

2011 - 2012



GALADA FINANCE LIMITED



GALADA FINANCE LIMITED

PROXY FORM

BOARD OF DIRECTORS

Justice P Bhaskaran	Chairman
Mr. J Ashok Galada	Managing Director
Mr. Naveen Galada	Executive Director
Mr. S Venkatakrishnan	Director
Mr. K Ramu	Director

BANKERS

Indian Bank,
Uthamar Gandhi Salai,
Nungambakkam,
CHENNAI 600 034

AUDITORS

M/s. Chandarana & Sanklecha,
Chartered Accountants,
II Floor, 137, Nainiappa Naicken Street,
CHENNAI 600 079

**REGISTERED AND
CORPORATE OFFICE -**

"SHANTI SADAN" Old No.4 (New No. 7)
Shaffee Mohammed Road, Thousand Lights
CHENNAI 600 006
Tel : 28294830, 43099009, 28294831
Telefax : 28294830

**REGISTRARS AND SHARE
TRANSFER AGENTS**

M/s. Cameo Corporate Services Ltd,
'Subramanian Building',
No.1, Club House Road,
Chennai 600 002
Phone : 28460390 Fax : 28460129
E-mail : cameo@cameoindia.com
Website: www.cameoindia.com



GALADA FINANCE LIMITED

Profit on sale of shares	9.18
Interest on Government Securities	0.79
Profit on sale of fixed Assets	-
Dividend Receipts	1.71
Dividend Paid	-
The Cash Flow from financing activities (C)	233.83

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Shri. Raj. Sankar
Proprietor
Membership No. 77346

Place : Chennai
Date : 30th May 2012



NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS

Notice is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Saturday, the 28th July 2012 at 4.00 p.m. at The Registered Office of the company at **"SHANTI SADAN", Old No.4, New No.7, Shaffee Mohammed Road, Thousand Lights, Chennai - 600 006** to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2012 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and the Auditors thereon;
2. To appoint a Director in place of Shri K. Ramu who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint a Director in place of Justice P. Bhaskaran who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors M/s. Chandarana & Sanklecha, Chartered Accountants are eligible for re-appointment.

By order of the Board

Place : Chennai,
Date : 30th May 2012

J. ASHOK GALADA
Managing Director

NOTES :-

1. A Member entitled to attend and vote at the meeting of the Company shall be entitled to appoint any other person, whether a Member or not, as his/her proxy to attend instead of himself/herself. Such proxy shall not be entitled to vote except on a poll. A form of proxy is enclosed. Proxy form, in order to be effective, should be lodged with the Company at any time not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th July 2012 to 28th July 2012 (both days inclusive).
3. Members are requested to communicate their change of address if any, quoting their respective folios to the Company's Share Transfer Agent M/s. Cameo Corporate Services Ltd., 'Subramanian Buildings', No.1, Club House Road, Chennai 600 002.

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO. 2 AND 3 PURSUANT TO SEBI CODE FOR CORPORATE GOVERNANCE ABOUT DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER :-

Particulars	Item No. 2	Item No. 3
Name of the Director	K. RAMU	JUSTICE P. BHASKARAN
Date of Birth	05.11.1955	21.05.1929
Date of appointment	11.04.1996	27.10.1994
Qualification and	L.L.B. Advocate	M.A. and B.L.
experience in specific functional areas	He has been actively associated with the Company for more than a decade	Retired Judge of Hon'ble High Court of Judicature of Chennai He has associated with the Company as Chairman for more than a decade
List of Companies in which outside Directorships held.	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of the Company.	1.Member of Audit Committee of the Board of Directors.	1. Chairman of Audit Committee of the Board of Directors
Chairman/Member of the Committee of the other Companies in which he is a Director	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their **TWENTY SIXTH ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended March 31, 2012.

01. FINANCIAL RESULTS

The financial results for the year ended 31st March 2012 are given below :-

Description	For the year ended 31.3.2012 (Rs. in lakhs)	For the year ended 31.3.2011 (Rs. in lakhs)
Total Income	178.90	150.92
Less Expenditure	110.71	89.06
Profit before Depreciation and Taxes	68.19	61.86
Less Depreciation	21.73	21.53
Profit before Tax	46.46	40.33
Less Income Tax	16.00	13.00
Deferred Tax	(1.89)	(1.86)
	14.11	11.14
Profit After Tax	32.35	29.19
Less : Extra Ordinary items-		
Provn for diminution in the value of investments	5.64	13.34
Profit for the year	26.71	15.85
Balance Brought Forward from Previous Year	61.44	48.84
Amount available for appropriation	88.15	64.69
APPROPRIATION		
Transfer to Statutory Reserve	5.50	3.25
Balance carried to Balance Sheet	82.65	61.44
	88.15	64.69

02. DIVIDEND

In view of the inadequacy of profits and in order to conserve reserves of the Company, the Board of Directors does not recommend any dividend for the financial year ended 31st March 2012.

03. INDUSTRY STRUCTURE AND DEVELOPMENTS

The industrial growth in India is showing signs of recovery and the Indian economy is poised for steady growth in the years to follow.

04. BUSINESS REVIEW

During the year under report, the Company extended hire purchase finance to the tune of Rs. 49.00 lakhs and financing under operating leasing to the tune of 18.30 lakhs and other credit financing of Rs.447.55 lakhs.

The total income of the Company is at Rs. 178.90 lakhs during the year under review as against Rs.150.92 lakhs in the previous financial year; and the profit before tax during the year under review is at Rs. 46.46 lakhs as compared to Rs. 40.33 lakhs in the previous financial year; and that profit after tax during the year under review is at Rs. 26.71 lakhs as compared to Rs. 15.85 lakhs in the previous financial year.

05. OUTLOOK

The outlook for the Company looks encouraging.

06. OPPORTUNITIES, CHALLENGES, RISKS AND CONCERNS

With the Indian economy showing signs of recovery, it is expected that there would be abundant opportunities for the growth of NBFC Sector.

Competition from private and public sector banks in the retail financing and competitive interest rates are challenges to the industry.

With strong and dynamic management, experienced and skilled staff, retention of customers, improvement of assessment



procedures and quality of appraisal, the Company is confident of converting challenges into opportunities.

Any operational risk, market risk and interest rate risk can have adverse impact on the operations of the Company. Through continuous emphasis on cost control and cost reduction measures and taking corrective action wherever necessary, the Company will minimize the risk.

07. DEPOSITS

As on 31st March 2012, there were 90 depositors for a value of Rs. 136.42 lakhs.

Your Company has complied with the requirements under the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies.

08. INFORMATION REQUIRED UNDER NON-BANKING FINANCIAL COMPANIES ACCEPTANCE OF PUBLIC DEPOSITS (RESERVE BANK) DIRECTIONS, 1998

The total number of accounts of public deposit of the company which have not been claimed by the depositors or not paid by the company after the date on which the deposit became due for repayment was NIL.

The total amount due under such accounts remaining unclaimed or unpaid beyond the dates referred to above was NIL.

09. DIRECTORS

Shri K. Ramu and Justice P. Bhaskaran directors retire by rotation and being eligible, they offer themselves for re-appointment.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- (iii) That the Directors have taken proper and sufficient care 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;

That the Directors have prepared the accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

11. AUDITORS

M/s. Chandarana & Sanklecha, Chartered Accountants, the Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

12. EMPLOYEES

Your Directors wish to convey their appreciation of services rendered by the employees at all levels.

13. PARTICULARS REQUIRED UNDER SECTION 217(2A) OF COMPANIES ACT, 1956

There were no employees who were in receipt of the remuneration for the year ended 31.3.2012 as prescribed under Section 217 (2A) of the Companies Act, 1956 and hence annexure as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not attached.

14. INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

The Company has no activity relating to

ervation of energy or technical absorption.
 were no foreign exchange earnings or
 during the year under review.

REGULATORY STATEMENT

in conformity with the provisions of Clause 32 of Listing Agreement, the Cash Flow Statement for the year ended 31st March 2012 annexed to the Accounts.

COMMON AGENCY FOR SHARE STRYWORK

Cameo Corporate Services Ltd., at 'Sri Peramban Building', No.1, Club House, Chennai 600 002 are the Common Agency for physical and electronic share registry work of the Company.

CORPORATE GOVERNANCE

In accordance to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section "Corporate Governance" is attached to the Annual Report.

Certificate of Statutory Auditors dated 30th May 2012 in line with Clause 49 of the Listing Agreement with the Stock Exchange is annexed to and forms a part of the Directors' Report.

DISCLOSURE STATEMENT

The Management Discussion and Analysis forming part of this report is in compliance with

Corporate Governance Standards incorporated in the listing agreement with Stock Exchange and such statements may be "forward-looking" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence Company's operations include global and domestic financial market conditions affecting the interest rates, availability of resources for the financial sector, market for lending, changes in regulatory directions issued by the Government, tax laws, economic situation and other relevant factors.

19. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the continued assistance and co-operation received from Company's Bankers, Customers, Advisors, Auditors and Depositors during the year under review.

For and on behalf of the Board

JUSTICE P BHASKARAN
 Chairman

Place : Chennai
 Date : 30th May 2012

Sl. No.	Name of the Director	Designation	Present/Absent	Remarks
1	Justice P Bhaskaran	Chairman	Present	
2	S. Venkateshwaran	Director	Present	
3	K. Ramu	Director	Present	
4	J. Ashok Galada	Director	Present	
5	Naveen Galada	Director	Present	

CORPORATE GOVERNANCE DISCLOSURE
01. Corporate Philosophy on Code of Governance

Galada Finance Limited (GFL) remains committed in practicing the principles of good corporate governance over the years. The Board of Directors firmly believes in the values of transparency, professionalism, accountability and integrity.

02. Board of Directors

The Composition and category of the Board of Directors is as under:-

S.No.	Category	Name of the Director
I.	Promoter and Executive Directors	Mr J Ashok Galada Mr Naveen Galada
II.	Independent and Non-Executive Directors	Justice P Bhaskaran Mr S Venkatakrishnan Mr K Ramu

03. Number and Dates on which the Board Meetings were held:-

Four Board Meetings were held during the financial year 2011-2012. The dates on which the meetings were held are as follows:-

21st May 2011, 30th July 2011, 29th October 2011 and 28th January 2012.

04. Attendance of each Director at Board Meetings, last Annual General Meeting and Number of other Directorships and Membership/Chairmanship of Committees of each Director in various Companies

Name of the Director	Attendance particulars		No. of Directorships and Committee Memberships Chairmanships		
	Board Meetings	Last AGM	Other Director ships	Committee Member ships	Committee Chairman ships
Justice P Bhaskaran	4	Present	-	-	-
S. Venkatakrishnan	4	Present	8	-	-
K. Ramu	4	Present	-	-	-
J. Ashok Galada	4	Present	3	-	-
Naveen Galada	4	Present	3	-	-

05. Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between Galada Finance Limited and its Directors for the year ended 31st March 2012.



Transactions with related parties as per the requirements of Accounting Standard (AS 18) – 'Related Party Disclosures' are disclosed in Notes on accounts in the Annual Report for 2011-2012.

06. Material pecuniary relationship or transactions with Non-Executive Directors :-

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

07. Remuneration of Directors : Sitting fees, Salary, Perquisites and Commission

Remuneration paid or payable to Directors during 2011 - 2012.

Name of the Director	Sitting Fees	Commission on profits	Salary & Allowances	Contribution	Perquisites to	Total PF
Justice P Bhaskaran	8,000/-	N.A.	N.A.	N.A.	N.A.	8,000
S Venkatakrishnan	8,000/-	N.A.	N.A.	N.A.	N.A.	8,000
K Ramu	8,000/-	N.A.	N.A.	N.A.	N.A.	8,000
J Ashok Galada	Nil	Nil	15,00,000	Nil	Nil	15,00,000
Naveen Galada	Nil	Nil	Nil	Nil	Nil	Nil

08. Code of conduct

A report on the compliance aspect of the Code of Conduct given by the Managing Director who is the CEO has been given at the end of this report.

09. Committees of the Board

i) Audit Committee

The Audit Committee comprises of Justice P. Bhaskaran, Mr. S. Venkatakrishnan and Mr. K. Ramu all independent and non-executive Directors of the Company with Justice P Bhaskaran as its Chairman.

The role, terms of reference, authority and powers of the Audit Committee are in conformity with the requirements of Companies Act, 1956 and listing agreement.

The Committee held four meetings during the year 2011-2012 on the following dates – 21st May 2011, 30th July 2011, 29th October 2011 and 28th January 2012. The attendance of the Audit Committee is as under:-

Name of the Member	Attendance particulars
Justice P Bhaskaran	4
S Venkatakrishnan	4
K Ramu	4

The scope of the Audit Committee includes:

- Review of the Company's financial reporting process, financial statements and risk management policies.
- Review of the adequacy of internal control systems and the adequacy of the internal function.
- Discussion with the management and external auditors on the audit plan for the financial year and a joint post-audit review of the same.

ii) Remuneration Committee

Remuneration Committee as contemplated under the listing agreement is not presently constituted and will be constituted in due course.

iii) Shareholders/Investors Grievance Committee

The Company has a Shareholders / Investors Grievance Committee comprising Mr. S. Venkatakrishnan, Independent and Non-Executive Director as Chairman with Mr. Ashok Galada and Mr Naveen Galada being the other two Members.

The Committee is vested with the requisite powers and authorities to specifically look into the grievances of shareholder and investor grievances.

14 (Fourteen) shareholders/Investors Grievance committee Meeting was held during the financial year 2011-2012 on 29th April 2011, 24th May 2011, 10th June 2011, 21st June 2011, 8th July 2011, 22nd August 2011, 9th September 2011, 9th November 2011, 15th November 2011, 28th November 2011, 9th December 2011, 29th December 2011, 25th January 2012 and 19th March 2012.

S. No.	Name of the Member	Total No of Meetings	Meetings Attended
1.	Mr. S. Venkata krishnan	14	14
2.	Mr. J. Ashok Galada	14	14
3.	Mr. Naveen Galada	14	14

10. Investors Grievances :-

The company has not received any grievances/complaints from the investors during the financial year 2011-2012 :-

The dematerialization requests from the shareholders were carried out within the stipulated period and no certificates were pending for dematerialization as the end of the financial year March 2012.

11. Secretarial Audit Report regarding reconciliation of capital

As required by the regulations of SEBI, the issued and listed capital of the Company is reconciled with the aggregate of the number of shares held by the investors in physical and electronic mode. A Certificate is obtained on a quarterly basis to this effect from the Company Secretary in whole time Practice and submitted to the Madras Stock Exchange. The Company's shares are listed. No discrepancies were found or reported by the



Auditor between the issued and the listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories for the financial year under report.

The Committee inter alia approves the issue of duplicate certificate and reviews all matters connected with the securities transfer. The Committee also looks into redressing the shareholders' investors complaints.

The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of investor services.

12. Management

Disclosures by Management to the Board

- All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years : NIL
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges for the employees to report concerns about unethical behavior.
- No person has been denied access to the Audit Committee.

13. Shareholders information

i) Means of communication

The Company publishes its quarterly and annual results in the Trinity Mirror issue in English and Makkal Kural issue in vernacular language.

ii) Investor Grievances

As mentioned earlier, the Company has a duly constituted Shareholders/Investors Grievance Committee for redressing shareholders and investor complaints.

iii) Share Transfer

The Company has appointed M/s. Cameo Corporate Services Ltd. as Common Agency for providing Share Transfer work and Depository Services through NSDL and CDSL.

iv) General Body Meetings

The details of last three Annual General Meetings are given below :-

No. of AGM	Date and Time	Venue
23 rd AGM	29 th August 2009	The Cosmopolitan Club, No. 63, Anna Salai, CHENNAI 600 002
24 th AGM	31 st July 2010 4.00 p.m.	South India Hire Purchase Association Nahar Hall, Desabandhu Plaza, First Floor No.47, Whites Road, Royapettah, Chennai 14
25 th AGM	30 th July 2011	Regd Office at "SHANTI SADAN" O.No.4, N.No.7 Shaffee Mohammed Road, Thousand Lights, Chennai 600 006

Passing of resolutions by Postal Ballot

No items were passed by resolutions through postal Ballot during the financial year 2012. In the forthcoming Annual General Meeting also, there is no item on the agenda that needs to be passed by Postal Ballot.

Extraordinary General Meeting

No Extraordinary General Meeting was held by the Company during the financial year 2012. The next Extraordinary General Meeting is scheduled for March 2013.

v) Additional shareholder information

a) 26th Annual General Meeting

Date : 28th July 2012 Time : 4.00 p.m.

Venue : THE REGISTERED OFFICE, "SHANTI SADAN" Old No.4, New No.7,
Shafiee Mohammed Road, Thousand Lights, Chennai 600 006

b) Financial calendar

Financial year 1st April to 31st March

Results	For the year ended 31 st March 2012 was announced on	For the year ended 31 st March 2013 will be announced on
- First Quarter	30 th July 2011	31 st July 2012
- Second Quarter	29 th October 2011	31 st October 2012
- Third Quarter	28 th January 2012	31 st January 2013
- Fourth Quarter and Annual	30 th May 2012	31 st May 2013

c) Book closure

The Book closure period is from 16th July 2012 to 28th July 2012 (both days inclusive).

d) Listing on Stock Exchange

The Company's equity shares are listed on the Madras Stock Exchange.

The ISIN Number (Demat) is INE243E01010.

e) Stock Market Data

During the year under review, no transaction has taken place in the equity shares of the Company on the Madras Stock Exchange where the Company's shares are listed.



f) Distribution of shareholding by ownership as on 31st March 2012

Category	No. of shares	Percentage of share holding
A. PROMOTER'S HOLDING		
1. Promoters*		
- Indian promoters	13,97,167	46.57%
- Foreign promoters	Nil	Nil
2. Persons acting in concert#	Nil	Nil
Sub-total	13,97,167	46.57%
B. NON-PROMOTERS HOLDING		
3. Institutional Investors		
a. Mutual Funds	Nil	Nil
b. Banks, Financial Institutions, Insurance companies (Central/ State Government Institutions/ Non-Government Institutions	Nil	Nil
c. Foreign Institutional Investors	Nil	Nil
4. Others	Nil	Nil
a. Private Corporate Bodies	11,600	0.39%
b. Indian Public	15,91,233	53.04%
c. NRIs/OCBs	Nil	Nil
d. Any other (Please specify)	Nil	Nil
Sub total	16,02,833	53.43%
GRAND TOTAL	30,00,000	100.00%

g) Distribution of shareholding by size as on 31st March 2012

Share holding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to total	(in Rs.)	% to total
(1)		(2)	(3)	(4)	(5)
Upto -	5,000	231	49.0446	8,97,000	2.9900
5,001 -	10,000	103	21.8684	8,77,000	2.9233
10,001 -	20,000	29	6.1571	4,42,330	1.4744
20,001 -	30,000	27	5.7325	6,93,000	2.3100
30,001 -	40,000	12	2.5478	4,36,000	1.4534
40,001 -	50,000	03	0.6369	1,37,000	0.4567
50,001 -	1,00,000	11	2.3354	8,47,000	2.8233
1,00,001	AND ABOVE	55	11.6773	2,56,70,670	85.5689
TOTAL		471	100.000	3,00,00,000	100.0000



h) Dematerialisation of shares

As at 31st March 2012, equity shares numbering 8,50,400 of Rs.10/- each (28 total number of shares) is in dematerialized form.

14. Outstanding GDRs/ADRs/Warrants or Convertible Instruments

Not Applicable

15. Address for correspondence

i) Registrars and Share Transfer Agents

M/s. Cameo Corporate Services Ltd. 'Subramanian Building', No.1, Club H
CHENNAI - 600 002

Phone : 28460390; Fax : 28460129; Grams : Cameo;

E-mail : cameo@cameoindia.com; Website : www.cameoindia.com

ii) Registered and Corporate Office of the Company

Galada Finance Limited, "Shanti Sadan", Old No.4, New No.7, Shaffee Mohd
Thousand Lights, Chennai 600 006

Phone : 28294830, 43099009, 28294831 Fax: 28294830

For GALADA FINANCE LIMITED

J ASHOK
MANAGING DIRECTOR

Declaration on Code of Conduct

As required by Clause 49(1D) of the Listing Agreement, it is hereby affirmed that the Board Members and Senior management personnel have complied with the Code of Conduct of the Company.

Place : Chennai

Date : 30th May 2012

J ASHOK
MANAGING DIRECTOR



COMPLIANCE CERTIFICATE

The Members,
Galada Finance Limited,
"Shanti Sadan", Old No.4 (New No.7),
Shaffee Mohamed Road,
Thousand Lights,
CHENNAI 600 0006

Company Registration No. 12826

Dear Sirs,

I have examined the registers, records, books and papers of M/s. Galada Finance Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 4 (Four) times respectively on 21/05/2011, 30/07/2011, 29/10/2011 and 28/01/2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members or Debenture holders from 16/07/2011 to 30/07/2011 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 30th July 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. i) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. There was not allotment of securities during the financial year.
ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

- iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- iv) As there were no instances falling within the purview of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, the Company has not transferred the amounts in unpaid dividend account, application money for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- v) Generally complied with the requirements of Section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time director during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the applicable directions issued by the Reserve Bank of India in respect of deposits accepted including unsecured loans taken amounting to Rs. 33.25 lakhs raised by the Company during the year and the Company has filed statement in lieu of advertisement as required with the Reserve Bank of India.
24. The amount borrowed by the Company from Directors, Public, Financial Institutions, banks and others during the financial year ended 31st March 2012 is within the borrowing limits of the Company and that necessary resolution as per Section 293(1)(d) of the Act have been passed in duly convened Annual/Extraordinary General Meeting.
25. The Company has made loans and advances or given guarantees or provided securities to other bodies corporate in compliance with the provision of the Act and has made entries in the Register kept for the purpose..
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year.



ANNEXURE A

Registers as maintained by the Company

01. Register of Members under Section 150 of the Companies Act, 1956;
02. Register of Managing Directors, Manager, Secretary and Directors under Section 303(2) and 304 of the Companies Act, 1956;
03. Register of Directors Shareholdings under Section 307 of the Companies Act, 1956;
04. Minutes Book of Board of Directors under Section 193 of the Act;
05. Minutes Book of proceedings of General Meetings under Section 193 and 196 of the Companies Act, 1956;

ANNEXURE B

Forms of returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2012

01. Form 66 being Form for submission of Compliance Certificate with the Registrar under Section 383A(1) of the Companies Act, 1956 for the financial year ending on 31/03/2011 was filed vide Challan SRN P69669281 dated 27/08/2011;
02. Form 23AC being form for filing Balance Sheet and other documents with the Registrar for the financial year ending on 31/03/2011 and 23ACA being form for filing Profit and Loss Account and other documents with the Registrar for the financial year ending on 31/03/2011 under Section 220 of the Companies Act, 1956 was filed vide Challan SRN P69677870 dated 27/08/2011;
03. Form 20B being form for filing Annual Return by a Company having a share capital with the Registrar for the financial year ending on 31/03/2011 under Section 159 of the Companies Act, 1956 was filed vide Challan SRN P70474739 dated 16/09/2011;
04. Form 8 under Section 135 of the Companies Act, 1956 for modification of charges made on 13/03/2012 in favour of Indian Bank, Uthamar Gandhi Salai Branch, Nungambakkam, Chennai - 600 034 was filed vide Challan SRN B35010909 dated 21/03/2012.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Auditors Certificate is given as annexure to the Directors' Report.

ANNEXURE TO THE DIRECTORS REPORT

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

TO THE MEMBERS OF GALADA FINANCE LIMITED

We have examined the compliance of conditions of Corporate Governance by Galada Finance Limited for the year ended on 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring

the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that there were no investor grievances remaining unattended/pending for more than 30 days.

We further 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 Chandarana & Sanklecha

Chartered Accountants

Firm Registration No. 000557S

Bharat Raj Sanklecha

Proprietor

Membership No. 27539

Place : Chennai

Date : 30th May 2012

(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	30.00	300.00	30.00	300.00
Total	30.00	300.00	30.00	300.00



AUDITORS REPORT TO THE MEMBERS OF GALADA FINANCE LIMITED

We have audited the attached Balance Sheet of GALADA FINANCE LIMITED as at 31st March 2012, the Profit & Loss Account of the company and also 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, as amended by Finance Act 2004, in terms of section 227 (4A) 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.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement

referred to in this report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors of the Company as at 31st March, 2012 and taken on record by the Board of Directors, we report that no director is disqualified as on 31st March, 2012 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and,
- f) In our opinion and to the best of information and according to the explanations given to us, the said accounts read together with the company's accounting policies and the notes thereto, 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:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
 - ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date, and
 - iii) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

For **CHANDARANA & SANKLECHA**
Chartered Accountants
Firm Registration No.000557S

Bharat Raj Sanklecha
Proprietor
Membership No. 27539

Place : Chennai
Date : 30th May 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Annexure referred to in paragraph 2 of our report of even date)

1. a The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b The Company has a regular programme of verification of its fixed assets at reasonable intervals. Though all the assets have not been physically verified by the management during the year, the company's programme of verification of such assets, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c. In our opinion, the company has not disposed of a substantial part of its fixed assets, which will affect the going concern status of the company.
2. Being a Non Banking finance Company, the matters in connection with verification, reporting and all other related matters on inventory are not applicable.
3. a. The Company has neither granted nor taken any loan, secured or unsecured, to / from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount, interest thereon and overdue amount are not required.
4. In our Opinion, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for its business activities. In our opinion, there is no continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301, exceeding the value of Rs. five lakhs, in respect of any party during the year.
6. The Company has accepted fixed deposits from the public and has complied with directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under wherever applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the company yet to introduce an internal audit system commensurate with the size and nature of its business.
8. Being a Non-banking finance company, the maintenance of cost records as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the company.
9. a. According to the information and explanations given to us the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. We



- further state that, no undisputed amount payable in respect of the afore said dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.
- b. Statutory dues not deposited on account of any dispute are NIL
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceeding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or Banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
14. In respect of investments, proper records have been maintained by the company for the transactions and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name, except to the extent of the exemption, if any, granted under section 49 of the Companies Act, 1956.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. There were no term loans obtained by the company during the year.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
18. According to the information and explanation given to us, during the year under audit, 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. The company has not issued any debentures and hence no securities and charges are required to be created in respect thereof.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanation given to us, during the course of checks carried out by us, no frauds on or by the company has been noticed by us or reported to us during the year under report.

For CHANDARANA & SANKLECHA

Chartered Accountants

Firm No. 000557S

BHARAT RAJ SANKLECHA

Proprietor

Membership No. 27539

Place: Chennai.

Date: 30th May 2012

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No.	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	300.00	300.00
(b) Reserves and surplus	3	203.10	176.39
		503.10	476.39
(2) Share application money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowings	4	105.29	40.13
(b) Deferred tax liabilities (net)		3.28	5.17
(c) Other Long Term liabilities	5	53.74	46.20
		162.31	91.50
(4) Current liabilities			
(a) Short-term borrowings	6	322.15	365.86
(b) Other current liabilities	7	207.61	187.63
(c) Short-term provisions	8	22.00	22.03
		551.76	575.52
TOTAL EQUITY AND LIABILITIES		1,217.17	1,143.41
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	110.18	106.50
(b) Non-current investments	10	151.59	188.76
(d) Long-term loans and advances	11	2.52	2.66
		264.29	297.92
(2) Current assets			
(a) Cash and cash equivalents	12	14.68	6.33
(b) Short-term loans and advances	13	938.20	839.16
		952.88	845.49
TOTAL ASSETS		1,217.17	1,143.41
Notes to the Accounts	1 to 19		

As per our report of even date attached

For **CHANDARANA AND SANKLECHA**

Chartered Accountants

Firm No. 000557S

Bharat Raj Sanklecha

Proprietor

Membership No. 27539

Place : Chennai

Date : 30th May 2012

For and on behalf of the Board of Directors

Justice P.Bhaskaran

Chairman

J.Ashok Galada

Managing Director

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Note No.	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
REVENUE			
I. Revenue from operations	14	175.46	139.01
II. Other Income	15	3.45	11.91
III. Total Revenue (I+II)		178.91	150.92
IV. Expenses			
Employee Benefits Expenses	16	22.04	21.60
Finance Costs	17	54.35	36.45
Depreciation and amortisation expenses		21.74	21.53
Other Expenses	18	34.32	31.01
Total Expenses		132.45	110.59
V. Profit before exceptional and extraordinary items and tax (III-IV)		46.46	40.33
VI. Extraordinary Items - Provision for diminution in Value of Investments		5.64	13.34
VII. Profit before Tax (V-VI)		40.82	26.99
VIII. Tax Expense			
(1) Current Tax		16.00	13.00
(2) Deferred Tax		(1.89)	(1.86)
IX. Profit after Tax (VII-VIII)		26.71	15.85
Earning per share-Basic & Diluted		0.89	0.53
Notes to the Accounts	1 to 19		

As per our report of even date attached

For **CHANDARANA AND SANKLECHA**
Chartered Accountants
Firm No. 000557S

For and on behalf of the Board of Directors

Bharat Raj Sanklecha
Proprietor
Membership No. 27539

Justice P.Bhaskaran
Chairman

J.Ashok Galada
Managing Director

Place : Chennai
Date : 30th May 2012

Notes forming part of the financial statements
Note 1 - Significant Accounting Policies
a) Basis of preparation of Financial Statements

The accounts have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the Regulations, as applicable to the Non Banking Finance Companies, issued by the RBI.

b) Recognition of Income and Expenditure

- i) The company accounts for income and expenditure on accrual basis except otherwise stated.
- ii) Finance Charges in respect of Hire Purchase, Vehicle loan & Hypothecation transactions are apportioned over the period of agreement by Internal Rate of Return basis.
- iii) Lease transactions entered after 1st April 2001 have been accounted as per the Accounting Standard (AS-19) issued by the Institute of Chartered Accountants of India.
- iv) The company has followed the Prudential norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies
- v) Interest on overdue Lease rentals, loans and hire purchase instalments accounted for on receipt basis.

c) Fixed Assets and Depreciation :

- i) Fixed Assets are stated at historical cost less accumulated depreciation.
- ii) Depreciation on assets has been provided on written down value method as prescribed by Schedule XIV to the Companies Act, 1956.

d) Investments :

Investments in Shares and Debentures are stated at cost. However, any decline in the value of such investments which in the opinion of the management, is not temporary, is provided for.

Note 2 Share capital

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of Rs.10 each with voting rights	40.00	400.00	40.00	400.00
(b) Issued Equity shares of Rs.10 each with voting rights	30.00	300.00	30.00	300.00
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	30.00	300.00	30.00	300.00
Total	30.00	300.00	30.00	300.00

Note 2.1

The number of shares outstanding at the beginning and at the end of the reporting period are the same.

Note 2.2

Details of shareholders holding more than 5 % shares of the company:

Name of the Shareholder	No. of shares held as on 31st March 2012	No. of shares held as on 31st March 2011
Galada Traders Ltd	199100	199100
Galada Housing Ltd	364600	364600
Ashok Kumar Galada HUF	218800	216300
Vinita Galada	169100	169100

Note 3 Reserves and surplus

Particulars	As at 31st March, 2012 Rs. in Lakhs	As at 31st March, 2011 Rs. in Lakhs
(a) Statutory reserve (As per Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	54.30	51.05
Add: Transferred from surplus in Statement of Profit and Loss Statement	5.50	3.25
Closing balance	<u>59.80</u>	<u>54.30</u>
(b) General reserve brought forward	60.65	60.65
Addition during the year	-	-
Closing balance	<u>60.65</u>	<u>60.65</u>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	61.44	48.84
Add: Profit / (Loss) for the year	26.71	15.85
Less: Transferred to Statutory reserve	5.50	3.25
Closing balance	<u>82.65</u>	<u>61.44</u>
Total	<u>203.10</u>	<u>176.39</u>

Note 4 Long-term borrowings

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Unsecured loan - Fixed Deposits	105.29	40.13
Total	105.29	40.13

Note 4.1 Fixed Deposits from Directors

31st March 2012 13.00

31st March 2011 1.00

Note 5 Other Long term liabilities

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Interest accrued but not due	2.08	0.46
Advances & Deposits	51.66	45.74
Total	53.74	46.20

Note 5.1 Interest accrued on deposit from Directors

31st March 2012 (Rs. in Lakhs) 0.83

31st March 2011 (Rs. in Lakhs) 0.01

Note 6 Short-term borrowings

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Secured loan from Indian Bank (Secured by hypothecation of agreements of debtors, Personal guarantees of directors & collateral security of property of director and relatives.)	259.44	241.72
Secured loan from Sharekhan Ltd (Secured by pledge of shares)	31.58	61.10
Unsecured - Intercompany deposits	-	10.00
Unsecured loan - Fixed Deposits	31.13	53.04
Total	322.15	365.86

Note 6.1 Fixed Deposits from Directors

31st March 2012 - NIL

31st March 2011 - Rs. 8.9 lakhs

Note 7 Other current liabilities

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Unmatured hire charges	20.02	45.95
Advance interest	142.61	101.00
Advances & deposits	40.76	31.31
Sundry creditors for others	1.03	2.80
Sundry creditors for expenses	1.77	1.46
Interest accrued but not due	1.42	5.11
Total	207.61	187.63

Note 7.1 Interest accrued on deposit from Directors

31st March 2012 - NIL

31st March 2011 - Rs. 2.48 lakhs

Note 8 Short-term provisions

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Provision: for bad and doubtful debts	22.00	22.03
Total	22.00	22.03



Note 9 Fixed assets

DESCRIPTION	Gross block at cost			Depreciation			Net Block	
	Balance as at 1 st April, 2011	Additions	Disposals	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	Additions	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Tangible Assets								
(a) Freehold Land	4.67			4.67			4.67	4.67
(b) Plant and Machinery	6.76	1.58	0.29	8.05	6.07	0.72	6.50	0.69
(c) Furniture and Fixtures	14.53	0.23		14.76	13.03	0.28	12.88	1.50
(d) Vehicles	8.46	7.31	0.91	14.86	3.52	2.17	5.69	4.94
(e) Office equipment	13.49	0.06		13.55	10.71	0.40	11.11	2.78
Assets on Lease								
(a) Furniture and Fixtures	6.20			6.20	3.15	0.55	3.70	3.05
(b) Vehicles	30.65	1.50	7.33	24.82	12.36	7.80	14.41	18.28
(c) Office equipment	88.39	16.80		105.19	17.81	9.82	27.63	70.59
Total	173.15	27.48	8.53	192.10	66.65	21.74	81.92	106.50
Previous year	134.61	38.58	0.04	173.15	45.15	21.53	106.50	89.46

**NOTE 10 NON-CURRENT INVESTMENTS**

Particulars	As at 31 st March, 2012			As at 31 st March, 2011	
	Face value (In Rs.)	Holding (no. of shares)	Cost (Rs. in Lakhs)	Holding (no. of shares)	Cost (Rs. in Lakhs)
Investment in Equity Instruments: Fully paid					
Other Companies					
Quoted					
ADANI PORTS & SEZ LTD	10	2500	5.40	2500	5.40
ADITYA BIRLA NUVO LTD	10			750	6.43
APOLLO HOSPITAL	5			500	2.62
ARVIND LTD	10	1000	1.10		
ASHOK LEYLAND	1	13000	4.90	6500	4.90
AVANTEL SOFTECH	10	1500	1.18	1500	1.18
BALAJI TELEFILMS LTD.	2	1000	1.75	1000	1.75
BANK OF MAHARASHTRA	10	3000	1.74		
BHEL	10	800	2.69		
BOMBAY DYEING	10	300	2.04	300	2.04
CHESLIND TEXTILE	10	5000	1.75	5000	1.75
DLF LIMITED	2	1000	5.77	1000	5.77
ESSAR OIL LIMITED	10	1600	2.83	1600	2.83
FEDDERS LLOYD	10	1100	1.26	1100	1.26
FOUR SOFT	10	5000	3.70	5000	3.70
GANGOTHRI TEXTILES	5	500	0.12	500	0.12
GNFC	10	389	0.36		
GRAPHITE INDIA LTD	2	0	-	5000	4.79
GRAUER & WEIL (I) LTD	1	38000	2.99		
GSFC LTD	10	0	-	1500	6.17
GVK POWER	1	4000	3.13	4000	3.13
HCL INFOSYSTEMS	2	333	0.78	333	0.78
HOUSE OF PEARL FINANCE LIMITED	10	500	0.43	500	0.43
IFCI LIMITED	10	30500	22.02	30500	22.02
INDIA BULLS REAL ESTATE	2	2500	8.47	2500	8.47
INDIA BULLS WHOLESALE LTD	2	312	-		
INDIA CEMENT	10	3300	5.28	3300	5.28
INDIA GLYCO	10	1000	1.97	1000	1.97
JAIN STUDIO LIMITED	10	7420	3.10	7420	3.10
JHAGADIA COPPER LTD	10	1000	0.24	1000	0.24
KAKATIYA CEMENT	10	8500	8.98	8500	8.98
KESORAM INDUSTRIES LTD	10	2100	7.76	2100	7.76
KINETIC MOTOR COMPANY	10	2000	1.41	2000	1.41
KOTAK MAHINDRA BANK	10	0	-	2300	12.41
KOTHARI PRODUCTS	10	745	6.33	745	6.70
MANAPURAM FINANCE	2	3000	1.89	0	-
MEDIAVEDIO(MVL)	10	600	0.26	600	0.26
MEGA SOFT (VISUAL SOFTWARE)	10	1216	1.95	1216	1.95
MERCATORS LINES LIMITED	1	1000	0.95	1000	0.95
MOSER BAER	10	1750	2.87	1750	2.87
MTNL LTD	10	1000	1.77	1000	1.77
NHPC	10	1000	0.37	1000	0.37
NIIT TECHNOLOGIES LTD	10	0	-	1250	3.10
NTPC	10	500	1.16	500	1.16
OIL INDIA LTD	10	500	7.40	1000	15.44



GALADA FINANCE LIMITED

ORIENT HOTEL	1	570	0.19	570	0.19
POWER GRID CORPN	10	3000	4.05	3000	4.05
PUNJ LYODS	2	500	2.64	500	2.64
RELIANCE POWER LTD	10	400	2.69	400	2.69
SAKTHI SUGAR	10	500	0.33	500	0.33
SHREE RAM URBAN INFRASTRUCTURE LTD	10	500	2.20	500	2.20
SUBROS	2	1000	0.51	1000	0.51
SUN PHARMA ADV..					
RESEARCH. CENTRE	1	0	-	500	0.49
TATA GLOBAL	1	1000	1.35	1000	1.35
TATA METALIK	10	500	0.75	500	0.75
TECH MAHINDRA	10	900	9.92	900	9.92
TELE DATA INFO	2	1000	0.72	1000	0.72
TELE DATA MARINE SOLUTION	2	500		500	
TELE DATA TECHNOLOGY	2	500		500	
TVS ELECTRONIC	10	2000	1.20	2000	1.20
UNITECH	2	1500	1.91	1500	1.91
ZEE LEARN LTD	1	0	-	250	-
ZEEL LTD	1	0	-	2000	2.98
			156.56		193.19
Unquoted					
BIHAR ALLOYS	10	200	0.02	200	0.02
GUPTA CARPET	10	360	0.11	360	0.11
KAYPEE MANTEX	10	100	0.01	100	0.01
KOCHAR OIL MILL LTD	10	100	0.01	100	0.01
S.N.S.LEASING	10	100	0.01	100	0.01
TUNGABADRABULP BOARD STD	10	150	0.01	150	0.01
W.I.E..ENGINEERNG	10	100	0.03	100	0.03
ZEN GLOBAL FINANCE	10	5000	0.75	5000	0.75
			0.95		0.95
			157.51		194.14
Less: Aggregate Provision for diminution in value of investments			19.92		14.28
			137.59		179.86
Investment in Govt. Securities					
9.38% West Bengal SDL	100		2.00		2.00
8.26% UP SDL	100		1.00		1.00
8.00% GOI Bond	100		-		1.00
8.47% UP SDL	100		3.00		3.00
8.32% TN SDL	100		1.90		1.90
8.26% GOI Bond	100		1.50		-
7.99% MAHA SDL	100		1.00		-
9.01% J & K SDL	100		2.00		-
8.19% GOI Bond	100		0.60		-
8.79% MAHA SDL	100		1.00		-
			14.00		8.90
Total Non-Current Investments			151.59		188.76
Aggregate Cost of Quoted Shares			156.56		193.19
Aggregate market value of listed and quoted investments			74.65		120.06
Aggregate Cost of unquoted Shares			0.95		0.95

Note 11 Long-term loans and advances

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Unsecured, considered good		
Advances & Deposits	2.52	2.66
	2.52	2.66

Note 12 Cash and cash equivalents

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
(a) Cash on hand	8.33	2.24
(b) Balances with banks		
In current accounts	0.35	0.09
In Fixed Deposit Accounts	6.00	4.00
Total	14.68	6.33

Note 12.1

All Fixed Deposits will be maturing within one year.

Note 13 Short-term loans and advances

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Secured, considered good		
Hypothecation Loans	22.28	25.39
Vehicle loans	707.92	477.60
Stock on hire	160.47	308.15
Unsecured, considered good		
Equipment lease rent receivable	4.13	2.11
Deposits	20.90	0.29
Loans	16.03	14.93
Leased Assets(Net)	-	4.92
Interest Accrued but not due	0.47	0.27
Other loans & advances		
Income Tax (Net of provision)	6.00	5.50
	938.20	839.16

Note 14 Revenue from operations

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Income from Financing Operations		
Interest Receipts	99.52	47.68
Hire Purchase Profit & Service Charges	38.46	60.60
Lease Rentals	37.43	29.24
NPA Provisions & Bad Debts Recovered	0.05	1.49
Total	175.46	139.01

Note 15 Other Income

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Dividend Receipts	1.91	1.71
Interest on Govt Securities	0.92	0.68
Interest on Bank FD	0.31	0.11
Profit on sale of shares	-	9.18
Miscellaneous Income	0.31	0.15
Interest on IT Refund	-	0.08
Total	3.45	11.91

Note 16 Employee Benefits

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Salary, Bonus & Commission	6.26	5.87
Managerial Remuneration	15.00	15.00
Staff Welfare Expenses	0.78	0.73
Total	22.04	21.60

Note 17 Finance Costs

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Interest Expense		
Loan from Bank	32.57	18.54
Fixed Deposits	13.48	8.31
Other Interest	6.93	8.96
	52.98	35.81
Bank Charges	1.37	0.64
Total	54.35	36.45

Note 18 Other Expenses

Particulars	As at 31 st March, 2012 Rs. in Lakhs	As at 31 st March, 2011 Rs. in Lakhs
Office Rent	5.28	4.68
Bad Debts	5.06	6.70
Office Expenses	3.57	2.87
Travelling and Conveyance	2.97	1.14
Legal & Professional Fees	2.56	1.85
Vehicle Maintenance	1.83	1.64
Business Promotion Expenses	1.68	1.62
Commission & Brokerage	1.59	2.98
Loss on Investment in shares	1.33	-
Parking Charges	1.07	0.05
Audit Fees	0.80	0.80
Loss on sale of assets	0.08	0.00
Electricity Expenses	0.32	0.34
Repairs & Maintenance Charges	0.67	0.92
Insurance Charges	0.29	0.17
Rates and taxes	0.04	0.04
STT & Share Expenses	0.23	1.51
Advertisement Expenses	0.58	0.34
Directors Sitting Fees	0.24	0.27
Communication Expenses	1.07	0.97
Miscellaneous Expenses	3.06	2.12
Total	34.32	31.01

NOTE 19 - General

1 Payments to Auditors	2011-2012 Rs. in Lakhs	2010-11 Rs. in Lakhs
For Statutory Audit	0.40	0.40
For Tax Audit	0.10	0.10
For Taxation	0.10	0.10
For Other Services	0.11	0.11
For Out of pocket expenses	0.09	0.09
	0.80	0.80
2 Finance Charges	2011-2012 Rs. in Lakhs	2010-2011 Rs. in Lakhs
On Fixed Loans	13.62	9.51
On Other Loans	39.36	26.29
	52.98	35.80

3 The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segment as per accounting standard 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India.

4	Payment to Directors	2011-2012 Rs. in Lakhs	2010-2011 Rs. in Lakhs
	A. Interest on Fixed Deposit	1.63	1.41
	B. Sitting Fees	0.24	0.27
	C. Rent	-	1.00
	D. Salary & Allowance	15.00	15.00

5 Related Party Disclosures :

A Related Parties

a. Key Management Personnel :

Mr.Ashok Galada, Managing Director

Mr.Naveen Galada , Executive Director

B Transaction with Related Parties: (Rs. in Lakhs)

Name of the Party	Relationship between the party	Nature of Transaction	Volume of transaction
J. Ashok Galada	Managing Director	Managerial Remuneration	15.00
Shanthi Devi Galada	Managing Director's Wife	Rent	4.80
J. Ashok Kumar Galada (HUF)	Managing Director is member of the family	Rent	0.48

6	Lease Rental Receivable (Gross)	31.03.2012 Rs. in Lakhs	31.03.2011 Rs. in Lakhs
	a) Not later than one year	Nil	Nil
	b) Later than one year but not later than five years	Nil	Nil
	c) Later than five year	Nil	5.19

7 In accordance with the Accounting Standard 22(Accounting for taxes on income) issued by the Institute of Chartered Accountants of India, the deferred tax liability/ assets as the case may be as at 31st March, 2012 has been charged to/reversed back in the Profit & Loss Account. In Current year liability has been reversed back on account of timing difference of depreciation on Assets.

8 Additional information pursuant to para 4c and 4d of part II of Schedule VI of the Companies Act, 1956 is either NIL or NOT APPLICABLE.

9 Previous year's figures have been re-grouped wherever found necessary.

As per our report of even date attached

For Chandarana & Sanklecha
Chartered Accountants
Firm Registration No. 000557S

For and on behalf of the Board of Directors

Bharat Raj Sanklecha
Proprietor
Membership No. 27539

Justice P.Bhaskaran
Chairman

J. Ashok Galada
Managing Director

Place : Chennai
Date : 30th May 2012



**SCHEDULE TO THE
BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**

(as required in terms of Paragraph 9BB of
Non-Banking Financial Companies Prudential Norms(Reserve Bank) Directions, 1998

Particulars		(Rs. in Lakhs)	
Liabilities side:			
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	Amount outstanding	Amount Over due	
(a) Debentures : Secured	-	-	
: Unsecured	-	-	
(other than falling within the meaning of public deposit*)			
(b) Deferred Credits	-		
(c) Term Loans	-		
(d) Inter-corporate loans and borrowing	-		
(e) Commercial Paper	-		
(f) Public Deposits *	136		
(g) Other Loans (specify nature) From Banks	259		
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):			
(a) In the form of Unsecured debentures	-		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-		
(c) Other public deposits	136		
Asset Side:		Amount outstanding	
(3) Break-up of Loans and Advances including bills receivable [other than those included in (4) below] :			
(a) Secured		570	
(b) Unsecured		15	
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities			
(i) Lease assets including lease rental under sundry debtors :			
(a) Financial lease (NET)		90	
(b) Operating lease		0	
(ii) Stock on hire including hire charges under sundry debtors :			
(a) Asset on hire (NET)		140	
(b) Repossessed Assets		-	

(iii) Hypothecation loans counting towards EL/HP activities			
(a) Loans where assets have been repossessed			
(b) Loans other than (a) above (NET)			
(5) Break-up of Investments:			
Current Investments:			
1. Quoted :			
(i) Shares : (a) Equity			
(b) Preference			
(ii) Debentures and Bonds			
(iii) Units of mutual funds			
(iv) Government Securities			
(v) Others (please specify)			
2. Unquoted :			
(i) Shares : (a) Equity			
(b) Preference			
(ii) Debentures and Bonds			
(iii) Units of mutual funds			
(iv) Government Securities			
(v) Others (please specify)			
Long Term Investments:			
1. Quoted :			
(i) Shares : (a) Equity			
(b) Preference			
(ii) Debentures and Bonds			
(iii) Units of mutual funds			
(iv) Government Securities			
(v) Others (please specify) FD with Comm Banks			
2. Unquoted :			
(i) Shares : (a) Equity			
(b) Preference			
(ii) Debentures and Bonds			
(iii) Units of mutual funds			
(iv) Government Securities			
(v) Others (please specify)			
(6) Borrower group-wise classification of all leased assets, stock on hire and loans and advances :			
Please see Notes 2 below			
Category	Amount net of provisions		
	secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-



2. Other than related parties	728	15	743
Total	728	15	743

(7) Investor group-wise classification of all investments (Current and long term) in shares and securities(both quoted and unquoted):

Please see Notes 3 below

Category	Market Value / Break Up or fair value or NAV		Book Value (Net of Provisions)
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	75		138
Total	75		138

** as per Accounting Standard of ICAI (Please see Note 3)

(8) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets (Agreement balance)	
(a) Related parties	
(b) Other than related parties	48
(ii) Net Non-Performing Assets (Agreement balance less advance hire charges/advance interest & provision)	
(a) Related parties	
(b) Other than related parties	18
(iii) Assets acquired in satisfaction of debt	-

Notes

As per our report of even date attached

For Chandarana & Sanklecha
Chartered Accountants
Firm Registration No. 000557S

For and on behalf of the Board of Directors

Bharat Raj Sanklecha
Proprietor
Membership No. 27539

Justice P. Bhaskaran
Chairman

J. Ashok Galada
Managing Director

Place : Chennai

Date : 30th May 2012



GALADA FINANCE LIMITED

CASH FLOW STATEMENT AS AT 31st MARCH 2012

Particulars	As on 31 st March, 2012 Rs. in Lakhs	As on 31 st March, 2011 Rs. in Lakhs
Cash flow from operating activities		
Net profit before Tax and Extra ordinary items	46.46	40.33
Add: Non operating expenses/Non cash flow Items		
Adjustment for depreciation	21.74	21.53
Interest & Financial Charges	52.98	
35.80		
Lease Terminal Adjustment		
Less : Non operating incomes		
Profit on sale of shares	1.33	(9.18)
(Profit)/Loss on sale of fixed Assets	0.08	0
Interest on Government Securities.	(1.23)	(0.79)
Dividend Receipts	(1.91)	(1.71)
Operating profit before working capital changes	119.45	85.98
Add/(Less) : Adjustments for working capital changes		
Decrease / (Increase) in stock on Hire	121.75	106.12
(Increase) / Decrease in advance & deposits	(204.60)	(360.12)
Increase in Current Liabilities	7.97	53.99
Cash Generated from Operations	44.57	(114.03)
Less: Interest Paid	(55.05)	(32.26)
Income Tax paid	(16.50)	(12.53)
Net Cash from Operating activities (A)	(26.98)	(158.82)
Cash flow from investing activities		
Sale / (Purchase) of Fixed Assets (Net)	(25.42)	(38.57)
Purchase of Investments (Net)	31.53	(34.74)
Net Cash used in Investing Activities (B)	6.11	(73.31)
Cash Flow from Financing Activities		
Repayment of long term borrowing	71.22	62.20
(Net of repayments)		
Short Term Borrowings	(43.72)	159.75
(Net of repayments)		



GALADA FINANCE LIMITED

Profit on sale of shares	9.18
Interest on Government Securities.	0.79
Profit on sale of fixed Assets	-
Dividend Receipts	1.71
Dividend Paid	-
Net Cash Flow from financing activities (C)	233.63
Net increase in cash and cash equivalents (A+B+C)	1.50
Cash and equivalents as at 31 st March 2011	4.82
Cash and equivalents as at 31 st March 2012	6.32
Increase / Decrease in cash equivalents	1.50

For and on behalf of the Board of Directors

Place : Chennai
Date : 30th May 2012

Justice P.Bhaskaran
Chairman

J.Ashok Galada
Managing Director

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of Galada Finance Limited derived from the audited Financial Statements for the year ended 31st March 2012. The statement has been prepared by the Company in accordance with requirements of Clause 32 of the listing agreement with the stock exchange. Previous year's figures have been re-grouped wherever found necessary.

For **CHANDARANA AND SANKLECHA**

Chartered Accountants
Firm No. 000557S

Bharat Raj Sanklecha
Proprietor
Membership No. 27539

Place : Chennai
Date : 30th May 2012



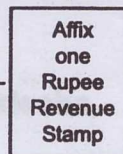
GALADA FINANCE LIMITED

PROXY FORM

I / We of being
Member / Members of Galada Finance Limited hereby appoint of
..... or failing him / her
..... of or failing him / her
..... of
..... as my / our Proxy in my / our absence to attend and vote for me / us
on my / our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company, to be held
on 28th July 2012 at 4.00 p.m. and at any adjournment thereof.

As witness my / our hand / hands this day of
..... 2012. Member's Folio Number

Signed by the said



Note : The proxy form must be deposited at the Registered Office of the Company with the Secretarial Department at "Shanti Sadan" Old No. 4, (New No. 7) Shaffee Mohammed Road, Thousand Lights, Chennai - 600 006 not less than 48 hours before the time for holding the meeting.

GALADA FINANCE LIMITED

ATTENDANCE SLIP

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING at registered office of the Company at "Shanti Sadan" Old NO. 4, (New No. 7) Shaffee Mohammed Road, Thousand Lights, Chennai - 600 006.

Name of the Member
(in Block Letters)

Member's Folio Number

Name of the Proxy (in block letters, to be filled in the proxy attends instead of the Member)
.....

No. of shares held

.....
* Members / Proxy's Signature

* To be signed at the time of handing over this slip

**** NOTE : NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING**

Book - Post



If Undelivered please return to :

GALADA FINANCE LIMITED

Regd. Off. : "Shanti Sadan" Old No. 4, (New No. 7),
Shaftee Mohammed Road, Thousand Lights,
Chennai - 600 006. Ph : 4309 9009, 2829 4830,
2829 4831 Telefax : 2829 4830