
REPORT AND ACCOUNTS 2010-2011



GKW Limited

GKW LIMITED

MANAGING DIRECTOR
J D Curavala

WHOLETIME DIRECTOR
G Srinivasan

DIRECTORS
M L Lahoti
N K Navalakha
P S Lodha

VICE PRESIDENT & SECRETARY
J N Ghosh

AUDITORS
Lodha & Co.

REGISTERED OFFICE
3A, Shakespeare Sarani
Kolkata 700 071
Phone : 2282 2385/2386
Fax : 2282 9747
E-mail : gkw@cal2.vsnl.net.in

BANKERS
State Bank of India
Corporation Bank
AXIS Bank Limited

REGISTRAR & SHARE TRANSFER AGENT
(For Physical & Demat)
C. B. Management Services Pvt. Ltd.
P-22, Bondel Road
Kolkata 700 019
Phone : (033) 40116700, 22806692-94/2486
Fax : 2287 0263
E-mail : rta@cbmsl.com

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DIRECTORS' REPORT TO THE SHAREHOLDERS

- Your Directors submit their Annual Report together with the audited accounts for the year ended 31st March, 2011.
- The results for the year under review are given below :

	Rs. Crores	
	2010-2011	2009-2010
Sales	40.75	23.26
Profit before interest and depreciation	22.60	14.36
Interest	-	-
Gross Profit	22.60	14.36
Depreciation	(0.85)	(0.86)
Profit before Tax	21.75	13.50
Taxation (MAT credit in respect of earlier year)	1.93	(2.33)
Profit after taxation	23.68	11.17

As can be seen from the above table, during the period under review, profit before interest and depreciation amounted to Rs.22.60 crores and profit after tax amounted to Rs.23.68 crores as compared to Rs.14.36 crores and Rs.11.17 crores respectively during the previous year. A MAT credit of Rs. 1.93 crores against a debit of Rs.2.33 crores in the previous year contributed Rs. 4.26 crores towards increase in PAT.

DIVIDEND

- The Company continues to be in a consolidation mode, hence no dividend has been considered for the year under review.

FINANCE & ACCOUNTS

- As in the previous year, there were no borrowings during the year ended 31st March 2011.
- Capital Expenditure for the year amounted to Rs.8.54 Lakhs (2009-10 - Rs.42.91 Lakhs) and value of assets put into use during the year amounted to Rs.8.54 Lakhs (2009-10 -Rs.54.69 lakhs)

CONSOLIDATED ACCOUNTS

- In compliance with Accounting Standard 21 of The Institute of Chartered Accountants of India, consolidated accounts are annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS ON OPERATIONS

OPERATIONS

- Sales during the period under review increased mainly on account of supply of full value components (including raw materials) by the Metal Pressings Division as against conversion of customers' materials in the previous year, and increase in income from other sources.
- As in the previous year, your Directors are pleased to report that this year too, the Company has registered increase in profit before tax mainly due to increase in other income and improved profitability of the Metal Pressings Division.
- Metal Pressings Division at Pune registered an increase in turnover due to supply of full value components throughout the year under review. There was improvement in demand in the automobile and tractor sector which resulted in sustained demand for the components supplied by the division. The improved margins on products supplied with Company's raw materials helped the division in achieving higher operating profit.

Although the growth in the automobile and tractor segments is expected to remain strong in the near term entry of a large number of players of repute in this field has resulted in keen competition in the highly price sensitive domestic market. There is tremendous pressure on component suppliers for price reduction. Hence cost control and productivity improvement are under constant focus in the division.
- Production and sale of steel wood screws from the recently started Screws and Fasteners Division at the Pune plant of the Company has commenced during the year under review. Since the product is entering the market after a lapse of time, it will take some time for sales to stabilize at an acceptable level. In the meantime it is proposed to start the manufacture of safety pins in the current year.

GKW LIMITED

11. During the year under review, the Business Service Centre Agreement to provide business, administrative, communication and internet services from the Company's offices at Kolkata and Mumbai was renewed for a period of one year with effect from 1st April, 2010. Income from this activity has been reflected in the accounts for the year under review.

OUTLOOK

12. The process of business consolidation adopted by your Company is being pursued vigorously. This will enable the Company to take advantage of emerging business opportunities and also provide a strong base for utilization/development of its assets for significant future growth.

RISKS AND CONCERNS

13. Your Directors recognize that there are uncertainties and risks attached to any business. The risks could be external, internal, or a combination of both. External risks can be intensification of competition, product substitution, technological obsolescence, changes in Government policy with regard to taxes and levies or economic slowdown adversely impacting demand and profitability. Such risks will be continuously monitored and appropriate action taken by the Company to minimize the same. Internal risks comprise operating risks, financial risks and business risk. The company will take effective steps to deal with such risks.

An operating Division of the Company would identify any risks as perceived by them and take immediate steps to minimize the impact and at the same time submit a report to the next higher level of reporting.

The extremely small customer base of the Metal Pressings Division (MPD) and low cost competition faced by Screws and Fasteners Division (S&F) constitute business risks. Steps are being taken to increase customer base in MPD and become more cost competitive in S&F Division.

INTERNAL CONTROL

14. The Company has adequate internal control

system to ensure protection of assets against loss from unauthorised use or disposal, proper maintenance of accounting records and adherence to Company's policies and procedures. The Company has an Internal Audit system which is commensurate with its size and nature of its business. An Audit Committee of the Board of Directors periodically reviews the internal control systems to ensure their effectiveness and adequacy as also the annual financial statements with particular reference to major accounting entries, involving estimates based on the exercise of judgement by the management. Apart from this, audit reports and follow-up actions are periodically reviewed by the Divisional heads at the unit levels.

HUMAN RESOURCES

15. During the year under review industrial relations in the Metal Pressings and Screws and Fasteners Divisions at Pune were stable.

The total number of employees was 82 as on 31st March, 2011.

PARTICULARS OF EMPLOYEES

16. Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, as amended, is not applicable as no employee is covered under the said Rules.

SUBSIDIARY COMPANY

17. i) As reported earlier GKW Infosystems Limited was not generating revenues. Hence pursuant to an application made under section 560 of the Companies Act, 1956, the said subsidiary company has been dissolved during the year under review.
- ii) Accounts and Annual Reports of GKW (Overseas Trading) Limited, a subsidiary company, has been appended hereto.

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

18. Particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies

(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given below:

A. CONSERVATION OF ENERGY

Strict implementation of energy conservation measures such as sealing any leakages in compressed air supply lines and utilization of capacitor banks to improve power factor.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION AND INNOVATION

The nature of business activity carried on by the Company at present does not entail any Research and Development and technology absorption and innovation as such. However product development and process improvement is an on going exercise.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign exchange during the year amounted to Rs. NIL (2009/2010 – Rs. Nil) and outgo was Rs. 4.70 lakhs (2009/2010 – Rs. 1 lakh).

DIRECTORS

19. Mr. M. L. Lahoti, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.
20. Mr. N. K. Navalakha, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.
21. Mr. J. D. Curavala, Managing Director was re-appointed as Managing Director of the Company for a period of one year from 11th August, 2010 subject to approval of the Shareholders in General Meeting.
22. Mr. G. Srinivasan, Director was re-appointed as Wholetime Director of the Company for a period of one year from 13th September, 2010 subject to approval of the Shareholders in General Meeting.

AUDITORS

23. Messrs. Lodha & Company, the retiring Auditors, have expressed their willingness to be re-appointed.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

24. The Directors hereby confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

25. The Company has taken adequate steps to ensure compliance of the mandatory provisions of Corporate Governance as issued by Securities and Exchange Board of India vide Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29.10.2004. A report on Corporate Governance is appended hereto.

ACKNOWLEDGEMENT

26. The Board of Directors would like to thank the Company's customers, employees, shareholders, bankers, financial institutions, suppliers and all others associated with the Company for their continued support.

Kolkata 700 071
10th May, 2011

For and on behalf of the Board
J. D. Curavala G. Srinivasan
Managing Director Director

GKW LIMITED

REPORT ON CORPORATE GOVERNANCE

The following is a report on the Code of Corporate Governance practiced by your Company:

1. Company's Philosophy on Corporate Governance

The Company has always recognised the importance of good Corporate Governance and has strived to practice and improve its focus on it by increasing transparency and accountability to its shareholders and other stakeholders.

2. Composition, Category and Directorship in other Companies

Board of Directors

Director	Executive/ Non-executive/ Independent	Member of Board of Other Public Cos.	Total No. of other Committee membership held	
			As Chairman	As Member
Mr. J. D. Curavala	Executive	Graphite India Limited	-	1
Mr. G. Srinivasan	Executive	-	-	-
Mr. M. L. Lahoti	Non-Executive*	GKW (Overseas Trading) Limited	-	-
Mr. N. K. Navalakha	Non-Executive*	-	-	-
Mr. P. S. Lodha	Non-Executive*	-	-	-

* also independent

Board, Annual General Meeting and Attendance

Board Meetings were held on 12th May '10, 30th July'10, 28th October'10 and 3rd February'11. The Annual General Meeting was held on 30th July, 2010.

<u>Director</u>	<u>No. of Board Meetings</u>		<u>Attended last AGM</u>
	<u>Held</u>	<u>Attended</u>	
Mr. J. D. Curavala	4	4	Yes
Mr. G. Srinivasan	4	4	Yes
Mr. M. L. Lahoti	4	4	Yes
Mr. N. K. Navalakha	4	4	Yes
Mr. P. S. Lodha	4	4	Yes

3. Code of Conduct

The Company has laid down a code of conduct for all its Board Members and Senior Management Personnel. In terms of the revised Clause 49 of the Listing Agreement (Corporate Governance), the Company has received the necessary declarations affirming compliance with it during the year ended 31st March, 2011. All the Directors and Senior Management Personnel have affirmed to fulfill their responsibilities and uphold the high standards of behaviour laid down in the Code and further confirm that they will avoid any conflict of interest in the dealings with the Company.

4. Audit Committee

The terms of reference of the Audit Committee have been specified as per the revised Clause 49 of the Listing Agreement with the Stock Exchange. The terms of reference also fully conform to the requirement of Section 292(A) of the Companies Act, 1956. Broadly the following terms are specified for the Audit Committee:

- Appointment and terms thereof of Statutory Auditor.
- The statutory annual, half-yearly and quarterly financial reporting by the Company.
- Updation of applicable accounting policies of the Company in terms of the accounting standards.
- The audit approach and methodology of statutory Auditors and any material issues arising from the audit.
- The adequacy and effectiveness of accounting and financial controls of the Company, compliance with company policies and applicable laws and regulations.
- Undertaking special tasks assigned by the Board and recommend corrective actions.

- g) Reviewing the adequacies of the Internal Audit function, if any, including the structure of the Internal Audit Department with reporting coverage and frequency of Internal Audit.
- h) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Compositions, Name of Members and Chairperson

Audit Committee meetings were held on 12th May'10, 30th July'10, 28th October'10 and 3rd February, 2011.

Member	Category	Meetings Held	Meetings Attended
Mr. M. L. Lahoti - Chairman	Non-Executive/Independent	4	4
Mr. N. K. Navalakha	- do -	4	4
Mr. P. S. Lodha	- do -	4	4

Mr. J. D. Curravala and Mr. G. Srinivasan attended all the meetings by invitation.

5. Remuneration Committee

The Remuneration Committee has been constituted with Mr. M.L. Lahoti, as its Chairman, Mr. N.K. Navalakha and Mr. P. S. Lodha as its members.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/ Wholtime Directors. The Remuneration Committee met once on 30th July, 2010 during the year.

Remuneration Policy: The remuneration of non executive directors is decided by the Board within the limits set out in the Companies Act, 1956. The remuneration of executive directors is approved by the Remuneration Committee, the Board of Directors and the Shareholders in the General Meeting.

Details of Remuneration to Directors for the year ended 31st March, 2011.

Sl. No.	Name	Salary Rs.	Commission Rs.	Perquisites , Allowances, Others * Rs.	Sitting fees Rs.	Total Rs.
1.	Mr. J. D. Curravala	36,00,000	-	14,86,000	-	50,86,000
2.	Mr. G. Srinivasan	27,00,000	-	15,52,000	-	42,52,000
3.	Mr. M. L. Lahoti	-	-	-	65,000	65,000
4.	Mr. N. K. Navalakha	-	-	-	65,000	65,000
5.	Mr. P. S. Lodha	-	-	-	65,000	65,000

* Excluding arrear Gratuity and Leave Pay

Service Contracts, Severance Fees and Notice Period

Period of contract of Managing Director : 1 year from 11-08-2010. The Agreement may be terminated by either party giving the other three month's notice in writing or the Company paying three month's salary in lieu thereof.

There is no separate provision for payment of severance fees.

Period of contract of Wholtime Director : 1 year from 13-09-2010. The Agreement may be terminated by either party giving the other three month's notice in writing or the Company paying three month's salary in lieu thereof.

There is no separate provision for payment of severance fees.

The above remuneration is within the ceiling prescribed under the applicable provisions of the Companies Act, 1956.

6. Share Transfers and Investors' Grievance Committee

The Share Transfer and Investors Grievance Committee of the Company approves transfer and transmission, duplicate, sub-division, replacement, rematerialization and other matters related to shares, debentures, fixed deposits, and to deal with complaints regarding transfer of shares, debentures and fixed deposits, non-receipt of balance sheet and non-receipt of dividend.

The Committee is headed by Mr. N. K. Navalakha and Company Secretary is the Compliance Officer. There was no complaint of the shareholders during the year.

GKW LIMITED

7. General Body Meetings

A. Location and time for last three Annual General Meetings were:

<u>Financial Year</u>	<u>Date of AGM</u>	<u>Venue</u>	<u>Time</u>
31st March, 2010	30th July, 2010	Kala Kunj, Kolkata	11.00 a.m.
31st March, 2009	3rd September, 2009	Kala Kunj, Kolkata	11.00 a.m.
31st March, 2008	30th September, 2008	G. D. Birla Sabha Ghar, Kolkata	10.30 a.m.

B. Special Resolutions at the last three Annual General Meetings:

- i) At the Seventy-eight Annual General Meeting held on 30th September, 2008
– NIL
- ii) At the Seventy-nine Annual General Meeting held on 3rd September, 2009
– NIL
- iii) At the Eightieth Annual General Meeting held on 30th July, 2010
– NIL

No Resolution was passed through Postal Ballot.

8. Disclosures

- i) Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, the directors, the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

Disclosure of related parties transactions as per Accounting Standard 18 have been set out in Note No.17 of Schedule No. 17 of Annual Accounts. The transactions have no potential conflict with the interest of the Company.

- ii) Details of non-compliance by the Company, penalties, strictures on the Company by Stock Exchanges, SEBI or any Statutory Authority, on any matter related to the Capital markets, during the last three years.

No penalties or strictures have been imposed by any regulatory authority on any matter related to Capital markets during the last three years.

- iii) Details of compliance with mandatory requirements and adoption of non mandatory requirements.

All mandatory requirements with respect to Corporate Governance have duly been complied with.

- iv) Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are reviewed by the Board from time to time.

9. Means of Communications

- Half yearly results sent to each household of shareholders : No
- Quarterly Results : The quarterly results published in the proforma prescribed under the Listing Agreement are approved and taken on record within 45 days of the close of the relevant quarter. The approved results are notified forthwith to the concerned Stock Exchange. As the Company publishes the audited financial results within the stipulated period of three months from the close of the financial year, the unaudited financial results for the last quarter of the financial year are not published as per the Listing Agreement with the Stock Exchange.
- which Newspaper normally published in : Financial Express (English newspaper – (Kolkata and Mumbai)/ Business Standard (Kolkata and Mumbai) Ajkaal (Bengali newspaper – local edition)
- Any Website, where displayed. : Yes
- Whether it displays official news releases : No

- Whether presentation made to Institutional investors or to analyst : No
- Whether Management discussions and Analysis report is a part of Annual Report or not : Yes

10. General Shareholders Information

	Date	Time	Venue
AGM	26th July, 2011	11.00 a.m.	Kala Kunj
Financial Calendar (tentative) 2011-12 :			
i) Financial Year	: April-March		
ii) First Quarter Results	: July, 2011		
iii) Second Quarter Results	: October, 2011		
iv) Third Quarter Results	: January, 2012		
v) Audited results for the year ending 31st March, 2012	: May, 2012		
Date of Book Closure	: 18th July, 2011 to 26th July, 2011 (both days inclusive)		
Dividend payment Date	: Not Applicable		

Listing on Stock Exchanges

National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

<u>Stock Code</u>	<u>Physical</u>	<u>Demat</u>
National Stock Exchange	GKW	
Demat ISIN Number	INE 528A 01020	

Annual listing fees have been paid to National Stock Exchange for the year 2011-2012.

11. Unclaimed Shares

The Company has sent first reminder to comply with the Clause 5A(h) of the Listing Agreement for the shares which remained unclaimed by the Shareholders due to insufficient/incorrect information or for any other reason, before transferring in demat mode to one folio in the name of Unclaimed Suspense Account with one of the Depository participants.

Stock Market Data

<u>Stock Market Price for the year</u>	<u>N S E</u>		<u>NSE NIFTY</u>	
	<u>High (Rs.)</u>	<u>Low (Rs.)</u>	<u>High</u>	<u>Low</u>
April 2010	694.00	395.00	5399.65	5160.90
May 2010	609.00	485.00	5278.70	4786.45
June 2010	638.90	500.00	5366.75	4961.05
July 2010	677.00	576.00	5477.50	5225.60
August 2010	665.00	536.05	5549.80	5348.90
September 2010	666.00	502.00	6073.50	5403.05
October 2010	698.85	576.00	6284.10	5937.10
November 2010	659.00	568.00	6338.50	5690.35
December 2010	678.00	560.05	6147.30	5721.15
January 2011	665.00	523.15	6181.05	5416.65
February 2011	632.85	533.60	5599.25	5177.70
March 2011	597.95	525.00	5872.00	5348.20

GKW LIMITED

Registrar and Transfer Agents : C. B. Management Services Private Limited
P-22, Bondel Road
Kolkata 700 019

Share Transfer Systems : Share transfers are registered and returned within 30 days of lodgment thereof, if the documents are clear in all respects.

Distribution of shareholding

Distribution of shareholding as on 31.03.2011

No. of Shares held	No. of Share-holders	%	No. of Shares	%
1 to 500	36096	99.59	381502	6.39
501 to 1000	65	0.18	50723	0.85
1001 to 2000	34	0.09	51929	0.87
2001 to 3000	17	0.05	43144	0.72
3001 to 4000	5	0.01	17788	0.30
4001 to 5000	3	0.01	14366	0.24
5001 to 10000	7	0.02	52914	0.89
10001 & above	17	0.05	5354134	89.74
TOTAL	36244	100.00	5966500	100.00

Shareholding Pattern

Shareholding Pattern as on 31.03.2011

Category	No. of Shares Held	% of share-holding of issued share capital
I PROMOTERS' HOLDING		
Promoters – a. Indian Promoters	3580375	60.00
b. Foreign Promoters	894500	15.00
Sub-Total	4474875	75.00
II NON-PROMOTERS' HOLDING		
Institutional Investors		
a. Mutual Fund & Unit Trust of India	5855	0.10
b. Banks, Financial Institutions & Insurance Companies (Central/State Govt. Institution/Non-Govt. Institution)	123189	2.06
c. Foreign Institutional Investors	14789	0.25
Sub-Total	143833	2.41
III OTHERS		
a. Private Corporate Bodies/Trust	781387	13.10
b. Indian Public	561148	9.40
c. NRIS/OCBs/Foreign Nationals	5098	0.09
d. Any other (specify) Clearing members	159	0.00
Sub-Total	1347792	22.59
GRAND TOTAL	5966500	100.00
NOTE: TOTAL FOREIGN SHAREHOLDING	No. of Shares	% of Share-holding
Foreign Holding (Non-Resident)	894500	15.00
NRIs/OCBs	5098	0.09
FII	14789	0.25
TOTAL	914387	15.34

Dematerialisation of shares and liquidity. The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the depository systems in India.

As on 31.3.2011, a total of ordinary shares 5763803 of the Company which forms 96.60 % of the share capital stands dematerialised under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's ordinary shares is INE 528A 01020.

Outstanding GDRs/ADRs/Warrants or any Convertible, Instruments, Conversion Date and likely impact on Equity

None

Plant Locations

97, Andul Road
Howrah 711 103
West Bengal

Metal Pressings Division
Screws & Fasteners Division
Village – Pimpri, Jagtap
Taluq – Jagtap
District – Shirur
Pune 412 208

Lal Bahadur Shastri Marg
Bhandup
Mumbai 400 078
Maharashtra

Address for Correspondence

GKW Limited
3A, Shakespeare Sarani
Kolkata 700 071

11. Compliance of non-mandatory requirement

- 1) Entitlement of a Non-Executive Chairman to maintain a Chairman's office at the expense of the Company – Not applicable.
- 2) The Independent Directors do not have any tenure exceeding in the aggregate period of 9 years on the Board of the Company.
- 3) Shareholder Rights –The Company publishes the quarterly results in the Newspapers in accordance with the requirements of the listing agreement. However for the present a half-yearly declaration of financial performance including summary of the significant events in last six months, are not sent to each household of shareholder.
- 4) Audit qualifications – The audit report on the financial statements of the Company for the year has no qualifications.
- 5) Training of Board Members:
All Board Members are fully aware of the business objectives as well as the risks profile of the business.
- 6) Evaluation of Non-Executive Board Members – Not adopted.
- 7) Whistle Blower policy – Not adopted

Place : Kolkata
Date : 10th May, 2011

For and on behalf of the Board
J. D. Curavala G. Srinivasan
Managing Director *Director*

DECLARATION

In terms of Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchange, all the Board members and Senior management personnel of the Company have as on 31st March, 2011 affirmed their compliance of the Code of Conduct of the Company dated 7th March, 2011.

Place : Kolkata
Date : 10th May, 2011

J. D. Curavala
Managing Director
G K W Limited

Auditors' Certificate on Compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

To The Members of GKW Limited

- 1) We have examined the compliance of the conditions of Corporate Governance by GKW Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the management, we certify that

the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Lodha & Co.
Chartered Accountants
Firm ICAI Registration No. 301051E
H. S. Jha
Partner
Membership No. 55854

Place : Kolkata
Date : 10th May, 2011

Persons constituting group coming within the definition of “group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following :

Sl. No.	Name of the Entity
1.	Bangur Land Development Corporation Limited
2.	BCC Mercantile Limited
3.	Carbo Ceramics Limited
4.	Carbon Finance Limited
5.	D. C. Mercantile Private Limited
6.	Emerald Highrise Private Limited
7.	GKW (Overseas Trading) Limited
8.	Graphite India Limited
9.	Guardian Leasing Limited
10.	H. L. Investment Company Limited
11.	Kiwi Investments Limited
12.	Likhami Leasing Limited
13.	Matrix Commercial Private Limited
14.	Rosemery Commercial Private Limited
15.	Salasar Towers Private Limited
16.	SCL Investments Private Limited
17.	Shree Laxmi Agents Limited
18.	The Bond Company Limited
19.	The Emerald Company Limited

GKW LIMITED**BALANCE SHEET
AS AT 31ST MARCH, 2011**

			Rs. ('000)	
	Schedule	<u>As at 31.03.11</u>		<u>As at 31.03.10</u>
SOURCES OF FUNDS				
Shareholders' fund				
Share capital	1	59665	59665	
Reserves and surplus	2	548163	311347	
		607828		371012
Deferred tax liability (net) (Note 16)		383		-
Total		608211		371012
APPLICATION OF FUNDS				
Fixed assets	3			
Gross block		307773	310992	
Less : depreciation		227476	222991	
Net block		80297		88001
Investments	4	85499		13371
Current assets, loans and advances				
Inventories	5	35439	49106	
Sundry debtors	6	25259	16338	
Cash and bank balances	7	380385	256693	
Loans and advances	8	111296	63845	
Other current assets	9	5919	4804	
		558298	390786	
Less: Current liabilities and provisions				
Liabilities	10	114371	121146	
Provisions	11	1512	-	
		115883	121146	
Net current assets		442415		269640
Total		608211		371012
Notes on accounts	17			

The Schedules referred to above and the notes attached form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date

On behalf of the Board

J D Curavala
Managing Director

G Srinivasan
Director

J N Ghosh
Vice-President & Secretary

A Chakrabarti
Sr. Vice-President (Finance)

H. S. Jha
Partner
for and on behalf of
LODHA & CO.
Chartered Accountants

Kolkata,
10th May, 2011

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2011

Rs. ('000)

	Schedule	<u>2010/2011</u>	<u>2009/2010</u>
INCOME			
Sales and other income from operations	12	410294	252913
Income from other sources	13	92681	44666
		502975	297579
EXPENDITURE AND CHARGES			
Raw materials consumed		132297	30281
(Increase)/Decrease in stocks of finished products and work-in-progress	14	12980	844
Operating and Administrative Expenses	15	131265	119287
Depreciation	3	8472	8553
Other charges/(income)	16	439	3596
		285453	162561
PROFIT BEFORE TAX		217522	135018
Provision for taxation :			
– Current tax		(44029)	
– Less : MAT Credit (includes Rs. 23240('000) in respect of earlier year)		63706	(23359)
– Deferred Tax Charge (net) (Note 16)		(383)	–
PROFIT AFTER TAX		236816	111659
Surplus brought forward from earlier year		311347	199688
PROFIT AVAILABLE FOR APPROPRIATION		548163	311347
Transfer to General Reserve		300000	–
Balance carried forward		248163	311347
		548163	311347
Basic and diluted earnings per share (Rs.) (Note 18)		39.69	18.71
Notes on accounts	17		

The Schedules referred to above and the notes attached form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date

On behalf of the Board

J D Curavala
Managing Director

G Srinivasan
Director

J N Ghosh
Vice-President & Secretary

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Chartered Accountants

Kolkata,
10th May, 2011

GKW LIMITED
**SCHEDULES TO
BALANCE SHEET**

Rs. ('000)

	<u>As at 31.03.11</u>	<u>As at 31.03.10</u>
1. SHARE CAPITAL		
Authorised:		
49250000 (2009/2010 – 49250000) Cumulative redeemable preference shares of Rs. 10/- each	492500	492500
59665008 Ordinary shares of Rs. 10/- each	596650	596650
	<u>1089150</u>	<u>1089150</u>
Issued and subscribed:		
3669653 (2009/2010 – 3669653) Ordinary shares of Rs. 10/- each fully paid up at par in cash	36697	36697
659749 (2009/2010 – 659749) Ordinary shares for consideration other than cash pursuant to contracts/ scheme of arrangements	6597	6597
1637098 (2009/2010 – 1637098) Bonus shares by way of capitalisation of reserves and share premium	16371	16371
	<u>59665</u>	<u>59665</u>

2. RESERVES AND SURPLUS

General Reserve		
At the beginning of the year	–	
Add : Transfer from profit and loss account	300000	–
Surplus as per Profit and Loss account	<u>248163</u>	311347
	<u>548163</u>	<u>311347</u>

3. FIXED ASSETS

Rs. ('000)

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April, 2010	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2011	As at 1st April, 2010	For the year	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Land including Leasedhold land	6928	–	6928	366	11	–	377	6551	6562
Buildings	115290	–	115284	83894	1554	5	85443	29841	31396
Railway Siding	898	–	898	895	–	–	895	3	3
Plant & Machinery	165750	392	165906	120130	6124	152	126102	39804	45620
Cars & Vehicles	12474	–	8643	9811	314	3830	6295	2348	2663
Furniture & Fittings	9652	462	10114	7895	469	–	8364	1750	1757
	<u>310992</u>	<u>854</u>	<u>307773</u>	<u>222991</u>	<u>8472</u>	<u>3987</u>	<u>227476</u>	<u>80297</u>	<u>88001</u>
Previous year	329834	5469	310992	232748	8553	18310	222991	88001	

**SCHEDULES TO
BALANCE SHEET**

	Rs. ('000)	
	As at 31.03.11	As at 31.03.10
4. INVESTMENTS		
<i>Trade (Long Term)</i>		
Quoted		
IDBI Ltd.		
10720 shares of Rs. 10 each – fully paid at cost	871	871
Current - Other investments		
26516.452 units of Rs 10/- each of TATA Equity Opportunities Fund - Plan B (Appreciation)	3004	–
78521.671 units of Rs 10/- each of TATA Equity P/E Fund Div Trigger Option A (5 percentage)	2004	–
12 Bonds of Rs 1000000/- each of 8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost	12000	12000
40 Bonds of Rs 1000000/- each of 9.05% IDBI Bond, 2020 fully paid at cost	40720	–
10 Bonds of Rs 1000000/- each of 8.85% PFC Bond, 2030 fully paid at cost	10038	–
10 Bonds of Rs 1000000/- each of 9.65% YES Bond, 2020 fully paid at cost	10014	–
10 Bonds of Rs 1000000/- each of 8.90% HDFC Bond, 2020 fully paid at cost	10000	–
15 Bonds of Rs 1000000/- each of 8.70% PFC Bond 2020 purchased at a cost of Rs 14936('000) and sold at Rs 14465 ('000) during the year	–	–
4953.244 units of Rs 10/- each of TATA Treasury Manager HIP daily Dividend purchased at a cost of Rs 5000 ('000) and sold at Rs 5000 ('000) during the year	–	–
8391.339 units of Rs 10/- each of TATA Floater Fund Growth purchased at a cost of Rs 333 ('000) and sold at Rs 344 ('000) during the year	–	–
Shares in subsidiary company		
GKW (Overseas Trading) Limited - 50,000 Ordinary shares of Rs. 10 each- fully paid, at cost	500	500
Less : Provision for diminution in value of investments	(3652)	–
	<u>85499</u>	<u>13371</u>
The aggregate book value of quoted investments	84999	12871
Market value of quoted investments	85785	13233
5. INVENTORIES		
At or under cost (being cost or net realisable value whichever is lower)(*)		
Raw materials	3768	4144
Work-in-progress (including scrap)	2263	2426
Finished products	13135	21403
Assets held for disposal	11092	15641
Stores and spare parts	2828	3139
Loose tools	2353	2353
	<u>35439</u>	<u>49106</u>
(*) net of provisions		

GKW LIMITED**SCHEDULES TO
BALANCE SHEET**

	As at <u>31.03.11</u>	Rs. ('000)	As at <u>31.03.10</u>
6. SUNDRY DEBTORS			
Over six months			
Unsecured– Considered good	3084		277
– Considered doubtful	-		815
Other debts			
Unsecured– Considered good	22175		16061
	<u>25259</u>		<u>17153</u>
Less : Provision for doubtful debts	-		815
	<u>25259</u>		<u>16338</u>
7. CASH AND BANK BALANCES			
Cash and cheques in hand	498		374
Balances with scheduled banks			
Current accounts	16617		35219
Deposit accounts			
– Fixed Deposits	363270		221100
	<u>380385</u>		<u>256693</u>
8. LOANS AND ADVANCES			
Considered good			
Advances recoverable in cash or for value to be received	38525		40651
Balance with Port Trusts, Customs etc.	4197		7706
Other deposits	4868		5814
Advance Payment of Tax (net of provisions)	-		9674
MAT Credit entitlement	63706		-
Considered doubtful			
Advances recoverable in cash or for value to be received	1682		1321
	<u>112978</u>		<u>65166</u>
Less: Provision for doubtful advances	1682		1321
	<u>111296</u>		<u>63845</u>
9. OTHER CURRENT ASSETS			
Interest receivables	5778		4466
Interest accrued on investments etc.	141		338
	<u>5919</u>		<u>4804</u>
10. LIABILITIES			
Sundry creditors (Note 15)	71694		91847
Liability for expenses	42197		28802
GKW (Overseas Trading) Limited (Subsidiary Company)	480		497
	<u>114371</u>		<u>121146</u>
11. PROVISIONS			
Provision for taxation (net)	1512		-
	<u>1512</u>		<u>-</u>

SCHEDULES TO**PROFIT AND LOSS ACCOUNT**

	2010/2011	Rs. ('000)	2009/2010
12. SALES AND INCOME FROM OTHER OPERATIONS			
Sales	407277		220531
Less: Excise duty	21242		3725
Net Sales	<u>386035</u>		<u>216806</u>
Conversion charges recovered	259		12107
Income from services	26472	26472	
Less : Service tax	2472	2472	
Net Service Income	<u>24000</u>		<u>24000</u>
	<u>410294</u>		<u>252913</u>
13. INCOME FROM OTHER SOURCES			
Dividend from long term investments	700		27
Interest Received - Gross of tax deducted at source Rs. 2186 ('000) (2009/2010 - Rs. 3146 ('000))	28401		19664
Provision for diminution in value of investments written back	-		384
Net profit/(loss) on disposal/scrap of fixed assets	16		4698
Miscellaneous income (Note 14)	63564		19893
	<u>92681</u>		<u>44666</u>
14. (INCREASE)/ DECREASE IN STOCKS OF FINISHED PRODUCTS AND WORK-IN-PROGRESS (*)			
Opening stocks :			
Finished products	21403		18044
Work-in-progress	2426		2490
Assets held for disposal	15641		19780
	<u>39470</u>		<u>40314</u>
Closing stocks :			
Finished products	13135		21403
Work-in-progress	2263		2426
Assets held for disposal	11092		15641
	<u>26490</u>		<u>39470</u>
(Increase)/Decrease	<u>12980</u>		<u>844</u>
(*) including shortages, provisions, write-off, etc.			
15. OPERATING AND ADMINISTRATIVE EXPENSES			
Stores consumed	2757		4675
Power and fuel	7258		6260
Repairs and maintenance - Plant and Machinery	5006		1684
Repairs and maintenance - Buildings and estate	653		906
Repairs and maintenance - Others	3788		3437
Salaries, wages and bonus (Note 5)	27689		27791
Contribution to provident and other funds (Note 5)	13558		10961
Workmen and staff welfare expenses (including Employees' State Insurance premium etc.)	3594		3156
Directors' sitting fees	195		190
Provision for diminution in value of investments	3652		-
Insurance	515		658

GKW LIMITED**SCHEDULES TO
PROFIT AND LOSS ACCOUNT**

Rs. ('000)

15. OPERATING AND ADMINISTRATIVE EXPENSES (contd.)	2010/2011	2009/2010
Rent	5800	5862
Rates and taxes	6351	7364
Printing and stationery	976	755
Postage, telephone & telex	1478	2239
Data processing expenses	375	484
Travelling expenses	4835	3179
Bank charges	81	76
Advertisement expenses	1157	876
Security charges	6909	9028
Freight, packing and delivery charges	2305	1225
Selling commission	685	2760
Legal and Professional Charges	16480	12135
Outside processing charges for products	1111	28
Net profit/(loss) on sale of investment	460	-
Miscellaneous expenses	13597	13558
	<u>131265</u>	<u>119287</u>
16. OTHER CHARGES / (INCOME)		
Provision for doubtful debts and advances - (Gross)	439	2136
Release of provision no longer required	(894)	-
Doubtful debts and advances written off	894	1460
	<u>439</u>	<u>3596</u>

**17. NOTES ON ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011****(1) SIGNIFICANT ACCOUNTING POLICIES****(i) a) ACCOUNTING CONVENTION AND REVENUE RECOGNITION**

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and Accounting Standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles.

b) PROVISIONS, CONTINGENCIES AND CONTINGENT ASSETS

Liabilities which can be measured only by using a substantial degree of estimation and in respect of which a reliable estimate can be made of the probable outflow of resources are recognised as provisions.

Contingent liabilities in the nature of possible obligations that arise from past events and the existence of which will be confirmed only by the occurrence or otherwise of future events not wholly within the control of the Company and in respect of present obligation arising from past events for which a reliable estimate of the possible future outflow cannot be made are disclosed by way of Notes to Accounts.

Contingent Assets are neither recognised nor disclosed in the financial statement.

c) USE OF ESTIMATES

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amount of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

(ii) FIXED ASSETS, DEPRECIATION AND IMPAIRMENT

(a) Fixed assets are stated at cost.

- (b) Capital work-in-progress is stated at cost incurred during installation period and includes advances to suppliers.
- (c) Depreciation has been provided on written down value or straight line method for assets acquired prior to April 1989 at the applicable rates as prescribed in Schedule XIV of the Companies Act, 1956 or at rates (in percentage) indicated below on straight line method.

However, all assets acquired after 1.4.89 have been depreciated on straight line method at the rates prescribed in Schedule XIV.

Land - Leasehold	3.33/1.66
Buildings	3.33/2.00

Depreciation on Plant & Machinery at division which are not in operation has been provided on single shift basis.

- (d) Depreciation is provided on the basis of month of capitalisation. Items of fixed assets individually valued upto Rs. 5000 are fully depreciated in the books of account in the year in which they are put to use.
- (e) The amounts at which fixed assets are carried in the Company's books are reviewed at the Balance Sheet date for any indication of impairment. In case of impairment, an impairment loss is recognised when the carrying amount of assets belonging to a Cash Generating Unit (CGU) or otherwise exceeds the recoverable amount of the assets i.e. the higher of assets' net selling price or its value in use. Subsequent reversal of such impairment loss if any, is allocated to the respective assets.

(iii) INVESTMENTS

Investments are stated at cost less write downs where applicable.

(iv) INVENTORIES

Year-end inventory items are valued at lower of cost and net realisable value. Cost is computed on the basis of First-In-First Out or Weighted Average Pricing methods as appropriate. Cost in respect of Work-in-Progress represents cost incurred upto the stage of completion. Provisions for obsolescence are made based on technical estimation.

(v) FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of such transaction.
- b) Receivables/payables in foreign currencies are translated at the appropriate forward contract rate, or, if not covered, at the exchange rate ruling at the balance sheet date. The gain/loss arising on account of such translation, as also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as income or expense and are reflected in the profit and loss account under respective heads of accounts.

(vi) EMPLOYEE BENEFITS

Short-Term employee benefits are recognised as an expense in the year services are rendered by the employees.

Post-employment Plans :

- (a) Contribution to defined contribution schemes such as Provident Fund etc. are recognised as and when incurred.
- (b) Long-Term employee benefits under defined benefit scheme such as contribution to gratuity, leave scheme etc. are determined at close of the year at present value of the amount payable based on actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

(vii) SALES

Sales (net of credit notes) are recognised on accrual basis in keeping with applicable trade practice.

(ix) TAXES ON INCOME

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax assets or liabilities arising on account of timing differences, which are capable of reversal in one or more subsequent years is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets including those arising out of MAT credit are not recognised unless there is sufficient assurance with respect to reversal thereof in future years.

GKW LIMITED

	Rs. ('000)	
	As at 31.03.11	As at 31.03.10
(2) CONTINGENT LIABILITIES		
<i>In respect of :</i>		
Income Tax under Appeal	-	456
Excise duty under Appeal (to the extent ascertainable)	16466	20322
Disputed sales Tax under Appeal	50729	50729
Claims not acknowledged as debts (to the extent ascertainable)	4146	4146

(3) EMPLOYEE BENEFITS
a. Defined Contribution Scheme :

Employer's Contribution to Provident Fund	1950	2419
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b. Defined Benefit Scheme :

The employees' Gratuity Fund scheme/Pension Fund scheme is a defined benefit plan managed by a Trust/LIC. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

	Rs. ('000)					
	Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
I Expense recognised in the income statement						
Current service cost [Refer Note (ii)]	6584	246	4014	3328	308	305
Interest cost	1083	428	6782	5237	545	172
Expected return on plan assets	(715)	(1382)	(9790)	(9022)	-	-
Past service cost due to revision in gratuity limit/pension benefits	1206	-	-	10183	58	-
Actuarial (gain)/loss	(1383)	(263)	(1576)	(3590)	433	585
Total Expenses/(credit)	6775	(971)	(570)	6136	1344	1062
II Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :						
Present value of Defined benefit obligation at the beginning of the year [Refer Note (ii)]	9965	30798	93168	76021	7615	3505
Current service cost	6584	246	4014	3328	308	305
Interest cost	1083	428	6782	5237	545	172
Benefit payments	(2586)	(24599)	(3042)	(236)	(502)	(1011)
Past service cost due to revision in gratuity limit/pension benefits	1206	-	-	10183	58	-
Actuarial (gain)/loss	(497)	777	(590)	(1365)	433	585
Present value of Defined benefit obligation at the end of the year	15755	7650	100332	93168	8457	3556

Rs. ('000)

	Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
III Changes in the fair value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows :						
Fair value of plan assets at the beginning of the year	9561	27423	123900	112889	-	-
Employer Contribution	1349	4315	-	-	502	1011
Expected Return on plan assets	715	1382	9790	9022	-	-
Benefit payments	(2586)	(24599)	(3042)	(236)	(502)	(1011)
Actuarial gain/(Loss)	886	1040	986	2225	-	-
Fair value of plan assets at the end of the year	9925	9561	131634	123900	-	-
IV Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet during the year ended 31st March, 2011 :						
Net Asset/(Liability) at the beginning of the year [Refer Note (ii)]	(404)	(3375)	30732	36868	(7615)	(3505)
Employer (Expenses)/credit	(6775)	971	570	(6136)	(1344)	(1062)
Employer Contribution	1349	4315	-	-	502	1011
Net Asset/(Liability) at the end of the year	(5830)	1911	31302	30732	(8457)	(3556)
V Actuarial assumptions :						
Discount rate (per annum)	7.80%	7.40%	7.80%	7.40%	7.80%	7.40%
Expected return on plan assets (per annum)	8.00%	8.00%	8.00%	8.00%	N.A.	N.A.

Notes:

- Assumptions relating to future salary increase, attrition, interest rate for discount and overall expected rate of return on assets have been considered in the actuarial valuation based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- The Directors' gratuity and leave encashment were actuarially determined during the year and provided for. The difference in the liability existing in this respect and the amount so determined amounting to Rs. 10024 ('000) has been recognised during the year.
- Disclosure in terms of Para 120(n) of AS 15 (revised 2005)

	Gratuity (Funded)				Pension Fund (Funded)			
	2010/2011	2009/2010	2008/2009	2007/2008	2010/2011	2009/2010	2008/2009	2007/2008
Present Value of Defined Benefit Obligation at the year end	(15755)	(7650)	(30798)	(91154)	(100332)	(93168)	(76021)	(73525)
Fair Value of Plan Assets at the year end	9925	9561	27423	87600	131634	123900	112889	106100
Surplus/(Defecit)	(5830)	1911	(3375)	(3554)	31302	30732	36868	32575
Experience Adjustments on Plan Liabilities	373	(911)	473	1985	(146)	1277	276	(24611)
Experience Adjustments on Plan Assets	886	1040	85	12378	986	(163)	(1657)	1218

GKW LIMITED

	Rs. ('000)	
	<u>2010/2011</u>	<u>2009/2010</u>
(4) STORES CONSUMED		
Total stores consumed including write-off of Rs. 674('000) (2009/2010-Rs. 3300('000))	<u>2757</u>	<u>4675</u>
(5) REMUNERATION OF DIRECTORS		
Total remuneration included in Schedule 15 of Profit and Loss Account :		
Salaries etc.	6708	6900
Contribution to Provident and other funds (*)	12245	1059
Other benefits	409	600
	<u>19362</u>	<u>8559</u>
(*) Please refer note 3(ii) of Schedule 17		
(6) PAYMENTS TO FORMER DIRECTORS		
Pension paid or payable to former directors and not considered as Directors' remuneration is	<u>44</u>	<u>44</u>
(7) PAYMENT TO AUDITORS		
Total amount paid or payable to the auditors :		
– As auditors of the Company	200	200
– Other services (certificates, provident fund audit etc.)	117	190
Out-of-pocket expenses	32	22
	<u>349</u>	<u>412</u>

(8) PARTICULARS IN RESPECT OF GOODS MANUFACTURED *

Class of goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
Mild steel pressed components	tonne	6325	6325	7369	7369	3328	922
Jig, fixture, workshop gauges and tools	Rs. lakhs	500	500	500	500	–	–
Bolts, nuts and rivets	tonne	37200	37200	37200	37200	4	3
Woodscrews, machinescrews and self tapping screws	100 nos.	16237440	16237440	26157000	26157000	46777	–
Cotter pins and screw eyes	100 nos.	288000	288000	845000	845000	–	–
Safety pins	1000 nos.	224640	224640	937500	937500	–	–
Tubular rivets	1000 nos.	79200	79200	112500	112500	–	–

* Installed capacities have been certified by the management and relied upon by the Auditors

(9) PARTICULARS IN RESPECT OF SALES

Class of goods	Unit	31.03.11		31.03.10	
		Quantity	Value Rs. ('000)	Quantity	Value Rs. ('000)
Mild steel pressed components	tonne	3347	141151	884	31936
Jig, fixture, workshop gauges and tools	Rs. lakhs	–	–	–	–
Hot rolled bars, rods and sections	tonne	761	18955	65	1486
Bolts, nuts and rivets	tonne	96	3283	65	3436
Woodscrews, machinescrews and self tapping screws	100 nos.	141521	6386	8710	477
Miscellaneous (including product scrap and other services)			<u>237502</u>		<u>183196</u>
			<u>407277</u>		<u>220531</u>

(10) PARTICULARS IN RESPECT OF FINISHED STOCKS

Class of goods	Unit	31.03.11		31.03.10		31.03.09	
		Quantity	Value Rs. ('000)	Quantity	Value Rs. ('000)	Quantity	Value Rs. ('000)
Fan, motor and generator stampings	tonne	-	-	-	-	2	10
Mild steel pressed components	tonne	19	3335	38	5082	-	346
Hot rolled bars, rods and sections	tonne	109	562	870	6307	935	6842
Bright steel bars	tonne	292	3884	292	3813	292	3813
Bolts, nuts and rivets	tonne	140	2189	232	3053	294	3885
Woodscrews, machine screws and self tapping screws	100 nos.	368505	3111	463249	2590	471959	2590
Cotter pins and screw eyes	100 nos.	1828	-	2058	-	2058	-
Safety pins	1000 nos.	172	-	172	-	172	-
Tubular rivets	1000 nos.	6387	54	8389	558	8389	558
			<u>13135</u>		<u>21403</u>		<u>18044</u>

(11) ANALYSIS OF RAW MATERIALS CONSUMED

	Unit	31.03.11		31.03.10	
		Quantity	Value Rs. ('000)	Quantity	Value Rs. ('000)
Steel Sheets/Skelp	tonne	3402	128994	946	30064
Wire rods and coils	tonne	95	3303	2	217
			<u>132297</u>		<u>30281</u>

**(12) VALUE OF RAW MATERIALS AND STORES
(INCLUDING COMPONENTS AND SPARE PARTS) CONSUMED**

	31.03.11		31.03.10	
	Rs. ('000)	%	Rs. ('000)	%
Imported	-	-	-	-
Indigenous	135054	100	34956	100
	<u>135054</u>	<u>100</u>	<u>34956</u>	<u>100</u>

(13) EXPENDITURE IN FOREIGN CURRENCY

Others (Bank charges, travelling, professional charges etc.)	<u>470</u>	<u>110</u>
	<u>470</u>	<u>110</u>

(14) MISCELLANEOUS INCOME

Includes profit on sale of scrap Rs. 5173 ('000) (2009/2010 - Rs. 19170 ('000)), liabilities no longer required Rs. 2912 ('000) (2009/2010 - Rs. 2099 ('000)) and income from surrender of tenancy rights Rs. 50000 ('000) (2009/2010 - Rs. Nil) Rs. ('000)

	As at 31.03.11	As at 31.03.10
(15) SUNDRY CREDITORS INCLUDE:		
(a) Micro, Small and Medium Enterprises:	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	71694	91847
(iii) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
(iv) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

GKW LIMITED

	Rs. ('000)	
	<u>As at 31.03.11</u>	<u>As at 31.03.10</u>
(v) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(vi) The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
(vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The above has been compiled based on information available with the Company and has accordingly been relied upon by the auditors.	-	-
(b) Rs. 18081 ('000) (2009/2010 - Rs. 25057 ('000)) received as advance against scrap and other sales		

(16) The break-up of deferred tax assets and liabilities :

	Rs. ('000)		
	Opening balance as on <u>01.04.10</u>	Charge/ (Credit) for the year	Closing balance as on 31.03.11
Deferred Tax Assets:			
- Unabsorbed Business Loss	-	(15774)	15774
- Unabsorbed depreciation	23009	23009	-
- Expenses allowed on payment basis	-	(4585)	4585
Total	<u>23009</u>	<u>2650</u>	<u>20359</u>
Deferred Tax Liabilities:			
- Depreciation	23009	(2267)	20742
Net Deferred Tax Liability	<u>-</u>	<u>383</u>	<u>383</u>

(17) "Related party Disclosures" as per Accounting Standard 18 as ascertained from available information:

		Rs. ('000)			
<u>Name of the Related Party</u>	<u>Nature of transaction</u>	<u>Value of transaction</u>		<u>Debit/(Credit) outstanding balance as on</u>	
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
Subsidiary Company					
GKW (Overseas Trading) Ltd	Receiving of services	17	30	(480)	(497)
Key Management Personnel					
Mr. J. D. Curavala	Remuneration	10806	4805	(309)	(325)
Mr. G. Srinivasan	Remuneration	8556	3754	(250)	(250)
		<u>19362 (*)</u>	<u>8559</u>		

(*) Please refer note 5 of Schedule 17

Note : The above related party information is as identified by the management and relied upon by the Auditor.

(18) The Earnings per share has been calculated on the basis of number of Equity shares outstanding during the period ended 31st March, 2011 in accordance with the provisions of Accounting Standard 20 (Earnings per share) :

	Rs. ('000)	
	<u>As at 31.03.11</u>	<u>As at 31.03.10</u>
Profit/(Loss) attributable to Equity Shares	236816	111659
Weighted average Number of Equity Shares	5966500	5966500
Basic and Diluted Earnings per Shares (Rs.)	39.69	18.71

(19) General

- Current assets, loans and advances have value at least equal to that stated in the accounts.
- As part of the Company's corporate social responsibility, a small portion of the Company's land with structures thereon at 168/2, Andul Road, Howrah which was not under use was leased during the year for a nominal rent to a Charitable Trust for vocational training of under privileged persons.
- Previous years' figures have been rearranged and regrouped wherever considered necessary.

On behalf of the Board

J. D. Curravala
Managing Director

G. Srinivasan
Director

J. N. Ghosh
Vice-President & Secretary

A. Chakrabarti
Sr. Vice-President (Finance)

Kolkata
10th May, 2011

H. S. Jha
Partner
for and on behalf of
LODHA & CO.
Chartered Accountants

GKW LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	7026	State Code	21
Balance Sheet Date	31 03 2011		
	Date Month Year		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. ('000))

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. ('000))

Total Liabilities	724094	Total Assets	724094
-------------------	--------	--------------	--------

SOURCES OF FUNDS

Paid-up Capital	59665	Reserves & Surplus	548163
Secured Loans	-	Deferred Tax Liability	-

APPLICATION OF FUNDS

Net Fixed Assets	80297	Investments	85499
Net Current Assets	442415	Misc. Expenditure	-
Accumulated Losses	-		

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. ('000))

Turnover (including other income)	502975	Total Expenditure	285453
Profit/(Loss) Before Tax	217522	Profit/(Loss) After Tax	236816
Earnings per Share	39.69	Dividend Rate %	-

V. GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (as per monetary terms)

Item Code No.	343201003
Product Description	Screws & Fasteners

Item Code No.	870800
Product Description	Mild Steel Pressed Components

CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT)

	Rs. ('000)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before taxation	217522	135018
Adjustments for :		
Depreciation – Fixed Assets	8472	8553
Diminution of investments	3652	–
(Profit)/Loss on disposal/scrapping of fixed assets (net)	(16)	(4698)
(Profit)/Loss on sale of investment (net)	460	–
Stores written off	674	3300
Dividend and Income on investment	(700)	(27)
Interest income	(28401)	(19664)
Provision for doubtful debts and advances	439	2136
Doubtful debts and advances written off	894	1460
Provision no longer required	(894)	–
Liability no longer required written back	(2912)	(2099)
Provision for diminution in value of investments written back	–	(384)
	<u>(18332)</u>	<u>(11423)</u>
Operating Profit/(Loss) before Working Capital changes	199190	123595
Adjustments for:		
Trade & Other receivables	(2779)	(15953)
Inventories	12993	599
Trade Payables	(3862)	(34243)
	<u>6352</u>	<u>(49597)</u>
Cash generation from operation	205542	73998
Direct taxes (paid)/refund (net)	(32844)	(22624)
Net Cash inflow/(outflow) from operating activities	172698	51374
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(854)	(4291)
Purchase of investment	(96049)	(12000)
Sale of Fixed Assets	103	–
Sale of investment	19808	10699
Dividend & Income on investment	897	27
Interest income	27089	18941
Net cash inflow/(outflow) from investing activity	(49006)	13376

GKW LIMITED**CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT) (Contd.)**

	Rs. ('000)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
C. Cash Flow from Financing Activities		
Net cash flow from financing activities	-	-
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	123692	64750
Opening Cash and Cash Equivalents as on 01.04.10	256693	191943
Closing Cash and Cash Equivalents as on 31.03.11	380385	256693

Notes : 1) Cash Flow Statement is prepared by the 'Indirect Method' as set out in Accounting Standard-3 on 'Cash Flow Statement'.

2) Cash and Cash equivalents presented in the statement includes Fixed Deposits with banks amounting to Rs. 363270 as on the Balance Sheet date.

3) Previous year's figures have been rearranged, where necessary.

On behalf of the Board

J. D. Curavala
Managing Director

G. Srinivasan
Director

J. N. Ghosh
Vice-President & Secretary

A. Chakrabarti
Sr. Vice-President (Finance)

Kolkata
10th May, 2011

This is the Cash Flow Statement referred to in our report of even date.

14, Government Place East
Kolkata
10th May, 2011

for LODHA & CO
Chartered Accountants
H. S. Jha
Partner

STATEMENT REGARDING SUBSIDIARY COMPANY

1 Pursuant to Section 212 sub-section 3 of the Companies Act, 1956.

(a) Name of Subsidiary	GKW (Overseas Trading) Limited
(b) Holding Company's interest	50000 Ordinary shares of Rs.10/- each, fully paid, holders of entire issued share capital
(c) Net aggregate of Subsidiary's Profits less Losses and not dealt with in the Company's accounts –	
(i) For the Subsidiary's financial year ended on 31st March, 2011	Rs. 22816 Loss
(ii) For the previous financial year	Rs. 17716 Loss
(d) Net aggregate amount of Subsidiary's Profits less Losses and dealt with in the Company's accounts –	
(i) For the Subsidiary's financial year ended on 31st March, 2011	Nil
(ii) For the previous financial year	Nil

On behalf of the Board

J. D. Curavala
Managing Director

G. Srinivasan
Director

J. N. Ghosh
Vice-President & Secretary

A. Chakrabarti
Sr. Vice-President (Finance)

Kolkata
10th May, 2011

GKW LIMITED**10 YEARS' PROFILE**

(Rs. In lakhs)

	2001-'02	2002-'03	2003-'04	2004-'05	2005-'06	2006-'07	2007-'08	2008-'09	2009-'10	2010-'11
OPERATING RESULTS										
Sales	6622	6456	7306	8263	13019	13006	13263	9497	2326	4075
Profit/(Loss) before depreciation & finance charges	3155	(589)	(238)	(1)	790	1448	1451	1827	1436	2260
Finance Charges	(1493)	(1498)	(1680)	(1820)	(537)	(545)	(556)	(222)	-	-
Gross Profit/Loss	1662	(2087)	(1918)	(1821)	253	903	895	1605	1436	2260
Depreciation	(907)	(908)	(904)	(870)	(846)	(831)	(778)	(656)	(86)	(85)
Profit/(Loss) before tax	755	(2995)	(2822)	(2691)	1902	73	25703	524	1350	2175
Profit/(Loss) after tax	754	(2753)	(2548)	(2359)	2191	337	25694	341	1117	2368
Dividend	-	-	-	-	-	-	-	-	-	-
OTHER STATISTICS										
Net Assets Employed	10055	7662	6329	5563	8429	9733	22070	2593	3710	6082
Shareholders' Fund	858	(3227)	(5875)	(8234)	5007	7189	22070	2593	3710	6078
PBT to Sales (%)	11	-	-	-	15	-	194	6	58	53
PBT to Net Assets Employed (%)	7	-	-	-	23	1	116	20	36	36
Dividend (%)	-	-	-	-	-	-	-	-	-	-
No. of Employees	3627	2965	2691	2452	1839	1646	537	102	71	82
No. of shareholders ('000 nos.)	114	112	107	104	99	96	92	91	38	36

Notes :

1. Brackets represent deductions/losses
2. Profit before tax and after tax include exceptional and prior period items.

**AUDITORS' REPORT
TO THE MEMBERS OF GKW LIMITED**

We have audited the attached Balance Sheet of GKW Limited (the Company) as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements of the Company are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the order") issued by the Central Government in exercise of the powers conferred by Section 227 (4A) of the Companies Act 1956, ("the Act") and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we state that :
 - I.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets;
 - b) During the year fixed assets have been physically verified by the management according to a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, no material discrepancies in respect of assets verified were noticed with respect to the book records;
 - c) The Company has not disposed off any substantial part of the fixed assets during the year.
 - II.
 - a) As informed, the inventory, have been physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification, wherever carried out, in respect of the inventory verified, as followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of its inventory. As far as ascertained, discrepancies noticed on physical verification of inventory were not material as compared to the book records and these have been properly dealt with in the books of account.
 - III. As per the records of the Company, it has not taken/ granted any loans, secured or unsecured to any companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Accordingly, clause 4(iii) of the Order are not applicable to the Company.
 - IV. In our opinion, and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct the major weaknesses in internal controls.
 - V. According to the information and explanations given to us and as per the records of the Company, there are no transactions that need to be entered, in the Register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the said Order are not applicable to the Company.
 - VI. The Company has not accepted any deposit from public covered under section 58A and 58AA of the Act and rules framed there under.

GKW LIMITED

- VII. Internal audit is being conducted by Company's own internal audit department, so as to cover the entire operation over a period of time. In our opinion the Company's internal audit system in respect of areas covered is commensurate with its size and nature of its' business.
- VIII. According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Act in respect of any of the products of the Company.
- IX. a) As far as ascertained from the the records available for our verification, statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other relevant material statutory dues wherever applicable have been regularly deposited during the year with the appropriate authorities
- b) According to the information and explanations given to us, amounts of Sales Tax, Excise Duty and Customs duty which have not been deposited on account of dispute are as given below:

<u>Statute</u>	<u>Nature of Tax</u>	<u>Forum where Dispute is Pending</u>	<u>Amount (Rs. in Lacs)</u>	<u>Period to which amount relates</u>
The Central Sales Tax Act, 1956	Central Sales Tax	DC (Appeals), Sales Tax Tribunal	96.86 124.48	1984,1996-2000 1983,1985,1987, 1992 - 1996 and 2003 - 2004
Bengal Finance (Sales Tax) Act,1941	Sales tax	DC (Appeals) Sales Tax Tribunal	57.10 139.68	1984 and 1986 1978,1983,1985,1987 1992 to 1996
The West Bengal Sales Tax Act, 1994	Sales Tax	DC (Appeals) Sales Tax Tribunal	59.28 29.89	1996-2000 1995 -1996 and 2003 -2004
Central Excise Act, 1944	Excise Duty	CESTAT Commissioner (Appeals) Appellate Tribunal	23.99 46.57 94.10	2005 1998 and 1999 1998 and 2006
Customs Act, 1962	Customs Duty	High Court	41.46	1981 and 1990

- X. The Company does not have any accumulated losses as at the end of the year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- XI. The Company has neither taken any loans from financial institutions and banks nor issued any debentures. Accordingly, clause 4(xi) of the Order is not applicable to the Company.
- XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other security.
- XIII. In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Order is not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI. As per the information and explanations given to us, the Company has not availed fresh term loan during the year.

- XVII. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies required to be covered, in the Register maintained under Section 301 of the Act, during the year.
- XIX. The Company has not issued any secured debentures during the year. Accordingly, clause 4(xix) of the Order is not applicable to the Company.
- XX. The Company has not raised any money through a public issue during the year.
- XXI. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any instances of fraud by the Company, noticed and reported during the year, nor have we been informed of any such case by the management.
2. Further to above, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - c) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - d) In our opinion the Balance Sheet, Profit and Loss Account, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Act.
 - e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director of the Company in terms of section 274(1)(g) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, 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
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Kolkata
Dated: 10th May, 2011

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration 301051E
H S Jha
Membership No. 55854
Partner

GKW (OVERSEAS TRADING) LIMITED

DIRECTORS' REPORT

Your Directors submit their Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

ACCOUNTS

The turnover for the year was Rs. Nil (2009-2010 – Rs. Nil). Income by way of commission earned during the year was Rs. Nil as against Rs. Nil for the year 2009-2010. The expenditure incurred by the Company in foreign currency during the year was Rs. Nil (2009-2010– Rs. Nil) and the earnings in foreign currency was Rs. Nil (2009-2010 – Rs. Nil). Net loss for the year was Rs.0.23 lakh (2009-2010 – Rs. 0.18 lakh).

OPERATIONS

The Company will continue to seek commission business. However, the Company can also explore other opportunities such as services, business within the statutory framework.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors hereby confirm :

- i) That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors had prepared the annual accounts on a going concern basis. Since the Company is not engaged in manufacturing activity, the provisions under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo and Research & Development are not applicable.

PARTICULARS OF EMPLOYEES

There was no employee in respect of remuneration required to be reported u/s 217(2A) of the Companies Act, 1956.

DIRECTORS

Mr. A.Bhattacharya retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

M/s. K. C. Roy & Co., the retiring auditors have expressed their willingness to be reappointed.

On behalf of the Board

Kolkata
9th May, 2011

A. Bhattacharya
Director

A. Chakrabarti
Director

AUDITORS' REPORT

TO THE MEMBERS OF GKW (OVERSEAS TRADING) LIMITED

We have audited the attached Balance Sheet of GKW (Overseas Trading) Limited as on 31st March, 2011 and also the Profit & Loss Account for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit is a reasonable basis of our opinion.

We further report that the information pursuant to the provision of paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 has not been appended to the accounts as the Company has no activity relating to the manufacturing, trading, export and import of goods.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters which in our opinion are applicable to the Company.

Further to our comments in the Annexure referred above, we report that ;

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of the accounts as required by law have been kept by the Company so far as appears from the examination of those books;
- iii) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles accepted in India;
 - a. In case of the Balance Sheet, of the state of the affairs of the Company as on 31st March, 2011.
 - b. In the case of the Profit & Loss account, of the loss for the year ended on that date.

Kolkata
9th May, 2011

For & on behalf of
K. C. Roy & Co.
Chartered Accountants
ICAI Firm Registration No. 301161E
N. N. Bhattacharya
Partner
Membership No. 9584

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF GKW (OVERSEAS TRADING) LIMITED REFERRED TO IN OUR REPORT OF EVEN DATE

- (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on verification. There was no disposal of fixed assets during the year.
- (ii) There has been no inventory at any point of time during the year. Hence, items (a), (b) and (c) of Clause (ii) of the aforesaid Order are not applicable.
- (iii) As informed to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
- (v) Based on the information and explanations given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have not been so entered since the Company inter-alia, does not undertake transactions of purchase and sale of goods, materials and services with associate and group companies, in pursuance of contracts/arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from public within the meaning of sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act.
- (vii) The paid-up capital and reserves of the Company at the commencement of the financial year did not exceed Rs 50 Lakhs as at the commencement of the financial year or the average annual turnover for a period of three consecutive financial year immediately preceding the financial year did not exceed Rs. 5 Crores and as such, we are not commenting on the internal audit system, if any.
- (viii) Maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of 209 of the Act is not applicable to the Company.
- (ix) The Company does not have any staff on its payroll and is not engaged in transaction of purchase and sale and therefore item (a) and (b) of clause (ix) of the aforesaid Order are not applicable to your Company.
- (x) The Company has no accumulated losses at the end of the financial year but it has incurred cash loss in the current year and in immediate preceding financial year.
- (xi) The Company has not taken any loans from Financial Institutions, Banks or Debenture-holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and debentures.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) As informed and explained to us, the Company has not dealt/traded in securities or debentures or other investments during the year.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its associates from bank or financial institutions.
- (xvi) The Company has not taken any term loan and as such this para has no application thereof.
- (xvii) No funds raised for short term basis have been used for long term investment or vice versa.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year.

For & on behalf of
K. C. Roy & Co.
Chartered Accountants
ICAI Firm Registration No. 301161E
N. N. Bhattacharya
Partner
Membership No. 9584

Kolkata
9th May, 2011

GKW (OVERSEAS TRADING) LIMITED

BALANCE SHEET
AS AT 31ST MARCH 2011

	Schedule	31st March 2011		31st March 2010	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	500000			500000
Reserves and Surplus	2	21303			44119
Total		<u>521303</u>			<u>544119</u>
APPLICATION OF FUNDS					
Fixed Assets	3				
Gross Block		339847		339847	
Less : Accumulated Depreciation		339835		333609	
Net Block			12		6238
Current Assets, Loans and Advances					
Cash and Bank Balances	5	24909		24969	
Loans and Advances	6	496382		512912	
		<u>521291</u>		<u>537881</u>	
Less : Current Liabilities and Provisions					
Liabilities		<u>—</u>		<u>—</u>	
Net Current Assets			<u>521291</u>		<u>537881</u>
Total			<u>521303</u>		<u>544119</u>
Notes on Accounts	8				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

N. N. Bhattacharya
Partner
For and on behalf of
K. C. ROY & CO.
Chartered Accountants
Kolkata
9th May 2011

On behalf of the Board

A. Bhattacharya A. Chakrabarti
Director *Director*

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-2011	2009-2010
		Rs.	Rs.
INCOME			
EXPENDITURE AND CHARGES			
Expenses	7	16590	16710
Depreciation		6226	1006
		<u>22816</u>	<u>17716</u>
PROFIT/(LOSS) BEFORE TAXATION		(22816)	(17716)
Provision for taxation		<u>—</u>	<u>—</u>
PROFIT/(LOSS) AFTER TAXATION		(22816)	(17716)
Balance from previous year brought forward		44119	61835
Balance carried forward		<u>21303</u>	<u>44119</u>

Notes on Accounts

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

N. N. Bhattacharya
Partner
For and on behalf of
K. C. ROY & CO.
Chartered Accountants
Kolkata
9th May 2011

On behalf of the Board

A. Bhattacharya A. Chakrabarti
Director *Director*

GKW (OVERSEAS TRADING) LIMITED

SCHEDULES TO BALANCE SHEET

	31st March 2011	31st March 2010	
	Rs.	Rs.	
1. SHARE CAPITAL			
Authorised			
50000 Ordinary Shares of Rs.10/- each	<u>500000</u>	<u>500000</u>	
Issued and Subscribed			
50000 Ordinary Shares of Rs.10/- each fully paid up in cash	<u>500000</u>	<u>500000</u>	
(The whole of the subscribed capital is held by GKW Limited and its nominees)			
2. RESERVES AND SURPLUS			
Profit and Loss Account	<u>21303</u>	<u>44119</u>	
3. FIXED ASSETS			
	Plant & Machinery	Furniture & Fittings	Total
	Rs.	Rs.	2010-11
			Rs.
			Total
			2009-10
			Rs.
Cost			
As at the beginning of the year	<u>336204</u>	<u>3643</u>	<u>339847</u>
Total as at the year end	<u>336204</u>	<u>3643</u>	<u>339847</u>
Accumulated Depreciation			
As at the beginning of the year	<u>329967</u>	<u>3642</u>	<u>333609</u>
Add : For the year	<u>6226</u>	<u>-</u>	<u>6226</u>
Total as at the year end	<u>336193</u>	<u>3642</u>	<u>333609</u>
Net Book value as at 31st March 2011	<u>11</u>	<u>1</u>	<u>12</u>
Net book value as at 31st March 2010	<u>6237</u>	<u>1</u>	<u>6238</u>
4. INVESTMENTS			
Unquoted			
GKW Infosystem Limited			
50000 Ordinary Shares of Rs. 10/- each fully paid-up at cost		500000	
Less : Written off (Note 4)	<u>-</u>	<u>500000</u>	<u>-</u>
	<u>-</u>		<u>-</u>
5. CASH AND BANK BALANCES			
Cash and cheques in hand		-	-
Bank balances with scheduled bank			
- Current account	<u>24909</u>		<u>24969</u>
	<u>24909</u>		<u>24969</u>
6. LOANS AND ADVANCES			
Considered good			
Advances recoverable in cash or value to be received	<u>480280</u>		496810
(Includes receivable from GKW Ltd. Rs. 480280 (Previous year – Rs. 496810), the holding Company)			
Professional tax recoverable	<u>2500</u>		2500
Advance payment of Tax (net of provisions)	<u>13602</u>		13602
	<u>496382</u>		<u>512912</u>

SCHEDULE TO PROFIT AND LOSS ACCOUNT

	31st March 2011	31st March 2010
	Rs.	Rs.
7. EXPENSES		
Rates and taxes	5380	4900
Bank charges	60	60
Auditors' remuneration (Note 2)	6000	6000
Licence/Filing fees	5150	5750
	16590	16710

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Schedule - 8

1. ACCOUNTING POLICIES

(a) ACCOUNTING CONVENTION AND REVENUE RECOGNITION

These Accounts are prepared under the historical cost convention. Both income and expenditure items are recognised on accrual and prudent basis.

(b) FIXED ASSETS AND DEPRECIATION

Fixed assets and Capital work-in-progress are stated at cost. Depreciation on fixed assets are being recognised on Written Down Value Method at rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956.

(c) INVESTMENTS

Long Term Investments are stated at cost less write downs/provided in certain cases.

(d) Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax assets or liabilities arising on account of timing differences, which are capable of reversal in one or more subsequent years is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognisable unless there is sufficient assurance with respect to the future taxable income.

	2010/2011	2009/2010
	Rs.	Rs.
2. PAYMENTS TO AUDITORS		
As auditors of the Company	6000	6000

3. Regarding "Related Party Disclosures" as per Accounting Standard 18 of the Institute of Chartered Accountants of India we give below the following details :

Name of Related Party	Nature of relationship	Nature of transaction	Value of transaction for the year		Debit/(Credit) Outstanding as on	
			2010/11	2009/10	31.03.11	31.03.10
GKW Limited	Holding Company	Rendering of services	16530	30531	480280	496810

4. GKW Infosystems Limited, a subsidiary Company has been dissolved during the year pursuant to an application made under Sec 560 of the Companies Act, 1956 and accordingly, consequential adjustment has been made in the accounts.

GKW (OVERSEAS TRADING) LIMITED**INFORMATION PURSUANT TO PART IV OF THE COMPANIES ACT, 1956****5. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No. 27207	State Code	21
Balance Sheet Date 31 03 2011		
Date Month Year		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rupees)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rupees)

Total Liabilities	521303	Total Assets	521303
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SOURCES OF FUNDS

Paid-up Capital	500000	Reserves & Surplus	21303
Secured Loans	-	Unsecured Loans	-

APPLICATION OF FUNDS

Net Fixed Assets	12	Investments	-
Net Current Assets	521291	Misc. Expenditure	Nil
Accumulated Losses			

IV. PERFORMANCE OF THE COMPANY (Amount in Rupees)

Turnover	Nil	Total Expenditure	22816
Total Income	0	Profit/(Loss) After Tax	(22816)
Profit/(Loss) Before Tax	(22816)	Dividend Rate %	Nil
Earnings per Share	-		

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(as per monetary terms)

Item Code No. (ITC Code)	Nil
Product Description	Nil

6. Previous Year's figures have been re-grouped/re-arranged wherever considered necessary.
Signature to Schedules 1 to 6 forming part of Balance Sheet and Profit and Loss Account.

On behalf of the Board

Kolkata
9th May, 2011A. Bhattacharya
DirectorA. Chakrabarti
Director

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF GKW LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GKW LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of GKW Limited ("the Company") and its subsidiary Companies as at 31st March, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of the subsidiary companies whose financial statements reflect total assets of Rs. 5.21 lacs as at 31st March 2011 and total revenues of Rs. 20.15 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said subsidiaries is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21, "Consolidated Financial Statements" and on the basis of the separate audited financial statements of GKW Limited and its subsidiaries included in the consolidated financial statements.
5. On the basis of information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of GKW Limited and its subsidiaries, we are of the opinion that, the Consolidated Balance Sheet, Profit and Loss Account and Cash flow statement give a true and fair view of the consolidated state of affairs of GKW limited and its subsidiaries as at 31st March, 2011, consolidated results of their operation and their consolidated cash flows for the year ended on that date in conformity with the accounting principles generally accepted in India.

Kolkata
10th May, 2011

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration No.301051E
H. S. Jha
Partner
Membership No. 55854

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2011**

Rs.('000)

	Schedule	As at 31.03.11	As at 31.03.10
SOURCE OF FUNDS			
Shareholders' fund			
Share capital	1	59665	59665
Reserves and surplus	2	548198	309432
Deferred tax liability (net)(Note 5)		383	–
Total		<u>608246</u>	<u>369097</u>
APPLICATION OF FUNDS			
Fixed assets	3		
Gross block		308112	311412
Less : depreciation		227816	223404
Net block		<u>80296</u>	<u>88008</u>
Investments	4	84999	12871
Current assets, loans and advances			
Inventories	5	35439	49106
Sundry debtors	6	25260	16339
Cash and bank balances	7	380410	256735
Loans and advances	8	111312	63887
Other current assets	9	5919	4804
		<u>558340</u>	<u>390871</u>
Less: Current liabilities and provisions			
Liabilities	10	113877	122653
Provisions	11	1512	–
		<u>115389</u>	<u>122653</u>
Net current assets		<u>442951</u>	<u>268218</u>
Total		<u>608246</u>	<u>369097</u>
Notes on accounts	17		

On behalf of the Board

As per our Report annexed

J D Curravala
Managing Director

G Srinivasan
Director

J N Ghosh
Vice-President & Secretary

A Chakrabarti
Sr. Vice-President (Finance)

H. S. Jha
Partner
for and on behalf of
LODHA & CO.
Chartered Accountants

Kolkata
10th May, 2011

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2011**

	Schedule	2010/2011	Rs. ('000)	2009/2010
INCOME				
Sales and other income from Operations	12	410294		252913
Income from other sources	13	94697		44666
		<u>504991</u>		<u>297579</u>
EXPENDITURE AND CHARGES				
Raw materials consumed		132297		30281
(Increase)/Decrease in stocks of finished products and work-in-progress	14	12980		844
Operating and Administrative Expenses	15	131299		119318
Depreciation		8478		8554
Other charges/(income)	16	465		3582
		<u>285519</u>		<u>162579</u>
PROFIT BEFORE TAX		219472		135000
Provision for taxation :				
– Current tax		(44029)		
Less : MAT Credit (includes Rs 23240('000) in respect of earlier year)		<u>63706</u>	19677	(23359)
– Deferred Tax Charge (net) (Note 5)		(383)		–
PROFIT AFTER TAX		238766		111641
Surplus brought forward from earlier year		309303		197662
Adjustment for Capital Reserve on consolidation (note 9(b) of Schedule 17)		129		–
PROFIT AVAILABLE FOR APPROPRIATION		<u>548198</u>		<u>309303</u>
Transfer to General Reserve		300000		–
Balance carried forward		<u>248198</u>		<u>309303</u>
		<u>548198</u>		<u>309303</u>
Basic and diluted earnings per share (Rs.) (Note 7)		40.02		18.71

Notes on accounts 17

On behalf of the Board

As per our Report annexed

J D Curravala
Managing Director

G Srinivasan
Director

J N Ghosh
Vice-President & Secretary

A Chakrabarti
Sr. Vice-President (Finance)

H. S. Jha
Partner

Kolkata
10th May, 2011

for and on behalf of
LODHA & CO.
Chartered Accountants

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2011**

	Rs. ('000)	
	As at 31.03.11	As at 31.03.10
1. SHARE CAPITAL		
Authorised:		
49250000 (2009/2010 – 49250000) Cumulative redeemable preference shares of Rs.10/- each	492500	492500
59665008 Ordinary shares of Rs.10/- each	596650	596650
	<u>1089150</u>	<u>1089150</u>
Issued and subscribed:		
3669653 (2009/2010–3669653) Ordinary shares of Rs. 10/- each fully paid up at par in cash.	36697	36697
659749 (2009/2010–659749) Ordinary shares for consideration other than cash pursuant to contracts/scheme of arrangements	6597	6597
1637098 (2009/2010–1637098) Bonus shares by way of capitalisation of reserves and share premium	16371	16371
	<u>59665</u>	<u>59665</u>
 2. RESERVES AND SURPLUS		
Capital Reserve on Consolidation	129	129
Less : Transfer to Profit and Loss Account	<u>(129)</u>	<u>—</u>
		129
General Reserve		
At the beginning of the year	—	—
Add : Transfer to Profit and Loss Account	<u>300000</u>	<u>—</u>
Surplus as per Profit and Loss Account	<u>248198</u>	<u>309303</u>
	<u>548198</u>	<u>309432</u>

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

3. FIXED ASSETS

Rs. ('000)

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1st April, 2010	Additions	Withdrawals/ Transfer/ Adjustment 31st March, 2011	As at 1st April, 2010	For the year	Withdrawals/ Transfer/ Adjustment 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010		
Land including Lease hold land	6928	-	-	6928	366	11	-	377	6551	6562
Buildings	115290	-	6	115284	83890	1554	5	85439	29845	31400
Railway Siding	898	-	-	898	896	-	-	896	2	2
Plant & Machinery	166166	392	317	166241	120540	6131	232	126439	39802	45626
Cars & Vehicles	12474	-	3831	8643	9812	314	3829	6297	2346	2662
Furniture & Fittings	9656	462	-	10118	7900	468	-	8368	1750	1756
	<u>311412</u>	<u>854</u>	<u>4154</u>	<u>308112</u>	<u>223404</u>	<u>8478</u>	<u>4066</u>	<u>227816</u>	<u>80296</u>	<u>88008</u>
Previous year	<u>330254</u>	<u>5469</u>	<u>24311</u>	<u>311412</u>	<u>233163</u>	<u>8554</u>	<u>18313</u>	<u>223404</u>	<u>88008</u>	
								Rs. ('000)		
								As at 31.03.11		As at 31.03.10

4. INVESTMENTS

Trade (Long Term)

Quoted

IDBI Ltd.

10720 shares of Rs.10/- each – fully paid, at cost

871

871

Current - Other Investments

26516.452 units of Rs. 10/- each of TATA Equity Opportunities Fund - Plan B (Appreciation)

3004

-

78521.671 units of Rs. 10/- each of TATA Equity P/E Fund Dividend Trigger Option A (5 percentage)

2004

-

12 Bonds of Rs. 1000000/- each of 8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost

12000

12000

40 Bonds of Rs. 1000000/- each of 9.05% IDBI Bond, 2020 fully paid at cost

40720

-

10 Bonds of Rs. 1000000/- each of 8.85% PFC Bond, 2030 fully paid at cost

10038

-

10 Bonds of Rs. 1000000/- each of 9.65% YES Bond, 2020 fully paid at cost

10014

-

10 Bonds of Rs. 1000000/- each of 8.90% HDFC Bond, 2020 fully paid at cost

10000

-

15 Bonds of Rs. 1000000/- each of 8.70% PFC Bond 2020 purchased at a cost of Rs. 14936('000) and sold at Rs. 14465 ('000) during the year

-

-

4953.244 units of Rs. 10/- each of TATA Treasury Manager HIP daily Dividend purchased at a cost of Rs. 5000 ('000) and sold at Rs 5000 ('000) during the year

-

-

8391.339 units of Rs. 10/- each of TATA Floater Fund Growth purchased at a cost of Rs. 333 ('000) and sold at Rs. 344 ('000) during the year

-

-

Shares In subsidiary company

GKW (Overseas Trading) Limited -

50000 Ordinary shares of Rs.10/- each- fully paid, at cost

-

-

Less : Provision for diminution in value of investments

(3652)

-

84999

12871

The aggregate book value of quoted investments

84999

12871

Market value of quoted investments

85785

13233

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2011**

Rs. ('000)

	<u>As at 31.03.11</u>	<u>As at 31.03.10</u>
5. INVENTORIES		
At or under cost (being cost or net realisable value whichever is lower)(*)		
Raw materials	3768	4144
Work-in-progress (including scrap)	2262	2426
Finished products	13135	21403
Assets held for disposal	11092	15641
Stores and spare parts	2829	3139
Loose tools	2353	2353
	<u>35439</u>	<u>49106</u>
(*) net of provisions		
6. SUNDRY DEBTORS		
Over six months		
Secured – Considered good	3084	–
Unsecured – Considered good	–	278
– Considered doubtful	–	1479
Other debts		
Unsecured – Considered good	<u>22176</u>	<u>16061</u>
	<u>25260</u>	<u>17818</u>
Less : Provision for doubtful debts	–	1479
	<u>25260</u>	<u>16339</u>
7. CASH AND BANK BALANCES		
Cash and cheques in hand and in transit	498	374
Balances with scheduled banks		
Current accounts	16642	35261
Deposit accounts		
– Fixed Deposits	<u>363270</u>	<u>221100</u>
	<u>380410</u>	<u>256735</u>
8. LOANS AND ADVANCES		
Considered good		
Advances recoverable in cash or for value to be received	38541	40691
Balance with Port Trusts, Customs etc.	4197	7706
Other deposits	4868	5816
Advance Payment of Tax (net of provisions)	–	9674
MAT Credit Entitlement	63706	–
Considered doubtful		
Advances recoverable in cash or for value to be received	<u>1682</u>	<u>1517</u>
	<u>112994</u>	<u>65404</u>
Less : Provision for doubtful advances	1682	1517
	<u>111312</u>	<u>63887</u>

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2011**

	Rs. ('000)	
	<u>As at 31.03.11</u>	<u>As at 31.03.10</u>
9. OTHER CURRENT ASSETS		
Interest receivables	5778	4466
Interest accrued on investments etc.	141	338
	<u>5919</u>	<u>4804</u>
10. LIABILITIES		
Sundry creditors	71680	92617
Liability for expenses	42197	30036
	<u>113877</u>	<u>122653</u>
11. PROVISIONS		
Provision for taxation (net)	1512	-
	<u>1512</u>	<u>-</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2011**

	Rs. ('000)	
	<u>2010/2011</u>	<u>2009/2010</u>
12. SALES AND INCOME FROM OTHER OPERATIONS		
Sales	407277	220531
Less: Excise duty	21242	3725
Net Sales	386035	216806
Conversion charges recovered	259	12107
Income from services	26472	26472
Less : Service tax	2472	2472
Net Service Income	24000	24000
	<u>410294</u>	<u>252913</u>
13. INCOME FROM OTHER SOURCES		
Dividend from long term investments	700	27
Interest Received - Gross of tax deducted at source	28401	-
Rs. 2186 ('000) (2009/2010 - Rs. 3146 ('000))	-	19664
Provision for diminution in value of investments written back	-	384
Net profit/(loss) on disposal/scrap of fixed assets	16	4698
Miscellaneous income (Note 4)	65580	19893
	<u>94697</u>	<u>44666</u>

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2011**

Rs. ('000)

	<u>2010/2011</u>	<u>2009/2010</u>
14. (INCREASE)/ DECREASE IN STOCKS OF FINISHED PRODUCTS AND WORK-IN-PROGRESS (*)		
Opening stocks :		
Finished products	21403	18044
Work-in-progress	2426	2490
Assets held for disposal	15641	19780
	<u>39470</u>	<u>40314</u>
Closing stocks :		
Finished products	13135	21403
Work-in-progress	2263	2426
Assets held for disposal	11092	15641
	<u>26490</u>	<u>39470</u>
(Increase)/Decrease	<u>12980</u>	<u>844</u>
(*) including shortages, provisions, write-off, etc.		
15. OPERATING AND ADMINISTRATIVE EXPENSES		
Stores consumed	2757	4675
Power and fuel	7258	6260
Repairs and maintenance - Plant and Machinery	5006	1684
Repairs and maintenance - Buildings and estate	653	906
Repairs and maintenance - Others	3788	3437
Salaries, wages and bonus	27689	27791
Contribution to provident and other funds	13558	10961
Workmen and staff welfare expenses (including Employees' State Insurance premium etc.)	3594	3156
Directors' sitting fees	195	190
Provision for diminution in value of investments	3652	-
Insurance	515	658
Rent	5800	5862
Rates and taxes	6359	7372
Printing and stationery	976	755
Postage, telephone & telex	1478	2238
Data processing expenses	375	484
Travelling expenses	4835	3179
Bank charges	86	76
Advertisement expenses	1157	876
Security charges	6909	9028
Freight, packing and delivery charges	2305	1225
Selling commission	685	2760
Legal and Professional Charges	16480	12135
Outside processing charges for products	1111	28
Net profit /(loss) on sale of investment	460	-
Miscellaneous expenses	13618	13582
	<u>131299</u>	<u>119318</u>
16. OTHER CHARGES/(INCOME)		
Provision for doubtful debts and advances - (Gross)	439	2122
Release of provision no longer required	(894)	-
Doubtful debts and advances written off	920	1460
	<u>465</u>	<u>3582</u>

17. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31.03.11 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

(1) SIGNIFICANT ACCOUNTING POLICIES

(I) (a) PRINCIPLES AND PROCEDURES OF CONSOLIDATION

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard-21 on “Consolidated Financial Statements” issued by The Institute of Chartered Accountants of India. Certain significant policies and procedures for consolidation as followed in terms of the said Accounting Standards are as follows:

- (i) The Financial Statement of the Company and its subsidiaries have been combined on line by line basis by adding together book values of like item of assets and liabilities, income and expenditure. The impact of inter-company transactions and inter-group balances have been eliminated.
- (ii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions in accordance with the generally accepted accounting principles.
- (iii) Differential with respect to the cost of the investments in the subsidiary companies over the parent's portion of the equity is recognised in the consolidated financial statement as goodwill or capital reserve, as the case may be.

(b) ACCOUNTING CONVENTION & REVENUE RECOGNITION

- i) The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and Accounting Standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles.

ii) PROVISIONS, CONTINGENCIES AND CONTINGENT ASSETS

Liabilities which can be measured only by using a substantial degree of estimation and in respect of which a reliable estimate can be made of the probable outflow of resources are recognised as provisions.

Contingent liabilities in the nature of possible obligations that arise from past events and the existence of which will be confirmed only by the occurrence or otherwise of future events not wholly within the control of the Company and in respect of present obligation arising from past events for which a reliable estimate of the possible future outflow cannot be made are disclosed by way of Notes to Accounts.

Contingent Assets are neither recognised nor disclosed in the financial statement.

iii) USE OF ESTIMATES

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

(II) FIXED ASSETS, DEPRECIATION AND IMPAIRMENT

- (a) Fixed assets are stated at cost.
- (b) Capital work-in-progress is stated at cost incurred during installation period and includes advances to suppliers.
- (c) Depreciation has been provided on written down value or straight line method for assets acquired prior to April 1989 at the applicable rates as prescribed in Schedule XIV of the Companies Act, 1956 or at rates (in percentage) indicated below on straight line method.

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

However, all assets acquired after 1.4.89 have been depreciated on straight line method at the rates prescribed in Schedule XIV.

Land - Leasehold	3.33/1.66
Buildings	3.33/2.00

Depreciation on Plant & Machinery at division which are not in operation has been provided on single shift basis.

- (d) Depreciation is provided on the basis of month of capitalisation. Items of fixed asset individually valued upto Rs. 5000 are fully depreciated in the books of account in the year in which they are put to use.
- (e) The amounts at which fixed assets are carried in the Company's books are reviewed at the Balance Sheet date for any indication of impairment. In case of impairment, an impairment loss is recognised when the carrying amount of assets belonging to a Cash Generating Unit (CGU) or otherwise exceeds the recoverable amount of the assets i.e. the higher of assets' net selling price or its value in use. Subsequent reversal of such impairment loss if any, is allocated to the respective assets.

(iii) INVESTMENTS

Investments are stated at cost less write downs where applicable.

(iv) INVENTORIES

Year-end inventory items are valued at lower of cost and net realisable value. Cost is computed on the basis of First-in-First Out or Weighted Average Pricing methods as appropriate. Cost in respect of Work-in-Progress represents cost incurred upto the stage of completion. Provisions for obsolescence are made based on technical estimation.

(v) FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of such transaction.
- b) Receivables/payables in foreign currencies are translated at the appropriate forward contract rate, or, if not covered, at the exchange rate ruling at the balance sheet date. The gain/loss arising on account of such translation, as also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as income or expense and are reflected in the profit and loss account under respective heads of accounts.

(vi) EMPLOYEE BENEFITS

Short -Term Employee benefits are recognised as an expense in the year services are rendered by the employees.

Post - employment Plans :

- (a) Contribution to defined contribution schemes such as Provident Fund etc. are recognised as and when incurred.
- (b) Long Term employee benefits under defined benefit scheme such as contribution to gratuity, leave scheme etc. are determined at close of the year at present value of the amount payable based on actuarial valuation techniques.

Actuarial gains and losses are recognised in the year when they arise.

(vii) SALES

Sales (net of credit notes) are recognised on accrual basis in keeping with applicable trade practice.

(viii) TAXES ON INCOME

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax assets or liabilities arising on account of timing differences, which are capable of reversal in one or more subsequent years is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets including those arising out of MAT credit are not recognised unless there is sufficient assurance with respect to reversal thereof in future years.

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

	Rs. ('000)	
	As at 31.03.11	As at 31.03.10
(2) CONTINGENT LIABILITIES		
<i>In respect of :</i>		
Income Tax under Appeal	–	456
Excise duty under Appeal (to the extent ascertainable)	16466	20322
Disputed Sales Tax under Appeal	50729	50729
Claims not acknowledged as debts (to the extent ascertainable)	4146	4146

(3) EMPLOYEE BENEFITS

a Defined Contribution Scheme :

Employer's Contribution to Provident Fund	1950	2419
---	-------------	------

b Defined Benefit Scheme :

The employees' gratuity fund scheme /Pension Fund scheme is a defined benefit plan managed by a Trust/LIC. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

	Rs. ('000)					
	Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
I Expense recognised in the Income statement						
Current service cost [Refer Note (ii)]	6584	246	4014	3328	308	305
Interest cost	1083	428	6782	5237	545	172
Expected return on plan assets	(715)	(1382)	(9790)	(9022)	–	–
Past service cost due to revision in gratuity limit/pension benefits	1206	–	–	10183	58	–
Actuarial (gain)/loss	(1383)	(263)	(1576)	(3590)	433	585
Total Expenses/(credit)	6775	(971)	(570)	6136	1344	1062
II Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:						
Present value of Defined benefit obligation at the beginning of the year [Refer Note (ii)]	9965	30798	93168	76021	7615	3505
Current service cost	6584	246	4014	3328	308	305
Interest Cost	1083	428	6782	5237	545	172
Benefit payments	(2586)	(24599)	(3042)	(236)	(502)	(1011)
Past service cost due to revision in gratuity limit/pension benefits	1206	–	–	10183	58	–
Actuarial (gain)/loss	(497)	777	(590)	(1365)	433	585
Present value of Defined benefit obligation at the end of the year	15755	7650	100332	93168	8457	3556

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.11 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Rs. ('000)

III Changes in the fair value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows :	Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
Fair value of plan assets at the beginning of the year	9561	27423	123900	112889	-	-
Employer Contribution	1349	4315	-	-	502	1011
Expected Return on plan assets	715	1382	9790	9022	-	-
Benefit payments	(2586)	(24599)	(3042)	(236)	(502)	(1011)
Actuarial gain/(Loss)	886	1040	986	2225	-	-
Fair value of plan assets at the end of the year	9925	9561	131634	123900	-	-
IV Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet during the year ended 31st March, 2011 :						
Net Asset/(Liability) at the beginning of the year [Refer Note ii]	(404)	(3375)	30732	36868	(7615)	(3505)
Employer Expenses/credit	(6775)	971	570	(6136)	(1344)	(1062)
Employer Contribution	1349	4315	-	-	502	1011
Net Asset/(Liability) at the end of the year	(5830)	1911	31302	30732	(8457)	(3556)
V Actuarial assumptions :						
Discount rate (per annum)	7.80%	7.40%	7.80%	7.40%	7.80%	7.40%
Expected return on plan assets (per annum)	8.00%	8.00%	8.00%	8.00%	NA	NA

Notes:

- Assumptions relating to future salary increase, attrition, interest rate for discount and overall expected rate of return on Assets have been considered in the actuarial valuation based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- The Directors' gratuity and leave encashment were actuarially determined during the year and provided for. The difference in the liability existing in this respect and the amount so determined amounting to Rs 10024 ('000) has been recognised during the year.
- Disclosure in terms of Para 120 (n) of AS 15 (revised 2005)

Rs. ('000)

	Gratuity (Funded)				Pension Fund (Funded)			
	2010/2011	2009/2010	2008/2009	2007/2008	2010/2011	2009/2010	2008/2009	2007/2008
Present Value of Defined Benefit Obligation at the year end	(15755)	(7650)	(30798)	(91154)	(100332)	(93168)	(76021)	(73525)
Fair Value of Plan Assets at the year end	9925	9561	27423	87600	131634	123900	112889	106100
Surplus/(Defecit)	(5830)	1911	(3375)	(3554)	31302	30732	36868	32575
Experience Adjustments on Plan Liabilities	373	(911)	473	1985	(146)	1277	276	(24611)
Experience Adjustments on Plan Assets	886	1040	85	12378	986	(163)	(1657)	1218

(4) MISCELLANEOUS INCOME

Includes profit on sale of scrap Rs. 5173 ('000) (2009/2010 - Rs. 19170 ('000)), liabilities no longer required Rs. 4928 ('000) (2009-2010 - Rs. 2099 ('000) and income from surrender of tenancy rights Rs. 50000('000) (2009/2010- Rs. Nil)

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.11 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

(5) The break-up of deferred tax assets and liabilities :

	Rs. ('000)		
	Opening balance as on 01.04.10	Charge/ (Credit) for the year	Closing balance as on 31.03.11
Deferred Tax Assets			
– Unabsorbed Business Loss	–	(15774)	15774
– Unabsorbed depreciation	23009	23009	–
– Expenses allowed on payment basis	–	(4585)	4585
Total	23009	2650	20359
Deferred Tax Liabilities			
– Depreciation	23009	(2267)	20742
Net Deferred Tax Liability	–	383	383

(6) “Related party Disclosures” as per Accounting Standard 18 as ascertained from available Information:

<u>Name of the Related Party</u>	<u>Nature of transaction</u>	<u>Value of transaction</u>		<u>Debit/(Credit) outstanding balance as on</u>	
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
Subsidiary Companies					
GKW (Overseas Trading) Ltd.	Receiving of services	17	30	(480)	(497)
Key Management Personnel					
Mr. J. D. Curavala	Remuneration	10806	4805	(309)	(325)
Mr. G. Srinivasan	Remuneration	8556	3754	(250)	(250)
		19362 (*)	8559		

(*) Please refer note 3(ii) of Schedule 17

Note : The above related party information is as identified by the management and relied upon by the Auditor.

(7) The Earnings per share has been calculated on the basis of number of Equity shares outstanding during the year ended 31st March, 2011 In accordance with the provisions of Accounting Standard- 20 (Earnings per share)

	Rs. ('000)	
	<u>As at 31.03.11</u>	<u>As at 31.03.10</u>
Profit/(Loss) attributable to Equity shares	238766	111641
Weighted average Number of Equity Shares	5966500	5966500
Basic and Diluted Earnings per Share (Rs.)	40.02	18.71

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.11 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

(8) The Disclosure requirement under “Segment Reporting” as per Accounting Standard - 17 Issued by the Institute of Chartered Accountants of India is given below :

		Rs. ('000)	
A PRIMARY SEGMENT (BUSINESS SEGMENT)		Year ended	Year ended
		31.03.11	31.03.10
1. Segment Revenue (net sales/ Income from each segment)			
Steel		121809	117107
Fasteners		12980	19494
Electricals		71555	17695
Auto Components		174770	47517
Others		29180	51100
Total		<u>410294</u>	<u>252913</u>
Less: Inter segment Revenue		-	-
Net Sales/Income from operation		<u>410294</u>	<u>252913</u>
2. Segment Results (Profit/Loss) before tax and Interest from each segment			
Steel		116462	113344
Fasteners		(29553)	(7142)
Electricals		66445	16764
Auto Components		21961	3629
Others		30576	53385
Total		<u>205891</u>	<u>179980</u>
Unallocated Corporate expenses (net of income)		<u>13581</u>	<u>(44980)</u>
		<u>219472</u>	<u>135000</u>
Less: (i) Interest		-	-
(ii) Other unallocable expenditure net off unallocable income		-	-
		<u>219472</u>	<u>135000</u>
3. Segment Assets and Liabilities			
		As on 31.03.11	As on 31.03.10
		Assets	Liabilities
		Assets	Liabilities
Steel		18067	16554
Fasteners		31509	28366
Electricals		9981	11353
Auto Components		84708	31420
Others		579829	28191
Total		<u>724094</u>	<u>115884</u>
Unallocated Corporate assets and liabilities		<u>(459)</u>	<u>(495)</u>
		<u>723635</u>	<u>115389</u>
		<u>491750</u>	<u>122653</u>

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	Rs. ('000)	
	Year ended 31.03.11	Year ended 31.03.10
4. Capital Expenditure		
Steel	-	-
Fasteners	40	3615
Electricals	-	-
Auto Components	147	-
Others	667	1854
	<u>854</u>	<u>5469</u>
Unallocated Corporate Expenditure	-	-
Total	<u>854</u>	<u>5469</u>
5. Depreciation		
Steel	6	6
Fasteners	315	358
Electricals	640	704
Auto Components	6880	6887
Others	21	53
	<u>7862</u>	<u>8008</u>
Unallocated Corporate Depreciation	616	546
Total	<u>8478</u>	<u>8554</u>
6. Other Non-Cash Expenditure		
Steel	-	-
Fasteners	434	2364
Electricals	-	802
Auto Components	-	-
Others	-	-
	<u>434</u>	<u>3166</u>
Unallocated Corporate Expenditure	31	416
Total	<u>465</u>	<u>3582</u>

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

Rs. ('000)

B SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

	Year ended 31.03.11		Year ended 31.03.10	
	Within India	Outside India	Within India	Outside India
1 Segment Revenue	410294	–	252913	–
2 Segment Assets	723635	–	491750	–
3 Capital Expenditure	854	–	5469	–

Segment information :

- (a) Segments have been identified in line with the Accounting Standard AS-17 taking into account the organisation structure as well as the differing risk and return.
- (b) Company has disclosed Business Segment as the primary segment.
- (c) Composition of business segment :

<u>Name of segment</u>	<u>Comprises of</u>
Steel	Hot Rolled bars, Bright Steel bars
Fasteners	Bolt & Nuts, Woodscrews, Machine screws, Self tapping screws, rivets, safety pins
Electricals	Stampings & Laminations, Magnetic strip, Wound cores
Auto components	Wheels, Mild Steel Pressed components
Others	Gears & Machinery, Special purpose machine tools, Services

- (d) Inter-segment revenues are recognised at Works/factory of the transferor unit/divisions or at sales price.
- (e) The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and administrative expenses allocated on a reasonable basis as estimated by the management.
- (f) As part of secondary reporting, revenues are attributed to geographic areas based on location of the customers.

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

(9) GENERAL :

- (a) Current assets, Loans and advances have value at least equal to that stated in the accounts.
- (b) The list of subsidiaries (all incorporated in India), which are included in this Consolidated Financial Statements along with the Company's holding therein are as under:

Sl. No.	Name of the Company	Ownership Interest (Percent)	
		2010-11	2009-10
1	GKW (Overseas Trading) Limited	100	100
2	GKW Infosystems Limited (Subsidiary of GKW (Overseas Trading) Limited	–	100

GKW Infosystems Limited, a subsidiary of GKW (Overseas Trading) Limited has been dissolved during the year pursuant to an application made under sec 560 of the Companies Act, 1956 and accordingly, consequential adjustments have been made in the Consolidated Financial statements.

- (c) Previous years' figures have been rearranged and regrouped wherever considered necessary.

On behalf of the Board

J D Curavala
Managing Director

G Srinivasan
Director

J N Ghosh
Vice-President & Secretary

A Chakrabarti
Sr. Vice-President (Finance)

Kolkata,
10th May, 2011

H. S. Jha
Partner
for and on behalf of
LODHA & CO
Chartered Accountants

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT)

	Rs. ('000)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. Cash Flow from Operating activities		
Net Profit/(Loss) before taxation	219472	135000
Adjustments for:		
Depreciation – Fixed Assets	8478	8554
Diminution in value of investments	3652	–
(Profit)/Loss on disposal/scrapping of fixed assets (net)	(16)	(4698)
(Profit)/Loss on sale of investment (net)	460	–
Stores written off	674	3300
Dividend and Income on investment	(700)	(27)
Interest income	(28401)	(19664)
Provision for doubtful debts and advances	465	2122
Doubtful debts and advances written off	894	1460
Provision no longer required	(894)	–
Liability no longer required written back	(4928)	(2099)
Provision for diminution in value of investments written back	–	(384)
	<u>(20316)</u>	<u>(11436)</u>
Operating Profit/(Loss) before Working Capital changes	199156	123564
Adjustments for :		
Trade & Other receivables	(2779)	(15941)
Inventories	12993	599
Trade Payables	(3845)	6369
	<u>6369</u>	<u>(34214)</u>
Cash generation from operation	205525	74008
Direct taxes paid/refund (net)	(32844)	(22624)
Net Cash flow from operating activities	<u>172681</u>	<u>51384</u>
B. Cash Flow from Investing activities		
Purchase of Fixed Assets	(854)	(4291)
Purchase of Investment	(96049)	(12000)
Sale of Fixed assets	103	–
Sale of investment	19808	10699
Dividend & Income on Investment	897	27
Interest income	27089	18941
Net Cash inflow /(outflow) from investing activity	<u>(49006)</u>	<u>13376</u>

GKW LIMITED – CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT) (contd.)

	Rs.('000)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
C. Cash Flow from Financing activities		
Net Cash flow from financing activities	-	-
Net increase in Cash and Cash equivalents (A+B+C)	<u>123675</u>	<u>64760</u>
Opening Cash and Cash Equivalents as on 01.04.10	<u>256735</u>	<u>191975</u>
Closing Cash and Cash Equivalents as on 31.03.11	<u>380410</u>	<u>256735</u>

Notes: 1) Cash Flow Statement is prepared by the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statement'.

2) Cash and Cash equivalents presented in the statement includes Fixed Deposits with banks amounting to Rs. 363270 as on the Balance Sheet date.

3) Previous year's figures have been rearranged, where necessary.

On behalf of the Board

J D Curravala
Managing Director

G Srinivasan
Director

J N Ghosh
Vice-President & Secretary

A Chakrabarti
Sr. Vice-President (Finance)

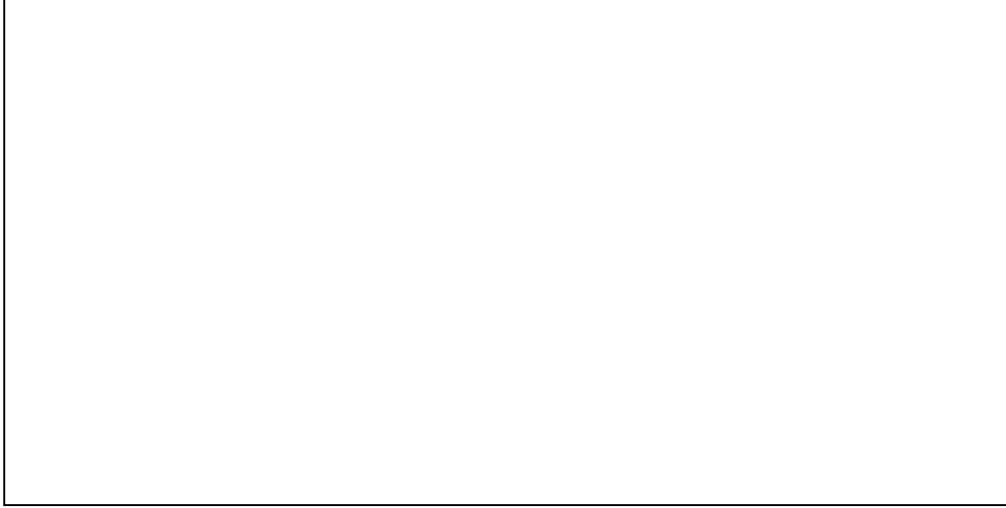
Kolkata,
10th May, 2011

This is the Cash Flow Statement referred to in our report of even date.

14, Government Place East
Kolkata,
10th May, 2011

H. S. Jha
Partner
for and on behalf of
LODHA & CO
Chartered Accountants

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