Accounting Standard AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
24. The details of the transactions with related parties to be disclosed as required by Accounting Standard - 18 are as follows.

a) Names of Related parties and description of relationship.

i) Key Management Personnel

Sri Dharam Chand Galada	Managing Director.
Sri Devendra Galada	Executive Director

ii) Relatives of Key Management Personnel

Smt. Snehlatha Galada	Wife of Sri Dharam Chand Galada
Sri Shail Galada	Son of Sri Dharam Chand Galada
Sri Shahi Galada	Son of Sri Dharam Chand Galada
Sri Ewanth Kumar Parekh	Son-in-law of Sri Dharam Chand Galada

b) Transactions with related Parties during the year

	<u>2008-09 Rs.</u>	<u>2007-08 Rs.</u>
i) Key Management Personnel		
Sri Dharam Chand Galada		
Managerial Remuneration	9,66,792	9,29,852
Sri Devendra Galada		
Managerial Remuneration	7,72,282	7,04,615
ii) Relatives of Key Management Personnel		
Smt. Snehlatha Galada		
Rent Paid	1,14,000	1,14,000
Sri Shail Galada		
Remuneration Paid	3,44,769	3,32,783
Rent Paid	93,000	93,000
Sri Shashi Galada		
Rent Paid	93,000	93,000
Sri Ewanth Kumar Parekh		
Remuneration Paid	4,79,820	4,90,408
c) Year end Balances { due from/(due to) }		
i) Sri Ewanth Kumar Parekh	2,19,425	79,050
ii) Sri Shail Galad	3,777	32,750



25.	Calculation of Earning Per share	Current year	Previous year
	Adjusted loss for the Year (Rs)	9,94,13,806	8,43,60,537
	Number of equity shares	74,89,880	74,89,880
	Face value per Share (Rs)	10	10
	Earning per Share (Basic and Diluted)(Rs)	(13.27)	(11.26)

26. In the absence of convincing evidence regarding the availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to tax effect of timing differences at present.

27. As required by Accounting Standard (AS 28) "impairment of Assets" issued by the Institute of Chartered Accountants of India, the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year.

28. Contingent liabilities not provided for on account of:

	Current Year Rs	Previous Year Rs
i) Guarantees & LCs issued by the bankers	1,77,01,099	1,77,01,099
ii) Estimated liabilities to parties against materials	28,54,688	28,54,688
iii) Claims against the Company not acknowledged as debts	99,09,001	91,00,208
iv) Estimated amount of contracts remaining to be executed on Capital account	1323,76,160	1323,76,160
v) duty Payable on Imports in Transit	1,69,98,257	5,26,27,153
vi) Performance Guarantees given by the Company	-	47,43,031

29. Additional information as required under Part II of Schedule VI of Companies Act, 1956

	As at 31.03.2009	As at 31.03.2008
a) Licensed Capacities: Licensed Capacities are not stated in view of abolition of Industrial Licensing.		
b) Installed Capacities in MT: Aluminium Alloy Conductors & Wires	14,700	14,700

(Installed Capacity is as certified by the Management and not verified by Auditors, being a technical matter)



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	As at 31.03.2009		As at 31.03.2008	
c) Opening Stock of Finished Goods:				
Aluminium Conductors	88.571	1,63,86,078	193.018	3,46,79,737
d) Closing Stock of Finished Goods:				
Aluminium. Conductors	453.301	4,71,91,354	88.571	1,63,86,078
e) Actual Production:				
I. own				
i). Aluminium Conductor	2300.188		2600.763	
ii) Aluminium Rods / Wires ****	70.444		156.410	
**** including for Captive Consumption	50.786		156.410	
II. Job work for others				
i) Aluminium Rods/ Wires	1559.250		549.370	
ii) Standard Wire/ Wires	2559.173		2182.616	
f) Turnover (Net of returns)				
Aluminium Conductors	1935.458	31,31,11,479	2705.210	43,31,23,970
Rods/ Wires	19.658	31,18,236	-	-
Others (Scrap/Dross)	-	93,516	-	10,52,575
	<u>1955.116</u>	<u>31,63,23,231</u>	<u>2705.210</u>	<u>43,41,76,545</u>
Aluminium Rods.	2124.421	26,05,50,425	2245.722	28,15,04,563
Aluminium Ingots.	56.313	71,34,790	133.693	1,57,57,066
Galvanised Steel Wire	213.077	1,06,97,768	188.670	87,01,584
Magnesium/ Silicon & Others	0.845	1,31,513	-	-
	<u>2394.656</u>	<u>27,85,14,496</u>	<u>2568.085</u>	<u>30,59,63,213</u>
h) Analysis of Materials consumed				
	Value /Rs.	Percentage	Value /Rs.	Percentage
Indigenous	29,61,59,662	100	32,05,91,613	100

30. Previous year figures have been regrouped wherever necessary to make them comparable with those of current year.

Per our report of even date
For **BRAHMAYYA & Co.,**
Chartered Accountants
Sd/-

P. Chandramouli
Partner

For and on behalf of the Board
Sd/-
D.C. Galada
Managing Director

Sd/-
V. Subramanian
Vice President & Secretary

Place : Hyderabad
Date : 31-07-2009

Sd/-
Devendra Galada
Executive Director



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

I. REGISTRATION DETAILS

Registration No.: 01-01513 State Code: 0 1

Balance Sheet Date : 31-03-2009

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue: NIL Right Issue :NIL

Bonus Issue: NIL Private Placement: NIL

III. POSITION OF MOBILESATON AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

Total Liabilities: 13,39,765 Total Assets : 13,39,765

SOURCES OF FUNDS

Paid-up Capital: 74,899 Reserves & Surplus : 1,93,237

Secured Loans: 10,64,607 Unsecured Loans: 7,022

APPLICATION OF FUNDS

Net Fixed Assets:2,87,925 Investments: 11

Net CurrentAssets:(-) 4,14,363 Misc. Expenditure:0

Accumulated Losses:14,66,192

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS.

Turnover: 4,36,627 Total Expenditure: 5,35,590

Loss Before Tax: 98,963 Loss After Tax: 99,414

Loss Per Share in Rs. (-)13.27 Dividend: NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Items Code No. Product Description:
(ITC Code)

761490 ALL ALUMINIUM ALLOY CONDUCTOR

760529 ALUMINIUM WIRE ALLOYED

760410 ALUMINIUM RODS ALLOYED

Per our report of even date
For **BRAHMAYYA & Co.**,
Chartered Accountants

Sd/-
P. Chandramouli
Partner

Place : Hyderabad
Date : 31-07-2009

For and on behalf of the Board

Sd/-
D.C. Galada
Managing Director

Sd/-
V. Subramanian
Vice President & Secretary

Sd/-
Devendra Galada
Executive Director



SAVING ENERGY THROUGH PIONEERING TECHNOLOGY

Folio No.	Name of Member in Capital Letters	ADMISSION SLIP

37th ANNUAL GENERAL MEETING
on 30th September, 2009 at 10.00 a.m.

at
Kamat Lingapur Chikoti Garden,
Begumpet, Hyderabad - 500 016.

<input type="checkbox"/>	MEMBER	<input type="checkbox"/>	PROXY
NAME OF THE PROXY (IN CAPITAL LETTERS)			

I Hereby register my presence at the meeting

Signature of the Member/Proxy



PROXY FORM	
Folio No.	Holding

I/We.....
.....

of.....
in the district ofbeing a member/members of GALADA POWER AND TELECOMMUNICATION LIMITED hereby appoint.....or failing him.....as my our Proxy to vote for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held on Wednesday, the 30th September, 2009 and at any adjournment thereof.

Signed this.....day of.....2009

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
--

AFFIX REVENUE STAMP

FOR OFFICE USE ONLY

PROXY No.	DATE OF RECEIPT
-----------	-----------------

Signature

**PRINTED MATTER
BOOK POST**

If undelivered, please return to:



GALADA
POWER AND TELECOMMUNICATION LTD.

2nd Floor, Galada Towers, Begumpet, Hyd -500 016

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