



2013 - 2014



GALADA FINANCE LIMITED

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
Mrs. R.S.Indira	Director

BANKERS

Indian Bank,
Uthamar Gandhi Salai,
Nungambakkam,
CHENNAI 600 034
Ph. No. : 044 - 28271228

AUDITORS

M/s. Chandarana & Sanklecha,
Chartered Accountants,
II Floor, 137, Nainiappa Naicken Street,
CHENNAI 600 079
Ph. No. : 044 - 25357070

**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

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NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Galada Finance Limited will be held on Saturday, 27th day of September, 2014 at 04.00 p.m. at the registered office of the Company situated at “SHANTHI SADAN”, O.No.4, N.No.7, Shaffee Mohammed Road, Thousand Lights, Chennai 600 006, to transact the following businesses:

Ordinary Business

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naveen Galada (DIN: 00043054), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment and whose office shall be subject to retire by rotation as per the Companies Act, 2013.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Ordinary Resolution :

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder, M/s. Chandarana & Sanklecha, Chartered Accountants (Registration No. 000557S), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration to be recommended by the Audit Committee of the Board of Directors and finalized by the Board of Directors in consultation with the Statutory Auditors.

Special Business

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

RESOLVED that Mrs. Indira Srinivasan Royakottam (holding DIN: 06823929) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st January 2014, in terms of Section 260 of the Companies Act, 1956 (corresponding Section 161(1) of the Companies Act, 2013) and Article 27 of the Articles of Association of

the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this general meeting.

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

RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Justice P Bhaskaran** (holding DIN 00126136), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of **Justice P Bhaskaran** and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a consecutive term of 5 years from the date of this general meeting.

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

RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mr. S Venkatakrishnan** (holding DIN 00136608), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of **Mr. S Venkatakrishnan** and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a consecutive term of 5 years from the date of this general meeting.

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

RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, **Mr. K Ramu** (holding DIN 01538291), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of **Mr. K. Ramu** and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a consecutive term of 5 years from the date of this general meeting.

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

RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the re-appointment of Mr. J. Ashok Galada (DIN: 00042295) as Managing Director of the Company, for a period of 3 (three) years with effect from 01st April 2014, on the remuneration of Rs. 1,25,000 per month and other terms and conditions as set out in the Statement annexed to the Notice convening this Meeting be and is hereby approved and ratified, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. J. Ashok Galada (DIN: 00042295), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in case of inadequacy of profit, Mr. J. Ashok Galada (DIN: 00042295) shall be entitled for the minimum remuneration in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

10. To consider and, if thought fit to pass, with or without modification(s) the following Resolution for related party transaction as a **Special Resolution**:

RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings, the consent of the Company be and is hereby accorded for ratifying and continuing the contract or arrangement with the related parties as defined under the Act and the Rules made thereunder with effect from 01st April 2014, as per details and on terms & conditions as set out under Item no. 12 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is given below



GALADA FINANCE LIMITED

Particulars	1	2	3	4	5	6
Name of the Director	Justice P. Bhaskaran	J. Ashok Galada	S. Venkata krishnan	Naveen Galada	K. Ramu	R. S. Indira
Date of Birth	28-04-1929	13-06-1952	21-05-1929	24-12-1981	05-11-1955	23-01-1941
Date of Appointment	27-10-1994	25-03-1986	27-10-1994	01-07-2000	11-04-1996	31-01-2014
Qualification	M.A. & B.L.	B.Com	M.A.	B.Com., M.B.A	L.L.B	M.Sc. M.Phil Ph.d.
Experience in Specific functional areas	Retired Judge of Hon'ble High Court of Judicature of Chennai. He has associated with the company as Chairman as charman for 2 decades	Having experience in finance business for more than 4 decades	Retired I.A. & A.S. from Central Government. He has associated with the company for 2 decades	Having experience in finance business for more than decade.	Practicing Advocate Hon'ble High Court of Judicature of Chennai. He has associated with the company for almost a decade	Retd. Professor
List of Companies in which outside Directorships held	NIL	1.GALADA HOUSING LIMITED 2.GALADA TRADES LIMITED 3.SHALOM CONSULTANCY SERVICES (I) PVT LTD 4. SOUTH INDIA HIRE PURCHASE ASSOCIATION 5. FINANCE COMPANIES' ASSOCIATION (INDIA	1.MADRAS SHOE FABRIK LIMITED 2. BENTLEYS PHARMACEUTICALS PRIVATE LIMITED 3. SHRIRAM INDUSTRIAL HOLDINGS LIMITED 4. SHRIRAM EXPORTS PRIVATE LIMITED 5.NOVOCHEM LABORATORIES PVT LTD 6. CHARUKESI INVESTMENTS PRIVATE LIMITED 7. BILAHARI ENTERPRISES PRIVATE LIMITED 8. HYMAVATHI ENTERPRISES PRIVATE LIMITED 9. RANJANI ENTERPRISES PRIVATE LIMITED 10. SHRIRAM HOUSING FINANCE AND DEVELOPMENT COMPANY LTD	1.GALADA HOUSING LIMITED 2.GALADA TRADES LIMITED 3.SHALOM CONSULTANCY SERVICES (I) PVT LTD	NIL	NIL

Particulars	1	2	3	4	5	6
			11. RAMBAL PROPERTIES PRIVATE LIMITED 12. MEDICORP PHARMACEUTICALS INDIA PRIVATE LIMITED 13. DESH CONSULTANCY SERVICES PRIVATE LIMITED 14. ROAD SAFETY CLUB PRIVATE LIMITED 15. SHRIRAM OVERSEAS FINANCE LIMITED 16. PAVRON SPRAYTECH PRIVATE LIMITED 17. SHRIRAM CREDIT COMPANY LIMITED 18. SHRIRAM TRADE FINANCE COMPANY LIMITED 19. SHRIRAM INVESTMENT HOLDINGS LIMITED 20. CELINDIA FINANCE AND INVESTMENT COMPANY PRIVATE LIMITED 21. SHRIRAM OVERSEAS INVESTMENTS PRIVATE LIMITED 22. ALAGIRI SPINNING AND WEAVING MILLS PRIVATE LIMITED			

Particulars	1	2	3	4	5	6
Chairman/Member of the Committee of the Board of Directors of the Company	1. Chairman of Audit Committee of the Board of Directors 2. Member of the Nomination and Remuneration Committee	1. Member of the Share Holder/ Investors' Grievance Committee	1. Chairman of the Share Holder/ Investors' Grievance Committee 2. Member of the Audit Committee of the Board of Directors 3. Member of the Nomination and Remuneration Committee	1. Member of the Share Holder/ Investors' Grievance Committee	1. Chairman of Nomination and Remuneration Committee. 2. Member of Audit Committee of the Board of Directors	NIL
Chairman/member of the Committee of the other Companies in which he is a Director	NIL	NIL	NIL	NIL	NIL	NIL

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
5. The Register of Members and Transfer Books of the Company will be closed from Tuesday, 23rd September 2014 to Saturday, 27th September 2014, both days inclusive.

6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Cameo Corporate Services Limited ("Cameo") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Cameo.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Cameo.
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', Members who have not registered their e-mail addresses so far are requested to register the same.
11. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

The procedure and instructions for e-voting are as follows:

- (i) The voting period begins on 22nd September 2014 9.00 hours and ends on 23rd September 2014 18.00 hours. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

**STATEMENT ANNEXED TO NOTICE
[PURSUANT TO PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013]**

Item No.4

Mrs. Indira Srinivasan Royakottam, aged 74 Years, has done M.Sc., M. Phil and Ph.D. She is a Retd. Professor and has exposure to the finance industry. Mrs. Indira Srinivasan Royakottam was appointed as an Additional Director by the Board of Directors on 31st January 2014 under Article 27 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 (corresponding Section 161 (1) of the Companies Act, 2013). She is presently an Independent Director on the Board as per the current provisions of the Listing Agreement. She will hold office up to the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Mrs. Indira Srinivasan Royakottam being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company along with requisite deposit, signifying his intention to propose Mrs. Indira Srinivasan Royakottam as a candidate for the office of the Independent Director of the Company.

In the opinion of the Board, Mrs. Indira Srinivasan Royakottam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an independent director of the Company and is independent of the management of the Company. Having regard to his qualifications, knowledge and experience her appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mrs. Indira Srinivasan Royakottam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends her appointment as an Independent Director in the interest of the Company, to utilize her expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mrs. Indira Srinivasan Royakottam is concerned or interested in the resolution.

Item No.5, 6 and 7

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Justice P Bhaskaran, Mr. S Venkatakrishnan and Mr. K Ramu, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of these directors as Independent Directors for a consecutive term of 5 years from the date of this general meeting.

Justice P Bhaskaran, Mr. S Venkatakrishnan and Mr. K Ramu, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday

A brief profile of the Independent Directors to be appointed is given below:

Justice P. Bhaskaran - Retired Judge of Hon'ble High Court of Judicature of Chennai. He has associated with the Company as Chairman for 2 decades.

Shri S. Venkatakrishnan - Retired I.A.& A.S. from Central Government. He has associated with the Company for 2 decades

Shri K. Ramu - Practicing Advocate Hon'ble High Court of Judicature of Chennai. He has associated with the company for almost a decade

None of the Directors, key managerial personnel and/or their relatives, except Justice P Bhaskaran, Mr. S Venkatakrishnan and Mr. K Ramu, is concerned or interested in the Resolutions contained in Item No. 5 to 7.

Item No. 8

Mr. J Ashok Galada (DIN: 00042295) was reappointed as a Managing Director of the Company vide a Special resolution passed in the Twenty Third Annual General Meeting held on 29th August, 2009 for a period of 5 years ending on 31st March 2014. He was re-appointed as the Managing Director in the Board Meeting held on 31st January 2014 subject to the approval of the members for a period of three years ending on 31st March 2017.

Mr. J. Ashok Galada, 62 years, graduated with a B. Com. degree from A.M. Jain College, Chennai in 1972. He has over 40 years of experience in the financial sector. He has been associated with the Company since its incorporation on 25th March 1986 and currently bears overall responsibility for managing the affairs of the Company.

With more than two decades of experience, he has successfully concluded complex commercial transactions on behalf of the Company, thereby leading the Company to attain the desired scale, size and profitability.



In the capacity of Managing Director, Mr. J. Ashok Galada is entrusted with substantial powers of management and is responsible for meeting the growth targets of the Company. Mr. J. Ashok Galada was instrumental in spearhead the growth mantle of the Company.

Mr. J. Ashok Galada is a member of the Shareholders' / Investor Grievance Committee of the Company.

His tenure as a Managing Director ceased on March 31, 2014 and based on the recommendation received from the Nomination and Remuneration Committee and in view of the contributions made by him, it is proposed to reappoint Mr. J. Ashok Galada as a Managing Director of the Company for a further period of three years commencing from April 01, 2014 on the remuneration set-out below:

A. Basic salary :

With authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company, subject however to a ceiling of Rs. 1,25,000 (Rupees One lakhs Twenty Five Thousand only) per month.

If re-appointed, Mr. J. Ashok Galada will hold office for a term of 3 years, which will end at the close of the financial year 2016 - 2017. Mr. J. Ashok Galada satisfies the conditions set out in Section 196(3) and Part 1 of Schedule V of the Companies Act, 2013.

Mr. J. Ashok Galada has given his consent to act as a Managing Director of the Company. Further as per the declarations received by the Company, Mr. J. Ashok Galada is not disqualified under Section 164 of the Companies Act, 2013.

Mr. J. Ashok Galada holds 141,850 equity shares of Rs. 10 each in the Company as on 1st September 2014. He is not related to any of the Directors of the Company except Mr. Naveen Galada. The directorships held by Mr. J. Ashok Galada are within the limits prescribed under Section 165 of the Companies Act, 2013. In terms of Clause 49 of the Listing Agreement, Mr. J. Ashok Galada holds directorships and committee memberships in the other companies as given in the notes to the notice above.

The statement as required under Schedule V of the Companies Act, 2013 is given below:

I. General Information

Nature of industry

Non-Banking Financial Company (NBFC)

Date or expected date of commencement of commercial production

Not applicable

Financial performance

The Company's financial performance has been positive and shall improve in future.

II. Information about the appointee

Background details As given above

Past remuneration Same as proposed in this resolution.

**Job Profile and his suitability**

Mr J. Ashok Galada has been actively involved in the affairs of the Company since its inception.

Remuneration proposed

Rs. 15,00,000/- per annum

Comparative remuneration profile with respect to industry, size of company and profile of position and person

The remuneration proposed is as per Industry standards and suitable for the profile of the position.

Pecuniary relationship

There is no pecuniary relationship other than the remuneration received.

Relationship with managerial personnel

Related to Mr. Naveen Galada, Whole time director of the Company.

III. Other information**Reasons of loss or inadequacy of profit**

Not applicable at present

Steps taken or proposed to be taken for improvement

Not applicable

Expected increase in profits

The Company's profit shall increase in the years to come.

Mr. J. Ashok Galada is interested in the passing of this resolution by virtue of his directorship and to the extent of his shareholding in the Company and Mr Naveen Galada is also interested as a relative of Mr J.Ashok Galada.

None of the other Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

The above may also be treated as an abstract of the terms of contract of re-appointment of Mr. J. Ashok Galada as Managing Director of the Company and a memorandum as to the nature of concern and interest of the Directors in the said re-appointment, as required under Section 190 of the Act.

The Board of Directors recommends the Special Resolution set out in Item No.8 for approval by the Members.

Item No. 9

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections barring certain provisions. However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No.10

The details of the related party transactions are as follows. Payment of rent Rs. 40,000 per month

Name of the related party	Name of the director or key managerial personnel who is related, if any	Name of the relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount
Shanti Devi Galada	J. Ashok Galada Naveen Galada	Wife of Mr. J. Ashok Galada Mother of Mr. Naveen Galada	Payment of rent	Rs. 40,000 per month

The transaction is Related Party Transactions and in terms of Section 188 of the Companies Act, 2013 and the applicable rules thereunder require approval of the Shareholders by passing Special resolutions

Further, in terms of Section 188 of the Companies Act, 2013, the Mr. J. Ashok Galada, Mrs. Shanti Galada, Mrs. Jyothi Ostwal, Mrs, Vinitha Galada and Mr. Naveen Galada being interested will not vote on these resolutions as shareholders of the Company.

Except Mr. J. Ashok Galada and Mr. Naveen Galada, none of the Directors or Key managerial persons of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the passing of this Resolution by special resolution.

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their **TWENTY EIGHTH ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended March 31, 2014.

FINANCIAL RESULTS

The financial results for the year ended 31st March 2014 are given below

Description	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Total Income	15,874,453	727,276
Total Expenditure	13,548,173	14,216,391
Profit before tax	2,326,280	4,280,063
Tax	1,016,000	1,481,000
Profit after tax	1,310,280	2,799,063
EPS	0.44	0.93

DIVIDEND

Your directors wish to retain the profit for the growth and development of the Company. Hence no dividend is recommended for the financial year ending 31st March 2014.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The industrial growth in India is slowly recovering with signs of steadiness in the years to follow.

BUSINESS REVIEW

During the year under report, the Company extended hire purchase finance to the tune of Rs. 219.74 lakhs and financing under other credit facility of Rs. 52.08 lakhs.

The total income of the Company is at Rs.158.74 lakhs during the year under review as against Rs.191.73 lakhs in the previous financial year; and the profit before tax during the year under review is at Rs. 23.26 lakhs as compared to Rs.42.80 lakhs in the previous financial year; and that profit after tax during the year under review is at Rs. 13.10 lakhs as compared to Rs. 27.99 lakhs in the previous financial year.

OUTLOOK

The outlook for the Company looks encouraging and positive.

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.

DEPOSITS

As on 31st March 2014, there were 57 depositors for a value of Rs. 77.95 lakhs.

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

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.

BUY BACK

The company has not bought back any shares during the financial year

REMUNERATION AND NOIMINATION COMMITTEE

During the year, your Directors have constituted Nomination and Remuneration Committee comprising of Mr. K Ramu as Chairman and Justice P Bhaskaran and Mr S Venkatakrishnan as other members.

The said Committee has been entrusted inter alia with the responsibility of determining and recommending to the Board, the candidature and

the remuneration of Directors and Key Managerial Persons.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONS

Mr. Naveen Galada retires by rotation at this Annual General Meeting as per Companies Act, 2013 making his office liable to retire by rotation. The Director being eligible offers himself for re-appointment.

Mr. J. Ashok Galada was re-appointed as the Managing Director of the Company for a period of three years with effect from 01- April 2014 by the Board of Directors in their meeting held on 31- January 2014 subject to the approval of members in the ensuing general meeting.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Indira Srinivasan Royakottam was appointed as an Additional Director designated as an Independent Director w.e.f. January 31, 2014 and she shall holds office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mrs. Indira Srinivasan Royakottam for appointment as an Independent Director.

Justice P Bhaskaran, Shri S. Venkata Krishnan and Shri. K. Ramu directors are appointed as Independent director for a period of five years as per section 149 of the Companies Act, 2013.

The Board recommends the appointment and re-appointment of the aforesaid directors.

During the year, the Company appointed C.S. Alpa Jain as the Company Secretary and Compliance Officer of the Company with effect from 14th February 2014.

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 2014, 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;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March 2014 on a 'going concern' basis.

MATERIAL CHANGES AFTER THE BALANCE SHEET DATE (31st MARCH 2014)

There are no material changes and commitments between 31st March 2014 and the date of this report having an adverse bearing on the financial position of the Company.

The Directors appointed M/s. Rajesh Modi & Co. as Internal Auditors in the Board Meeting held on 29th May 2014 as per the provisions of the Companies Act, 2013.

The Board of Directors also appointed Mrs. K. R. Manimeghala as a Chief Financial Officer of the Company with effect from 29th May 2014.

AUDITORS

M/s. Chandarana & Sanklecha, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment until the next Annual General Meeting. A certificate of their eligibility has been received from them.

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

The relationship with the employees of the Company was cordial throughout the Financial Year under review. The Board of Directors appreciates the co-operation and spirit of the employees of the company.

There were no employees covered by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide notification no G.S.R 289(E) dated 31st March 2011.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are provided in **Annexure A** to this Report.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report and is attached as

Annexure-B.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to the Report on corporate governance.

REGULATORY STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March 2014 is annexed to the Accounts.

COMMON AGENCY FOR SHARE REGISTRY WORK

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

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and employees.

For and on behalf of the Board of Directors

Justice P Bhaskaran

Chairman

DIN:00126136

Date: 02.08.2014

Place: Chennai

ANNEXURE – B
REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a system by which a corporate entity is directed and controlled in a given economic, political and social environment. It also entails the interplay between different stakeholders of a corporation, viz., Board of Directors, Equity holders, Employees, Customers and the Government. It deals with how a company fulfils its obligations to investors and other stakeholders. It is about creating shareholder wealth while ensuring a fair play to all other stakeholders and society at large.

The Company believes that proper corporate governance facilitates effective management and control of business. 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.

2. BOARD OF DIRECTORS:

Composition and category of Board of Directors

The Board of Directors of the company comprises of Executive, Non-Executive and Independent Directors. In all there are six Directors, Two Executive and four Independent Director.

Name of the Director	Designation	Category
Mr. J. Ashok Galada Mr. Naveen Galada	Managing Director Whole Time Director	Promoter and Executive Director
Justice P Bhaskaran	Chairman	Independent and Non-Executive Director
Mr S Venkatakrishnan Mr K Ramu Mrs. Indira Srinivasan Royakottam	Director	Independent and Non-Executive Director

During the financial year 2013-2014, 04 (four) number of Board Meetings were held on 30.05.2013, 27.07.2013, 24.10.2013 and 31.01.2014. The Annual General Meeting was held on 27th July 2013.

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		Number of Directorship and Committee Member/Chairmanships		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Justice P Bhaskaran	4	Yes	Nil	Nil	Nil
S. Venkatakrishnan	4	Yes	22	Nil	Nil
K. Ramu	4	Yes	Nil	Nil	Nil
J. Ashok Galada	4	Yes	05	Nil	Nil
Naveen Galada	4	Yes	03	Nil	Nil

3. 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 2014.

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 2013-2014.

4. 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.

5. REMUNERATION OF DIRECTORS : SITTING FEES, SALARY, PERQUISITES AND COMMISSION

Remuneration paid or payable to Directors during 2013 - 2014.

Name of the Director	Sitting fees	Commission on profits	Salary & Allowances	Contribution	Perquisites	Total
Justice P Bhaskaran	8000	N.A	N.A	N.A	N.A	8,000/-
S. Venkatakrishnan	8000	N.A	N.A	N.A	N.A	8,000/-
K. Ramu	8000	N.A	N.A	N.A	N.A	8,000/-
Ashok J Galada	Nil	Nil	15,00,000	Nil	Nil	15,00,000/-
Naveen Galada	Nil	Nil	Nil	Nil	Nil	Nil

6. 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.

7. BOARD COMMITTEES:-

A. AUDIT COMMITTEE:

The Audit Committee comprise of the following members:

Name of members	Status in Committee	Nature of Directorship
Justice P Bhaskaran	Chairman	Independent and Non-executive Director
S. Venkatakrishnan	Member	
K. Ramu	Member	

The terms of reference of the Audit Committee are as per the guidelines set out in the listing Agreement with the stock exchange and these also conform to the provisions of Section 292A of the Companies Act, 1956.

Meeting and Attendance of the Committee:-

During the financial year four Audit Committee meetings were held on 30.05.2013, 27.07.2013, 24.10.2013 and 31.01.2014.

The Attendance of members at the Audit Committee Meetings held during the year 2013-2014 is given below:

Name of the members	Attendance Particulars	
	Meeting Held	Meetings Attended
Justice P Bhaskaran	4	4
S. Venkatakrishnan	4	4
K. Ramu	4	4

The scope of the Audit Committee inter alia includes:

- Review of the Company's financial reporting process, financial statements and financial / risk management policies
- Review of the adequacy of internal control systems and the adequacy of the internal audit 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.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.

B. REMUNERATION AND NOMINATION COMMITTEE:

The Remuneration and Nomination Committee was constituted on 24th October, 2013 and comprises of the following:

Name of member	Status in Committee	Nature of Directorship
K. Ramu	Chairman	Independent and Non-executive Director
Justice P. Bhaskaran	Member	
S. Venkatakrishnan	Member	

During the year, one meeting of the committee was held on 31st January 2014 and all the members were present.

Terms of Reference of the Committee, inter alia, includes the following

To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.

To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and assessment criteria

To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable

C. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Company has a Shareholders/Investors Grievance Committee comprising of Mr S. Venkatakrishnan, Independent and Non-Executive Director as Chairman with Mr J 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 redressal of shareholder and investor grievances.

5 (five) number of shareholders/Investors Grievance committee Meeting was held during the financial year 2013-2014 on 02.09.2013, 27.09.2013, 03.02.2014, 19.02.2014 and 06.03.2014.

The terms of reference of this committee are as under:-

The committee specifically looks into redressing of shareholder's and investor's complaints/ grievances such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, non-receipt of annual report and to ensure expeditious share transfers.

The Committee oversees the performances of share transfer and recommends measures to improve the shareholders/Investors service.

Approves the issue of duplicate certificate.

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

Name and designation of compliance Officer

CS Alpa Jain
Company Secretary

8. INVESTOR GRIEVANCES

The company has not received any grievances/complaints from the investors during the financial year 2013-2014:-

The dematerialization requests from the shareholders were carried out within the stipulated time period and no certificates were pending for dematerialization as the end of the financial year 31st March 2014

9. 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 mode and in the electronic mode. A Certificate is obtained on a quarterly basis to this effect from a Company Secretary in whole time Practice and submitted to the Madras Stock Exchange where the Company's shares are listed. No discrepancies were found or reported by the Secretarial 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.

10. GENERAL BODY MEETINGS:

The Particulars of Annual General Meetings held during the last three years are as under:-

YEAR	DATE AND TIME	VENUE
2010-11	30.07.2011 at 04.00 p.m.	At the registered office of the Company
2011-12	28.07.2012 at 04.00 p.m.	At the registered office of the Company
2012-13	27.07.2013 at 04.00 p.m.	At the registered office of the Company

Special Resolution Passed in the Past Three AGM's:-

2010-2011:- No special resolutions were passed in this annual general meeting.

2011-2012:- No special resolutions were passed in this annual general meeting.

2012-2013:- No special resolutions were passed in this annual general meeting.

Postal Ballots:

No resolutions were passed through Postal Ballot during the financial year ended 31st March 2014.

Extra-ordinary general Meeting

No extra-ordinary general meeting was held during the financial year ended 31st March 2014.

11. DISCLOSURES

Disclosure on accounting treatment: No differential treatment from the Accounting standards was followed in the preparation of the financial statements.

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 employee has been denied access to approach the audit committee to report any serious concerns.

The company has complied with all the mandatory requirements of Clause 49 of the listing agreement and the extent of compliance of the Non-mandatory requirements is given in the end of this Report.

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

No money has been raised through Public/ Right / Preferential issue during the year

12. GENERAL 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) Date of Annual General meeting : 27th September 2014
 Time : 04.00 p.m.
 Venue : Registered office of the Company

iii) Financial Calendar

Results	For the year ended March 31, 2014 was announced on	For the year ending March 31, 2015 will be announced on
First quarter	27.07.2013	Announced on 02 nd August 2014
Second quarter	24.10.2013	Second week of November 2014
Third quarter	31.01.2014	Second week of February 2015
Fourth quarter and Annual	29.05.2014	Last week of May 2015

iv) Book-Closure Date : 23rd September 2014 to 27th September 2014
 (Both days inclusive).

v) Listing on the Stock Exchanges

The Equity Shares of the Company are listed only in the Madras Stock Exchange. The company confirms that it has paid annual listing fees to the Madras Stock Exchanges for the year 2014-2015.

The ISIN Number (Demat) is INE243E01010.

The Company is in the process of applying to the Bombay Stock Exchange for listing its shares.

vi) **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.

vii) Distribution of shareholding by ownership as on 31st March 2014

Category	No. of shares	Percentage of share holding
A. PROMOTER'S HOLDING		
1. Promoters*		
- Indian promoters	13,79,567	45.991%
- Foreign promoters	Nil	Nil
2. Persons acting in concert#	Nil	Nil
Sub-total	13,79,567	45.991%
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	2,36,600	7.89%
b. Indian Public	13,83,833	46.13%
c. NRIs/OCBs	Nil	Nil
d. Any other (Please specify)	Nil	Nil
Sub total	16,20,433	54.01%
GRAND TOTAL	30,00,000	100.00%

viii) Distribution of shareholding by size as on 31st March 2014

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		250	53.7634	8,84,000	2.9467
5,001 - 10,000		101	21.7204	8,66,000	2.8867
10,001 - 20,000		27	5.8065	4,13,330	1.3778
20,001 - 30,000		21	4.5161	5,38,000	1.7933
30,001 - 40,000		11	2.3656	3,98,000	1.3265
40,001 - 50,000		03	0.6452	1,36,000	0.4533
50,001 - 1,00,000		06	1.2903	4,09,000	1.3633
1,00,001 and above		46	11.2312	2,63,55,670	87.8522
TOTAL		471	100.000	3,00,00,000	100.0000



ix) Dematerialisation of shares

As at 31st March 2014, equity shares numbering 21,89,300 of Rs.10/- each (72.98% of the total number of shares) is in dematerialized form.

x) **Outstanding GDRs/ADRs/Warrants or Convertible Instruments**

Not applicable

xi) Address for Correspondence:

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

Registered and Corporate Office of the Company

Galada Finance Limited
"Shanti Sadan", Old No.4, New No.7
Shaffee Mohamed Road,
Thousand Lights, Chennai 600 006
Phone : 28294830, 43099009, 28294831 Fax: 28294830

(xii) E-mail ID of Investor Grievance redressal Cell: galadafinancelimited@yahoo.co.in

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management has taken up detailed discussion of the risk factors related to our Company in specific and industry in general and attempts to lay down the impact of the same on the company's performance. Please find reproduced hereunder a summary of Management's Discussion and the Analysis Report which is only an illustrative list and not to be construed as an exhaustive one.

INTERNAL RISK FACTORS:

1. The growth rate of NBFCs largely build upon the ability to develop brand name for its financial products which compete the Industry.

We believe that promoting and positioning our brand is necessary for achieving recognition of our services. Brand promotion activities may not yield increased revenues and even if they do, increased revenues may not offset the expenses we incur in brand building. If we fail to promote our brand, our business, financial condition and result of operation could be affected.

2. Our business is vulnerable to interest rate risk. Changes in interest rate may affect our income from operation and adversely affect our financial performance and profitability.

In our NBFC business, we are exposed to the risk of higher interest rates. If the yield on our Company's interest -earning assets does not increase at the same time or to the same extent as our cost of funds, or our cost of funds does not decline at the same time or to the same extent as the yield on its interest earning assets, our net interest income and net interest margin would be adversely impacted. This could have a material adverse effect on the financial performance.

3. Our Company may experience delays in enforcing the collateral when borrowers default on their obligations, which will result in failure to recover the expected value of collateral and affect our financial performance.

Our Company may not be able to realize the full value of the collateral as a result of delays in bankruptcy and foreclosure proceedings, inability to foreclose, defects in the title of collateral, fraudulent transfers by borrowers and other factors which includes legislative changes and judicial pronouncements. The inability to recover the expected value of collateral could expose our Company to losses, which will have impact on business and financial performance.

4. If our company fails attract and retain key employees, our operation could be affected.

The Company believes that human resource is most important element for success of any organization. The company takes every step to promote feeling of belongingness among its employees and maintains a separate Human Resource department to care of concerns and well being of employees. The staff turnover in the company is considerably less as compared to the industry. In any case, skilled and/or trained manpower is available in the market. It has a strong Culture & Corporate Core Values.

5. The changes in the regulations that govern our Company could cause the business to suffer.

NBFCs in India are regulated by the RBI. Any changes in the regulatory framework will affect the profitability of our business and our future financial performance.

6. We may require additional funds to satisfy our capital needs, which we may not able to procure.

We may need to raise additional capital from time to time, which we may not able to procure. The Company may not be able to raise adequate funds on attractive terms and conditions, which could have an adverse effect on our results of operations.

7. Our business is dependent on the financial performance of the market and financial policy of the Government; it also depends upon the RBI point of view of the interest rates for public and business class at large.



GALADA FINANCE LIMITED

8. Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operations. We are outsourcing entire Financial and Corporate Advisory. We are being in the field of professional services unable to market our products in an aggressive fashion.

EXTERNAL RISK FACTORS :

1. A slowdown in economic growth in India could cause business to suffer.

The performance and growth of the company and the industry are dependent on the health of the Indian economy as well the secondary industries. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact business and financial performance and the price of Equity Shares

2. Political instability or changes in the government could delay the further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting industry, foreign investment and other matters affecting investment in securities could change as well.

3. Any downgrading of India's debt rating by an independent agency may harm ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on capital expenditure plans, business and financial performance.

4. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian financial markets and also adversely affect the worldwide financial markets. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the business. India has witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact. Such incidents could also create perception in the minds of investors that, investment in Indian Companies involve a higher degree of risk.

5. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquake, tsunami, floods and drought in the

past. The extent and severity of these natural disasters determines their impact on the Indian economy, which have an adverse impact on our business.

6. Factors affecting Indian economy in general

Like any other entity, our financial results are also affected by the macro economic factors determining the growth of the Indian economy in general and continued growth of the securities market. The Growth of our business and ability to maintain the growth is influenced by the growth rate of the securities market indicators. Any slowdown in Indian economy or slowdown in securities market or any changes in government regulation could have an impact on our financial performance.

Risk Relating to our Industry :

? Risk of Bad Debts (Non-Performing Assets)

The risk of NPA is always a pertinent part of the lending business. There is always a chance that accounts become bad due to fall or collapse in the value of the asset against which funds have been advanced due to a variety of reasons. However, in our case, the Company has put in place a strong asset verification and valuation processes.

☐ Interest Rates

The RBI had resorted to increasing the interest rates many times over the last eighteen months in order to control Inflation. The volatility in interest rate and high interest rate leads to default in re-payment and thus increase of interest rates would certainly affect the business of the Company.

☐ Risk of Competition

With globalization and continuous flow of private as well as international institution in the finance market the risk of competition in any business, and the finance business is no different. We believe that competition spurs our team to innovate without losing sight of the customer needs, the need for safety of funds deployed and the need to ensure commensurate returns

☐ Global Economic Uncertainties

The international events affect all financial markets of the world, and India is also affected. The affect was clearly felt in the previous year as the Indian Rupee continued to remain weak due to the crisis in Euro-zone. This may results into to stay-away attitude by foreign investors, volatility in crude price, inflation which may turned into further stress on finance market. Company there for focusing on investing its funds in assets that are fully secured and that will have least impact of global uncertainty.

Declaration on Code of Conduct

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

Place : Chennai

Date : 02 - 08-2014

J ASHOK GALADA
MANAGING DIRECTOR CUM CEO

ANNEXURE 'A' TO THE DIRECTORS' REPORT**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is set out hereunder.

A. CONSERVATION OF ENERGY:

- (a) **Energy Conservation Measure Taken:**
Not Applicable
- (b) **Additional investment and proposal for reduction of consumption of energy:** Nil
- (c) **Impact of the above measures:** Nil
- (d) **Total energy consumption and energy consumption per unit of Production:** Not Applicable

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:**Research & Development (R & D):**

- 1. **Specific areas in which R & D carried out by the Company**
No R & D has been carried out in any specific area.
- 2. **Benefits derived as a result of the above R & D** - Nil
- 3. **Future plan of action** - Nil
- 4. **Expenditure on R & D**

Company does not have a separate Research & Development department. Hence, no such expenditures are incurred of that nature.

Technology Absorption, Adaptation and Innovation

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange Used and Earned- NIL

For and on behalf of the Board of Directors

Justice P. Bhaskaran
Chairman
DIN: 00126136

Date: 02.08.2014
Place: Chennai

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 2014 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 : 29.05.2014

COMPLIANCE CERTIFICATE

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

CIN L65191TN1986PLC012826

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 2014. 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:

01. 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.
02. 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.
03. The Company being a public limited company, has the minimum prescribed paid up capital.
04. The Board of Directors duly met 4 (Four) times respectively on 30/05/2013, 27/07/2013, 24/10/2013 and 31/01/2014 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.
05. The Company has closed its Register of Members or Debenture holders from 16/07/2013 to 27/07/2013 (both days inclusive) during the financial year.
06. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 27th July 2013 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.
07. No Extraordinary General Meeting was held during the financial year.
08. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
09. 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 no allotment of securities during the financial year.
 - ii) The Company has deposited the amount of dividend including interim dividend in a separate bank account on 02/08/2013 which is not within five days from the date of declaration of such dividend.
 - iii) The Company has paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and there are no unclaimed/unpaid dividend.
 - 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 and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
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.0.76 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 2014 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 not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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.

Date : 02/08/2014
Place: Chennai

Signature :
Name of the Company
T S RAJU Company Secretary
C.P. No. 2745

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 2014**

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 31/03/2013 was filed vide Challan SRN Q10207926 dated 19/08/2013;
02. Form 23AC being form for filing Balance Sheet and other documents with the Registrar for the financial year ending on 31/03/2013 and 23ACA being form for filing Profit and Loss Account and other documents with the Registrar for the financial year ending on 31/03/2013 under Section 220 of the Companies Act, 1956 was filed vide Challan SRN Q10246676 dated 20/08/2013;
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 31/03/2014 under Section 159 of the Companies Act, 1956 was filed vide Challan SRN Q10747830 dated 03/09/2013
04. Form No. DIN-1 Application for allotment of Director Identification Number was filed vide Challan SRN B96888086 dated 24/02/2014;
05. Form 32 for appointment of Ms Indira Srinivasan Royakottam as an Additional Director with effect from 31/01/2014 was filed pursuant to Section 303(2) of the Companies Act, 1956 vide Challan SRN B97222517 dated 27/02/2014;

INDEPENDENT AUDITOR'S REPORT

To the Members of
Galada Finance Limited.
Report on the Financial Statements

We have audited the accompanying financial statements of **Galada Finance Limited**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss Account, of the profit of the company for the year ended on that date and

c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a) 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 it appears from our examination of those books

c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;

e) On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1) (g) of the Act.

Place: Chennai

Date: 29.05.2014

For CHANDRANA & SANKLECHA

Chartered Accountants

FRN: 000557S

Bharat Raj Sanklecha

Proprietor

Membership No. : 27539

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 preceding 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 CHANDRANA & SANKLECHA
Chartered Accountants
FRN: 000557S

Bharat Raj Sanklecha
Proprietor
Membership No. : 27539

Place: Chennai
Date: 29.05.2014

BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No.	As at 31 March, 2014 in Rs.	As at 31 March, 2013 in Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	3,00,00,000	3,00,00,000
(b) Reserves and surplus	3	<u>2,23,13,164</u>	<u>2,10,02,884</u>
		5,23,13,164	5,10,02,884
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	4	61,53,730	1,01,64,126
(b) Deferred tax liabilities (net)		3,25,000	2,09,000
(c) Other Long Term liabilities	5	<u>32,20,744</u>	<u>63,12,301</u>
		96,99,474	1,66,85,427
(4) Current liabilities			
(a) Short-term borrowings	6	2,32,82,681	2,56,25,226
(b) Other current liabilities	7	1,10,55,583	1,76,75,051
(c) Short-term provisions	8	<u>21,95,000</u>	<u>42,78,910</u>
		3,65,33,264	4,75,79,187
TOTAL EQUITY AND LIABILITIES		9,85,45,902	11,52,67,498
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	76,18,674	1,31,64,488
(b) Non-current investments	10	1,51,89,482	1,35,60,179
(c) Long-term loans and advances	11	<u>4,24,517</u>	<u>4,24,517</u>
		2,32,32,673	2,71,49,184
(2) Current assets			
(a) Cash and cash equivalents	12	7,50,395	13,73,878
(b) Short-term loans and advances	13	<u>7,45,62,834</u>	<u>8,67,44,436</u>
		7,53,13,229	8,81,18,314
TOTAL ASSETS		9,85,45,902	11,52,67,498
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

J. Ashok Galada
Managing Director

Naveen Galada
Executive Director

Alpa Jain
Company Secretary

Place : Chennai

Date : 29th May 2014



GALADA FINANCE LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note No.	As at 31 March, 2014 in Rs.	As at 31 March, 2013 in Rs.
REVENUE			
I. Revenue from operations	14	1,43,85,213	1,84,45,941
II. Other Income	15	14,89,240	7,27,276
III. Total Revenue (I+II)		1,58,74,453	1,91,73,217
IV. Expenses			
Employee Benefits Expenses	16	23,48,082	23,69,705
Finance Costs	17	48,91,088	64,02,971
Depreciation and amortisation expenses		23,19,166	22,43,339
Other Expenses	18	39,89,837	32,00,376
Total Expenses		1,35,48,173	1,42,16,391
V. Profit before exceptional and extraordinary items and tax (III-IV)		23,26,280	49,56,826
VI. Extraordinary Items - Provision for diminution in Value of Investments		0	6,76,763
VII. Profit before Tax (V-VI)		23,26,280	42,80,063
VIII. Tax Expense			
(1) Current Tax		900000	16,00,000
(2) Deferred Tax		116000	(1,19,000)
IX. Profit after Tax (VII-VIII)		13,10,280	27,99,063
Earning per share-Basic & Diluted		0.44	0.93

Notes to the Accounts 1 to 19

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

J. Ashok Galada
Managing Director

Naveen Galada
Executive Director

Alpa Jain
Company Secretary

Place : Chennai

Date : 29th May 2014

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 March, 2014		As at 31 March, 2013	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of Rs.10 each with voting rights	40,00,000	4,00,00,000	40,00,000	4,00,00,000
(b) Issued Equity shares of Rs.10 each with voting rights	30,00,000	3,00,00,000	30,00,000	3,00,00,000
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Total	30,00,000	3,00,00,000	30,00,000	3,00,00,000

Name of the Shareholder	No. of shares held as on 31st March 2014	% of Holding	No. of shares held as on 31st March 2013	% of Holding
Galada Trades Ltd	1,99,100	6.64	1,99,100	6.64
Galada Housing Ltd	3,64,600	12.15	3,64,600	12.15
Ashok Kumar Galada HUF	1,74,500	5.82	2,22,300	7.41
Vinita Galada	1,69,100	5.64	1,69,100	5.64
Prithvi Softech Limited	2,25,000	7.50	2,25,000	7.50

Note 3 Reserves and Surplus

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
(a) Statutory reserve (As per Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	65,40,000	59,80,000
Add: Transferred from surplus in Statement of Profit and Loss Statement	2,63,000	5,60,000
Closing balance	68,03,000	65,40,000
(b) General reserve brought forward	60,64,739	60,64,739
Addition during the year	-	-
Closing balance	60,64,739	60,64,739
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	83,98,145	82,64,992
Add: Profit / (Loss) for the year	13,10,280	27,99,063
Less: Transferred to Statutory Reserve	2,63,000	5,60,000
	94,45,425	1,05,04,055
Less: Dividend and Tax	-	21,05,910
Closing balance	94,45,425	83,98,145
Total	2,23,13,164	2,10,02,884

Note 4 Long-term borrowings

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Unsecured loan - Fixed Deposits	17,31,000	68,89,000
Secured Loan - From Banks (Secured by Car)	3,38,515	8,10,278
Term Loan from Others (Secured by Hypothecation of Agreement of Debtors)	40,84,215	24,64,848
Total	61,53,730	1,01,64,126

Note 4.1 Fixed Deposits from Directors

31st March 2014 1,00,000
31st March 2013 12,00,000

Note 5 Other Long term liabilities

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Interest accrued but not due	85,005	4,56,415
Advances & Deposits	31,35,739	58,55,886
Total	32,20,744	63,12,301

Note 5.1 Interest accrued on deposit from Directors

31st March 2014 1.499
31st March 2013 2,30,949

Note 6 Short-term borrowings

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Secured loan from Indian Bank (Secured by hypothecation of agreements of debtors, Personal guarantees of directors & collateral security of property of director and relatives.)	72,60,893	1,45,91,807
Secured loan from others (Secured by pledge of shares)	21,04,765	28,13,841
Unsecured loan - Fixed Deposits	60,64,000	54,45,000
Secured Loan - From Bank (Secured by Car)	4,71,763	4,21,155
Term Loan - From others (Secured by Hypothecation of Agreement of Debtors)	73,81,260	23,53,423
Total	2,32,82,681	2,56,25,226

Note 6.1 Fixed Deposits from Directors

31st March 2014 12,00,000
31st March 2013 1,00,000

Note 7 Other current liabilities

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Unmatured hire charges	75,64,526	84,67,880
Advance interest	21,90,700	43,47,405
Advances & deposits	2,09,954	42,41,592
Sundry creditors for others	1,73,896	2,43,582
Sundry creditors for expenses	1,65,329	2,20,841
Interest accrued but not due	7,51,178	1,53,751
Total	1,10,55,583	1,76,75,051

Note 7.1 Interest accrued on deposit from Directors

31st March 2014 - 3,80,142

31st March 2013 - 1,332

Note 8 Short-term provisions

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
a) For bad and doubtful debts		
i) On NPA	20,72,441	20,06,286
ii) On Standard Assets	1,22,559	1,66,714
	21,95,000	21,73,000
b) Dividend & Tax	-	21,05,910
Total	21,95,000	42,78,910



Note 9 Fixed assets

DESCRIPTION	Gross block at cost				Depreciation				Net Block	
	Balance as at 1st April, 2013	Additions	Disposals	Balance as at 31st March 2014	Balance as at 1st April 2013	Additions	Disposals	Balance as at 31st April 2014	Balance as at 31st March 2014	Balance as at 1st April 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
(a) Freehold Land	4,67,390	-	-	4,67,390	-	-	-	-	4,67,390	4,67,390
(b) Plant and Machinery	8,17,951	21,489	14,000	8,25,440	7,12,920	48,086	11,497	7,49,509	75,931	1,05,031
(c) Furniture and Fixtures	14,97,784	-	-	14,97,784	12,94,866	22,063	-	13,16,929	1,80,855	1,62,076
(d) Vehicles	27,78,584	7,48,980	6,45,363	28,82,201	7,70,958	64,9604	2,86,143	11,34,419	17,47,782	20,07,626
(e) Office equipment	13,62,013	-	-	13,62,013	11,67,249	32,333	-	11,99,582	1,62,431	2,35,606
Assets on Lease										
(a) Furniture and Fixtures	6,19,875	-	-	6,19,875	4,15,587	36,976	-	4,52,563	1,67,312	2,04,288
(b) Vehicles	13,19,986	-	-	13,19,986	10,72,710	1,09,922	-	11,82,632	1,37,354	2,47,276
(c) Equipment	1,37,46,166	7,13,835	57,07,000	87,53,001	40,10,971	14,20,182	13,57,771	40,73,382	46,79,619	97,35,195
Total	2,26,09,749	14,84,304	63,66,363	1,77,27,690	94,45,261	23,19,166	16,55,411	1,01,09,016	76,18,674	1,31,64,488
Previous year	1,92,09,835	50,26,165	16,26,251	2,26,09,749	81,91,428	22,43,339	9,89,506	94,45,261	1,31,64,488	1,10,18,407

NOTE 10 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2014			As at 31st March, 2013	
	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	2,500	5,40,423	2,500	5,40,423
ARVIND LTD	10	-	-	1,000	1,09,500
ASHOK LEYLAND	1	13,000	4,90,200	13,000	4,90,200
AVANTEL SOFTECH	10	1,500	1,18,500	1,500	1,18,500
BALAJI TELEFILMS LTD.	2	1,000	1,74,800	1,000	1,74,800
BANK OF MAHARASHTRA	10	2,000	1,16,156	2,500	1,45,196
BHARAT FORGE LTD	2	300	1,01,640	-	-
BHEL	10	800	2,69,335	800	2,69,335
BOMBAY DYEING	2	1,500	2,04,345	1,500	2,04,345
CESC LTD	10	300	1,34,100	-	-
CIPLA	2	300	1,22,490	-	-
COAL INDIA	10	300	88,920	-	-
CHESLIND TEXTILE	10	-	-	5,000	1,75,170
DCB BANK	10	1,000	57,500	-	-
DLF LIMITED	2	1,000	5,77,256	1,000	5,77,256
EID PARRY	1	500	79,500	-	-
EXIDE INDUSTRIES	1	300	35,535	-	-
ESCORTS LTD	10	300	35,685	-	-
ESSAR OIL LIMITED	10	1,600	2,83,293	1,600	2,83,293
FEDDERS LLOYD	10	1,100	1,25,803	1,100	1,25,803
FOUR SOFT	10	-	-	5,000	3,70,310
GANGOTHRI TEXTILES	5	500	11,900	500	11,900
GNFC	10	389	35,710	389	35,710
GRAUER & WEIL (I) LTD	1	38,000	2,98,935	38,000	2,98,935
GRUH FINANCE LTD	2	150	36,720	300	73,440
GVK POWER	1	9,000	3,58,300	4,000	3,12,800
HCL INFOSYSTEMS	2	-	-	333	78,496
HDFC		300	2,34,510	-	-
IFCI LIMITED	10	30,500	22,01,548	30,500	22,01,548
INDIA BULLS REAL ESTATE	2	2,500	8,46,920	2,500	8,46,920
INDIA CEMENT	10	3,300	5,28,191	3,300	5,28,191
ING Vysya Bank Ltd.	10	100	57,630	-	-
IPCA LAB	2	300	2,53,505	-	-
ITC Ltd.	1	300	97,095	-	-
JAIN STUDIO LIMITED	10	7,420	3,09,903	7,420	3,09,903
JHAGADIA COPPER LTD	10	1,000	24,000	1,000	24,000
JYOTHI LABORATORIES LTD	1	300	55,785	-	-
KAKATIYA CEMENT	10	8,500	8,98,171	8,500	8,98,171
KESORAM INDUSTRIES LTD	10	2,100	7,75,707	2,100	7,75,707
KINETIC MOTOR COMPANY	10	2,000	1,41,135	2,000	1,41,135
KOTHARI PRODUCTS	10	745	6,33,214	745	6,33,214
KPIT TECHNOLOGIES LTD	2	300	55,650	-	- L&T
FINANCE HOLDING LTD	10	500	40,850	-	-
LARSEN & TURBRO LTD	2	300	3,73,830	-	-
LUPIN LTD	2	300	2,72,730	-	-
MANAPURAM FINANCE	2	6,000	2,38,800	3,000	1,89,300
MEDIAVEDIO(MVL)	10	600	25,650	600	25,650
MEGA SOFT (VISUAL SOFTWARE)	10	-	-	1,216	1,95,450

Particulars	As at 31 March, 2014			As at 31st March, 2013	
	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					
MERCATORS LINES LIMITED	1	1,000	94,500	1,000	94,500
MOSER BAER	10	1,750	2,87,475	1,750	2,87,475
MOTHERSUMI	1	300	68,070	-	-
MTNL LTD	10	1,000	1,76,824	1,000	1,76,824
NHPC	10	1,000	36,900	1,000	36,900
NTPC	10	500	1,15,611	500	1,15,611
OIL INDIA LTD	10	1,250	7,40,000	500	7,40,000
ORIENT HOTEL	1	570	19,084	570	19,084
POWER GRID CORPN	10	3,000	4,04,650	3,000	4,04,650
PUNJ LYODS	2	500	2,63,500	500	2,63,500
RELIANCE POWER LTD	10	400	2,68,560	400	2,68,560
SADBHAV ENGINEERS		500	45,800	-	-
SAKTHI SUGAR	10	-	-	500	32,925
SHREE RAM URBAN					
INFRASTRUCTURE LTD	10	500	2,19,998	500	2,19,998
SUN T.V	5	300	1,09,590	-	-
TATA COMMUNICATIONS	10	500	1,47,950	-	-
TATA					
INVEST	10	500	2,36,550	-	-
TATA METALIK	10	500	75,050	500	75,050
TECH MAHINDRA	10	100	1,83,510	300	2,29,116
TELE DATA INFO	2	1,000	71,990	1,000	71,990
TELEDATA MARINE SOLUTION	2	500	-	-	-
TELEDATA TECHNOLOGY SOLUTION	2	500	-	-	-
TVS ELECTRONIC	10	2,000	1,19,553	2,000	1,19,553
ULTRATECH CEMENT LTD		73	1,25,450	-	-
UNITECH	2	1,500	1,90,875	1,500	1,90,875
GLENMARK PHARMACUETICALS LTD	1	-	-	100	52,745
ING Vysya Bank Ltd.	10	-	-	300	1,70,100
			1,63,63,360		1,47,34,057
Unquoted					
BIHAR ALLOYS	10	200	2,000	200	2,000
GUPTA CARPET	10	360	11,425	360	11,425
KAYPEE MANTEX	10	100	1,000	100	1,000
KOCHAR OIL MILL LTD	10	100	1,200	100	1,200
S.N.S.LEASING	10	100	650	100	650
TUNGABADRABULP BOARD STD	10	150	750	150	750
W.I.E..ENGINEERNG	10	100	2,500	100	2,500
ZEN GLOBAL FINANCE	10	5,000	75,000	5,000	75,000
			94,525		94,525
			1,64,57,885		1,48,28,582
Less: Aggregate Provision for diminution in value of investment			26,68,403		26,68,403
			1,37,89,482		1,21,60,179

NOTE 10 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2014			As at 31st March, 2013	
	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					
Investment in Govt. Securities					
9.38% West Bengal SDL	100		2,00,000		2,00,000
8.26% UP SDL	100		1,00,000		1,00,000
8.47% UP SDL	100		3,00,000		3,00,000
8.32% TN SDL	100		1,90,000		1,90,000
8.26% GOI Bod	100		1,50,000		1,50,000
7.99% MAHA SDL	100		1,00,000		1,00,000
9.01% J & K SDL	100		2,00,000		2,00,000
8.19% GOI Bond	100		60,000		60,000
8.79% MAHA SDL	100		1,00,000		1,00,000
			14,00,000		14,00,000
Total Non-Current Investments			1,51,89,482		1,35,60,179
Aggregate Cost of Quoted Shares			1,63,63,360		1,47,34,057
Aggregate market value of listed and quoted investments			85,84,496		62,72,502
Aggregate Cost of unquoted Shares			94,525		94,525

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Unsecured, considered good		
Advances & Deposits	4,24,517	4,24,517
Total	4,24,517	4,24,517

Note 12 Cash and cash equivalents

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
a) Cash on hand	7,45,346	4,56,844
(b) Balances with banks		
In current accounts	5,049	3,01,842
In Fixed Deposit Accounts	-	6,15,192
Total	7,50,395	13,73,878

Note 12.1

All Fixed Deposits will be maturing within one year.

Note Short-term loans and advances

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Secured, Considered Good		
Hypothecation Loans	21,26,223	20,94,365
Vehicle loans	1,23,23,655	3,07,34,651
Stock on hire	5,03,14,175	4,81,08,455
Unsecured, Considered good		
Equipment lease rent receivable	45,000	1,11,567
Deposits	59,58,282	19,61,191
Loans	30,97,280	29,99,550
Interest Accrued but not due	31,372	57,448
Other Loans & advances		
Income Tax (Net of provision)	6,66,847	6,77,809
Total	7,45,62,834	8,67,44,436

Note 14 Revenue from operations

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Income from Financing Operations		
Interest Receipts	45,64,093	92,39,108
Hire Purchase Profit	66,19,070	57,45,620
Document Charges Receipts	5,800	12,500
Lease Rentals	31,96,250	34,21,713
NPA Provisions	-	27,000
Total	1,43,85,213	1,84,45,941

Note 15 Other Income

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Dividend Receipts	3,54,696	1,57,027
Interest on Govt Securities	1,60,140	1,84,613
Interest on Bank FD	-	-
Profit on sale of Assets	9,19,549	1,58,255
Miscellaneous	54,855	2,27,381
Total	14,89,240	7,27,276

Note 16 Employee Benefits

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Salary & Bonus	7,76,649	7,87,600
Managerial Remuneration	15,00,000	15,00,000
Staff Welfare Expenses	71,433	82,105
Total	23,48,082	23,69,705

Note 17 Finance Costs

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Interest Expense		
Loan from Bank	19,69,257	39,22,264
Fixed Deposits	12,46,450	17,48,940
Other Interest	15,65,496	6,32,989
	47,81,203	63,04,193
Loan Processing Fees	92,850	82,951
Bank Charges	17,035	15,827
Total	48,91,088	64,02,971

Note 18 Other Expense

Particulars	As at 31st March, 2014 In Rs.	As at 31st March, 2013 In Rs.
Office Rent	4,80,000	4,92,000
Bad Debts	5,90,102	5,85,683
Office Expenses	2,54,958	2,50,724
Travelling and Conveyance	2,46,163	1,07,566
Legal & Professional Fees	3,49,490	2,84,907
Vehicle Maintenance	1,92,569	1,70,906
Business Promotion Expenses	2,04,336	27,380
Commission & Brokerage	16,080	22,045
Loss on Investment in shares	5,53,063	1,85,236
Parking Charges	1,02,430	1,03,770
Audit Fees	86,000	86,000
Electricity Expenses	37,411	34,985
Repairs & Maintenance Charges	1,39,408	1,70,764
Insurance Charges	75,456	67,711
Rates and taxes	1,02,103	85,718
STT & Share Expenses	17,301	9,088
Advertisement Expenses	61,824	1,01,283
Directors Sitting Fees	24,000	24,000
Communication Expenses	1,20,533	1,06,569
Provn for NPA	22,000	
Miscellaneous Expenses	3,14,610	2,84,041
Total	39,89,837	32,00,376

Note 19 General

1 Payments to Auditors (Excluding Service Tax)	2013-2014 Rs.	2012-2013 Rs.
For Statutory Audit	45,000	45,000
For Tax Audit	10,000	10,000
For Taxation	10,000	10,000
For Other Services	11,000	11,000
For Out of pocket expenses	10,000	10,000
Total	86,000	86,000
2 Finance Charges	2013-2014 Rs.	2012-2013 Rs.
On Fixed Loans	23,34,202	18,64,862
On Other Loans	24,47,001	44,39,331
Total	47,81,203	63,04,193

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	2013-2014	2012-2013
A. Interest on Fixed Deposit	1,90,597	1,89,930
B. Sitting Fees	24,000	24,000
C. Salary & Allowance	15,00,000	15,00,000

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
Shanthi Devi Galada	Managing Director's Wife	Rent	4,80,000
J Ashok Galada	Managing Director	Salary	15,00,000

- 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,2014 has been changed to/reversed back in the Profit & Loss Account. In Current year provision has been made on account of timing difference of depreciation on Assets.
- 8** "The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure."

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

J.Ashok Galada **Naveen Galada** **Alpa Jain**
Managing Director Executive Director Company Secretary

Place : Chennai
Date : 29th May 2014



GALADA FINANCE LIMITED

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		
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	123	
(d) Inter-corporate loans and borrowing	21	
(e) Commercial Paper	-	
(f) Public Deposits *	78	
(g) Other Loans (specify nature) From Banks		
From Others	73	
(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	78	
Asset Side:		Amount outstanding
(3) Break-up of Loans and Advances including bills receivable [other than those included in (4) below] :		
(a) Secured		100
(b) Unsecured		28
(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)		50
(b) Operating lease		0
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Asset on hire (NET)		423
(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)		9	
(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		137	
(b) Preference		-	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		14	
(v) Others (please specify) Bank FD		-	
2. Unquoted :			
(i) Shares : (a) Equity		1	
(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	582	28	610
Total	582	28	610
(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	86		138
Total	86		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			112
(ii) Net Non-Performing Assets (Agreement balance less advance hire charges/advance interest & provision)			
(a) Related parties			
(b) Other than related parties			72
(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

J. Ashok Galada
Managing Director

Naveen Galada
Executive Director

Alpa Jain
Company Secretary

Place : Chennai

Date : 29.05.2014

CASH FLOW STATEMENT AS AT 31st MARCH 2014

Particulars	As on 31 st March, 2014 Rs. in Lakhs	As on 31 st March, 2013 Rs. in Lakhs
<u>Cash flow from operating activities</u>		
Net profit before Tax and Extra ordinary items	23.26	49.56
Add:Non operating expenses/Non cash flow items		
- Depreciation	23.19	22.43
- Interest & Financial Charges	47.81	63.04
- Provision for NPA	0.22	(0.27)
- Loss on sale of shares	5.53	1.85
Less : Non Operating Incomes		
Profit on sale of fixed Assets	(9.19)	(1.58)
Interest on Government Securities.	(1.60)	(1.85)
Dividend Receipts	(3.55)	(1.57)
Operating cash flow before working capital changes	85.67	131.61
Adjustments for working capital changes		
Increase / (Decrease) in current liabilities	(41.57)	3.50
Increase on stock on hire	(31.09)	(255.95)
Decrease in Loans & Advances	122.20	291.27
	49.54	38.82
Cash Generated from Operation	135.21	170.43
-Interest Paid	(45.55)	(60.44)
-Income Tax paid	(8.89)	(16.78)
Cash flow from Operating activities	80.77	93.21
<u>Cash flow from investing activities</u>		
Purchase of Fixed Assets (Net)	41.46	(42.31)
Purchase of Investments (net)	(21.82)	7.37
Cash Flow from Investing Activities	19.64	(34.94)
Cash Flow from Financing Activities		
Interest on Govt. Securities	1.60	1.85
Repayment of long term borrowings & other debts	(67.31)	3.25
Repayment of short term Borrowings & other debts	(23.43)	(65.88)

Dividend Receipts	3.55	1.57
Dividend paid	(21.06)	0.00
Cash Flow form Financial activities	(106.65)	(59.21)
Net decrease in cash and cash equivalent	(6.24)	(0.94)
Cash and equivalents as at 31 st March 2013	13.74	14.68
Cash and equivalents as at 31 st March 2014	7.50	13.74
Increase / Decrease in cash equivalents	(6.24)	(0.94)

For and on behalf of the Board of Directors

Place : Chennai
Date : 29.05.2014

J.Ashok Galada
Managing Director

Naveen Galada
Executive Director

Alpa Jain
Company Secretary

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 2014. 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 : 29.05-2014



GALADA FINANCE LIMITED

PROXY FORM

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

CIN: L65191TN1986PLC012826

Name of the company: Galada Finance Limited

Registered office: "SHANTHI SADAN" Old No.4 (New No. 7), Shaffee Mohammed Road,
Thousand Lights, Chennai 600 006

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address :
.....
E-mail Id :
Signature:....., or failing him

2. Name:
Address :
.....
E-mail Id :
Signature:....., or failing him

3. Name:
Address :
.....
E-mail Id :
Signature:....., or failing him

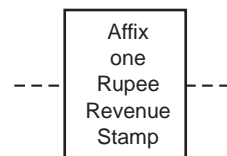
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Saturday 27th September 2014 at 4.00 p.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as given in the notice above.

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Signed by the said





ATTENDANCE SLIP

Please Fill the Attendance Slip and Hand it over at the entrance of the Meeting Venue

Joint shareholders may obtain additional Attendance Slip on request

DP Id:

Client Id:

Reg. Folio no.

No. of shares held:

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **Twenty Eighth Annual General Meeting** of the Company held on Saturday 27th September 2014 at 4.00 p.m. at the registered office of the Company.

Signature of the member/ proxy

Signature of the member/ proxy

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