

# REPORT AND ACCOUNTS 2014-2015

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**GKW Limited**

**MANAGING DIRECTOR**

J D Curravala

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**DIRECTORS**

G Srinivasan

M L Lahoti

N K Navalakha

P S Lodha

Ms S Basu De

---

**VICE PRESIDENT & SECRETARY**

J N Ghosh

---

**AUDITORS**

Lodha & Co

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**REGISTERED OFFICE**

“Central Plaza”

2/6, Sarat Bose Road

Office Space No. 406

4th Floor

Kolkata - 700020

Phone : 4008-0742/0744

Fax : 91-33-4008-0741

E-mail ID : gkwcal@rediffmail.com

Website : www.gkw ltd.com

CIN L27310WB1931PLC 007026

**BANKERS**

AXIS Bank Limited

RBL Bank Limited

Yes Bank Ltd

Corporation Bank

State Bank of India

ICICI Bank Ltd

HDFC Bank Ltd

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**REGISTRAR & SHARE TRANSFER AGENT**

(For Physical & Demat)

C B Management Services Pvt. Ltd

P-22, Bondel Road

Kolkata-700019

Phone : (033) 40116700, (100 lines) 2280 6692/2282 3643/2287 0263

Fax : (033) 40116739

E-mail : rta@cbmsl.com

Website : www.cbmsl.com

CIN: U74140WB1994PTC062959

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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, 2015.
- The results for the year under review are given below :

	₹ lakhs	
	<u>2014-2015</u>	<u>2013-2014</u>
Total Revenue	<b>2332.05</b>	2401.95
Profit before depreciation	<b>196.64</b>	514.96
Depreciation	<b>28.70</b>	81.65
Profit before Tax	<b>167.94</b>	433.31
Taxation	<b>(61.58)</b>	(62.51)
Profit after taxation	<b>106.36</b>	370.80

During the period under review, profit before tax at ₹ 167.94 lakhs was lower than the previous year's figure of ₹ 433.31 lakhs mainly due to lower sales of products, other operating revenue and loss of revenue arising out of non renewal of Business Service Centre Agreement.

### 3 DIVIDEND

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

## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 Industry Structure and Developments & Segment-wise Performance

(a) Warehousing business:

During the year under review, warehousing business has made significant progress and generated steady revenue for the company throughout the year. Lease rentals have increased by 176% from ₹ 143 lakhs in the previous year to ₹ 395 lakhs in the year under review. Warehousing business under negotiation will further improve revenues during 2015-16. Your Company will continue to pursue this business segment for self sustaining growth and improved cash flows.

(b) Metal Pressings Division:

As reported last year, performance of the Metal Pressing Division was affected by sustained sluggish demand in the passenger car segment of the automotive sector, resulting in drastic reduction in volume and loss of profitability. This situation did not provide any scope for improvement in product prices, and no significant revival of the business is expected in near future. The division is incurring losses, hence steps have been initiated to dispose off the assets of this division, which has already been approved by the shareholders and which will improve the overall profitability of the company by eliminating the losses of the division and generating positive returns from investment of the sale proceeds.

### 4.2 Discussions on Financial Performance with Respect to Operational Performance

Total revenue and profit after tax were lower than the previous year as stated above.

It is proposed to transfer a sum of ₹ 50 lakhs (2013-14 - ₹ 300 lakhs) to General Reserve during the year.

As in the previous year, there were no borrowings during the year ended 31st March 2015.

During the year under review, your Company has invested a sum of ₹ 550 lakhs in mutual funds.

Capital Expenditure for the year amounted to ₹ 151.07 lakhs (2013-14 - ₹ 136.81 lakhs) and value of assets put into use during the year amounted to ₹ 79.61 lakhs (2013-14 - ₹ 134.20 lakhs).

### 4.3 Opportunities and Threats

The company has taken all possible steps to exploit the opportunities for growth in warehousing segment and has met with reasonable success.

Treasury operations are providing risk free returns. Your company will pursue this route to ensure sustainability of future revenues.

### 4.4 Outlook

Yet again there has been a modest improvement in the net worth and shareholders funds in your Company. As stated in previous reports, the company has been taking steps to consolidate its financial position for sustainable growth in the future.

### 4.5 Risks and Concerns

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. In an increasingly globalised economy, world economic trends would also impact business of the Company. Such risks will be continuously monitored and appropriate action as stated above, taken by the Company to minimize the same. Internal risks comprise operating risks, financial risks and business risk including major machinery breakdowns, labour unrest or product obsolescence. The company will take effective steps to deal with such risks.

A Risk Management Committee has been constituted to consider appropriate measures in mitigating the risk factors.

The operating/service divisions have been informed to identify and report quarterly to the next higher reporting level, on any major risks as perceived by them, whether they be internal or external risks and simultaneously take immediate steps to minimize the impact thereof.

The following risk mitigating strategies have been adopted :

a) As explained above, your Company has taken steps to eliminate the risk of future losses of the Metal Pressing Division.

b) Warehousing and treasury operations are being pursued as sustainable and risk mitigating revenue generating businesses.

### 4.6 Internal Control Systems and Their Adequacy

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 appointed an Internal Auditor to conduct independent audits and submit periodical reports. An Audit Committee of the Board of Directors reviews the Internal Audit reports, annual financial statements and internal control systems to ensure their effectiveness and adequacy. The Committee also interacts with the Internal/Statutory Auditors from time to time. Apart from this, audit reports and follow-up actions are periodically reviewed by the top management and remedial actions taken.

#### **4.7 Material Developments in Human Resources/Industrial Relation Front, Including Number of People Employed**

During the year under review industrial relations within the Company, continued to be stable.

The total number of permanent employees was 36 as on 31st March, 2015.

#### **5. SUBSIDIARY COMPANY**

GKW (Overseas Trading) Limited had made a profit of Rs.0.02 lakhs during the year under review.

The statement containing the salient features of the financial statement of GKW (Overseas Trading) Limited, a wholly owned subsidiary company, has been appended hereto as Annexure I.

#### **6. INFORMATION PURSUANT TO SECTION 134**

6.1 The Abstract of the Annual Return as provided under section 92(3) of the Companies Act, 2013, for the year ended 31st March, 2015 is appended hereto as Annexure II(a).

6.2 Four meetings of the Board of Directors were held during the year under review. The meetings were held on 8th May, 2014, 13th August, 2014, 11th November, 2014 and 12th February, 2015.

#### **6.3 Directors' Responsibility Statement**

Pursuant to provisions of Section 134(5) of the Companies Act, 2013 the Directors hereby state that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure

compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

6.4 Mr. M.L. Lahoti, Mr. N.K. Navalakha, Mr. P.S. Lodha and Ms. S. Basu De all Independent Directors have submitted a statement under Sub-section (6) of Section 149 of the Companies Act, 2013 on 1st April, 2015.

6.5 Particulars as prescribed under Section 197(12) and Rule 5(1) & (2) of the Companies Management (Appointment and Remuneration of Managerial Personnel), Rules 2014 is appended hereto as Annexure II(b).

6.6 There are no qualifications in the Auditor's Report and the Secretarial Audit Report, hence no comments or explanations by the Board are required.

6.7 The particulars of investments under section 186 of the Companies Act, 2013 as at 31st March, 2015 are appended hereto as Annexure III.

6.8 The Company had contracts or arrangements with related parties during the year under review. Refer to note no 29 of the financial statements.

6.9 Conservation of Energy

Planned maintenance of equipments such as air compressor, capacitor banks, power generators and judicious deployment of production machinery was undertaken as an ongoing activity to ensure optimum utilization of energy.

6.10 Research & Development and Technology Absorption and Innovation

The nature of business activity carried on by the Company does not have much scope for any Research, Development, Technology Absorption and Innovation. However, product development and process improvement is an on-going activity.

6.11 Foreign Exchange Earnings and Outgo

There was no foreign exchange earnings and outgo during the year under review.

6.12 Implementation of Risk Management Policy of the Company

The company has already constituted a risk management committee consisting of members who are from the Board of Directors of the Company to consider appropriate measures mitigating the risk factors for both internal and external. The company has already adopted the procedures for the same including identification thereof.

6.13 Formal evaluation has been made by the Board of its own performance and that of its Committee and individual members on the basis of criteria approved by the Nomination and Remuneration Committee/Board.

#### **7 FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Independent Directors were fully briefed and familiarized with the operations of the Company, its business mode and steps envisaged to insulate the Company from the impact of business cycles.

#### **8. DIRECTORS**

a) Ms. Sucharita Basu De was appointed as Additional Director on the Board of the Company on

11th November, 2014 by the Board of Directors of the Company to hold office upto the ensuing AGM. Based on the recommendation of the Nomination and Remuneration Committee, appointment of Ms. Sucharita Basu De as an independent director on the Board of Directors upto a consecutive period of 5 (five) years from 11th November, 2014 will be included in the Notice convening the 85th AGM for approval of the members of the Company.

b) Mr. G. Srinivasan who is liable to retire by rotation and being eligible offers himself for re-appointment.

c) Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors re-appointed Mr. J.D. Curavala as Managing Director for a period of 1 (one) year with effect from 11th August, 2015 subject to the approval of the Shareholders at the 85th Annual General Meeting.

**9. KEY MANAGERIAL PERSONNEL**

The Board of Directors in its meeting held on 8th May, 2014 noted that following officials of the Company viz. Mr. J.D. Curavala, Managing Director, Mr. A. Chakrabarti, Chief Financial Officer and Mr. J.N. Ghosh, Company Secretary are the Key Managerial Personnel.

**10. AUDITORS**

Messrs. Lodha & Co., existing Auditors, were appointed for a period of three years by the members of the Company in its AGM held on 13th August, 2014. The Auditors being eligible, have expressed their willingness to be re-appointed as Auditors of the Company for the second year, beginning on 1st April, 2015 subject to ratification and approval of the Shareholders in the Annual General Meeting and to hold office from the conclusion of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting.

The Board recommends the said re-appointment of M/s. Lodha & Co., Chartered Accountants as Auditors of the Company.

**11. SECRETARIAL AUDIT AND APPOINTMENT OF THE SECRETARIAL AUDITORS**

The Company appointed Mr. Arup Kumar Roy, practicing Company Secretary at 201, Sarat Bose Road, Kolkata 700 029 to hold office of Secretarial Auditors and to conduct Secretarial Audit. The Secretarial Audit Report for the year under review, is appended hereto as Annexure IV.

**12. COST AUDITORS**

Pursuant to the Ministry of Corporate Affairs, Notification No.GSR 425(E) dated 30th June, 2014, the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company.

**13. FIXED DEPOSITS**

The Company has not accepted any deposits from the public and as such there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

**14. INFORMATION PERTAINING TO LISTING**

The Company's equity shares are listed with National

Stock Exchange of India Limited. The Annual Listing Fees have been paid to National Stock Exchange of India Limited for the year 2015-16.

**15. CORPORATE GOVERNANCE**

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 from time to time. A report on Corporate Governance is appended hereto.

**16. RELEVANT EXTRACTS OF VARIOUS POLICIES OF THE COMPANY**

**16.1 Policy on Related Party Transactions**

The Policy on Related Party Transactions is appended hereto as Annexure V.

**16.2 Policy on Director's Remuneration and KMP**

An extract on the Company's policy on director's remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters are provided under Sub-section (3) of Section 178 of the Companies Act, 2013 is appended hereto as Annexure VI.

**16.3 Policy and Criteria for Identification, Appointment, Tenure, Evaluation, Retirement and Removal of Directors and KMP**

An extract of the above Policy on criteria for identification, appointment, tenure, evaluation, retirement and removal of Directors and KMP is appended hereto as Annexure VII.

**16.4 Corporate Social Responsibility Policy**

Based on the recommendations of the Committee of Corporate Social Responsibility (CSR), the Board has already approved a policy for CSR pursuant to section 135 of the Companies Act, 2013. The CSR provisions of the said Section are not currently applicable to your Company. However the CSR policy is appended hereto as Annexure VIII.

**16.5 Criteria for Performance Evaluation of Independent Directors**

The criteria for performance of Independent Directors is appended hereto as Annexure IX.

**16.6 Vigil Mechanism**

The details of vigil mechanism is appended hereto as Annexure X.

17. Your Directors state that during the year under review, there were no reported cases falling within the purview of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Re-dressal) Act, 2013.

**ACKNOWLEDGEMENT**

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.

For and on behalf of the Board

Kolkata	J D Curavala	G. Srinivasan
13th May, 2015	<i>Managing Director</i>	<i>Director</i>

(Pursuant to First proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules,2014) Statement Containing salient features of the financial statement of subsidiaries /associate companies/joint ventures

**Part "A": Subsidiaries**

1. Sl. No.	1
2. Name of the subsidiary	GKW(Overseas Trading) Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries. Not applicable	
	₹ lakhs
5. Share capital	5
6. Reserves & surplus	0.12
7. Total assets	5.20
8. Total liabilities	0.08
9. Investments	Nil
10. Turnover	Nil
11. Profit before taxation	0.02
12. Provision for taxation	0.01
13. Profit after taxation	0.01
14. Proposed Dividend	Nil
15. % of shareholding	100%

**Part "B" Associates and Joint Ventures** Not applicable

**Annexure II(a)**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1 CIN	L27310WB1931PLC007026
2 Registration Date	17th February, 1931
3 Name of the Company	GKW Limited
4 Category / Sub-Category of the Company	Public Limited Company
5 Address of the Registered office and contact details	Central Plaza, 2/6 Sarat Bose Road, Office Space No. 406, 4th Floor, Kolkata-700020
6 Whether listed company	Yes
7 Name, Address and Contact details of Registrar and Transfer Agent, if any	C B Management Services Private Ltd P-22 Bondel Road, Kolkata- 700019

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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl No.	Name and description of main products/ services	NIC code of the product/ Service	% of the total turnover of the Company
1	Mild Steel Components	2410	66%
2	Warehousing Services	5210	25.65%

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

Sl No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares Held	Applicable Sections
1	Matrix Commercial Private Limited	U51109 WB2005 PTC 105916	Holding	60.01%	Section 2 (87)(ii)
2	GKW (Overseas Trading) Ltd	U90390 WB1967 PLC 027207	Subsidiary	100%	Section 2 (87)(ii)

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

## 1. Category-wise Share Holding

Category of Shareholder	No. of Share Held at the Beginning of the year 01.04.2014				No. of Share Held at the End of the Year 31.03.2015				% Change during the year
	Demat	Physical	Total	% Total of Shares	Demat	Physical	Total	% Total of Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
(a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Government(s)	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	3580375	0	3580375	60.01	3580375	0	3580375	60.01	0.00
(e) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A)(1):</b>	<b>3580375</b>	<b>0</b>	<b>3580375</b>	<b>60.01</b>	<b>3580375</b>	<b>0</b>	<b>3580375</b>	<b>60.01</b>	<b>0.00</b>
<b>2) Foreign</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	894500	0	894500	14.99	894500	0	894500	14.99	0.00
d) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A)(2):</b>	<b>894500</b>	<b>0</b>	<b>894500</b>	<b>14.99</b>	<b>894500</b>	<b>0</b>	<b>894500</b>	<b>14.99</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>4474875</b>	<b>0</b>	<b>4474875</b>	<b>75.00</b>	<b>4474875</b>	<b>0</b>	<b>4474875</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
(a) Mutual Funds	356	2575	2931	0.05	356	2575	2931	0.05	0
(b) Bank/Financial Institutions	118504	3054	121558	2.04	108040	4514	112554	1.89	-0.15
(c) Central Government(s)	-	-	-	-	-	-	-	-	-
(d) State Government(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	34	0	34	0.00	34	0	34	0.00	0
(g) Foreign Institutional Investors (FII)	0	1489	1489	0.02	0	1489	1489	0.02	0
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Other (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>118894</b>	<b>7118</b>	<b>126012</b>	<b>2.11</b>	<b>108430</b>	<b>8578</b>	<b>117008</b>	<b>1.96</b>	<b>-0.15</b>
<b>B2) Non-Institutions</b>									
(a) Bodies Corporate									
i) Indian	859581	3821	863402	14.47	878977	2262	881239	14.77	0.30
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	276779	129641	406420	6.81	277673	125357	403030	6.76	-0.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	46928	0	46928	0.79	44993	0	44993	0.75	-0.04
(c) Others (specify)									
1 NRI	3495	1967	5462	0.09	2754	1187	3941	0.07	-0.02
2 Clearing Member	1313	0	1313	0.03	1176	0	1176	0.02	-0.01
3 OCB	-	-	-	-	-	-	-	-	-
4 Trust	216	9	225	0.00	75	9	84	0.00	0.00
5 Unclaimed Suspense A/c.	41863	0	41863	0.70	40146	0	40146	0.67	-0.03
6 The Custodian of Benami shares	0	0	0	0	0	8	8	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>1230175</b>	<b>135438</b>	<b>1365613</b>	<b>22.89</b>	<b>1245794</b>	<b>128823</b>	<b>1374617</b>	<b>23.04</b>	<b>0.15</b>
<b>B. Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1349069</b>	<b>142556</b>	<b>1491625</b>	<b>25.00</b>	<b>1354224</b>	<b>137401</b>	<b>1491625</b>	<b>25.00</b>	<b>0.00</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>5823944</b>	<b>142556</b>	<b>5966500</b>	<b>100.00</b>	<b>5829099</b>	<b>137401</b>	<b>5966500</b>	<b>100.00</b>	<b>0.00</b>

## GKW LIMITED

### (II) Shareholding of Promoters

Shareholding at the beginning of the year 01.04.2014					Shareholding at the end of the year 31.03.2015		
Sl. No.	Shareholder's Name	No of Shares	% of total shares of Company	% of shares Pledged/encumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged /encumbered to total shares
1	KIWI INVESTMENTS LTD. IN30022210048524						
	a) At the Beginning of the Year	894500	14.99	NIL	894500	14.99	NIL
	b) Change during the Year	NO CHANGE					
	c) At the end of the Year				894500	14.99	NIL
2	MATRIX COMMERCIAL PRIVATE LTD IN30302853938346						
	a) At the Beginning of the Year	2759599	46.25	NIL			
	b) Change during the Year						
	<b>Date Reason</b> 29.10.2014 Interse transfer	820776	13.76		3580375	60.01	NIL
	c) At the end of the Year				3580375	60.01	NIL
3	ROSEMARY COMMERCIAL PVT.LTD. IN30302853938355						
	a) At the Beginning of the Year	820776	13.76	NIL	0	0.00	
	b) Change during the Year						
	<b>Date Reason</b> 29.10.2014 Interse transfer	-820776	-13.76		0	0.00	NIL
	c) At the end of the Year				0	0.00	NIL
	<b>TOTAL</b>	<b>4474875</b>	<b>75.00</b>	<b>NIL</b>	<b>4474875</b>	<b>75.00</b>	<b>NIL</b>

### (III) Change in Promoter's Share holding (please specify if there is no change)

Sl. No.		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4474875	75.00	4474875	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc)	No Change in Shareholding during the year			
	At the End of the year	4474875	75.00	4474875	75.00

**(IV) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADR(S))**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015			
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company		
1	BELLONA FINVEST LTD 1202300001084255						
	a) At the Beginning of the Year	524534	8.79	524534	8.79		
	b) Change during the Year		No Change				
	c) At the end of the Year			524534	8.79		
2	ACCORD CAPITAL MARKETS PVT.LTD. IN30009511445595						
	a) At the Beginning of the Year	122500	2.05	122500	2.05		
	b) Change during the Year						
		<b>Date</b>	<b>Reason</b>				
		17.10.2014	Sale	-90000	1.51	32500	0.54
		28.11.2014	Sale	-32500	0.54	0	0.00
	c) At the end of the Year				NIL	NIL	
3	IDBI BANK LTD. IN30081210495586						
	a) At the Beginning of the Year	107516	1.80	107516	1.80		
	b) Change during the Year		No Change				
	c) At the end of the Year			107516	1.80		
4	PHOENIX MILLS LIMITED 1202300001051930						
	a) At the Beginning of the Year	60192	1.01	60192	1.01		
	b) Change during the Year		No Change				
	c) At the end of the Year			60192	1.01		
5	DALMIA SEC.PVT.LTD. IN30022210000004						
	a) At the Beginning of the Year	35321	0.60	35321	0.60		
	b) Change during the Year						
		<b>Date</b>	<b>Reason</b>				
		04.04.2014	Buy	406	0.01	35727	0.60
		11.04.2014	Buy	957	0.02	36684	0.61
		18.04.2014	Buy	127	0.00	36811	0.62
		25.04.2014	Buy	526	0.01	37337	0.63
		02.05.2014	Buy	1214	0.02	38551	0.65
		09.05.2014	Buy	529	0.01	39080	0.65
		16.05.2014	Buy	1006	0.02	40086	0.67
		23.05.2014	Buy	303	0.01	40389	0.68
		30.05.2014	Buy	191	0.00	40580	0.68
		06.06.2014	Buy	549	0.01	41129	0.69
		13.06.2014	Buy	283	0.00	41412	0.69
		20.06.2014	Buy	110	0.00	41522	0.70
		30.06.2014	Buy	2399	0.04	43921	0.74
		04.07.2014	Buy	38	0.00	43959	0.74
		11.07.2014	Buy	53	0.00	44012	0.74
		18.07.2014	Buy	730	0.01	44742	0.75
		29.08.2014	Buy	1867	0.03	46609	0.78
		30.09.2014	Buy	10464	0.18	57073	0.96
		28.11.2014	Buy	3196	0.05	60269	1.01
		12.12.2014	Buy	3030	0.05	63299	1.06
		20.03.2015	Buy	9500	0.16	72799	1.22
	c) At the end of the Year				72799	1.22	
6	CHARTERED FINANCE AND LEASING LTD. IN30154918798414						
	a) At the Beginning of the Year	35100	0.59	35100	0.59		
	b) Change during the Year		No Change				
	c) At the end of the Year			35100	0.59		

**GKW LIMITED**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	DAU LAL KOTHARI 1) IN30210510020969 2) IN3021051002993				
	a) At the Beginning of the Year	25380	0.43	25380	0.43
	b) Change during the Year				
		<b>Date</b>	<b>Reason</b>		
		21.11.2014	Buy	620	0.01
		23.01.2015	Sale	-902	0.02
		30.01.2015	Sale	-1653	0.03
	c) At the end of the Year			23445	0.39
8	JANARDAN KUMAR KOTHARI IN30210510020951				
	a) At the Beginning of the Year	21000	0.35	21000	0.35
	b) Change during the Year			No Change	
	c) At the end of the Year			21000	0.35
9	YASHOVARDHAN MOHTA IN30210510021419				
	a) At the Beginning of the Year	10548	0.18	10548	0.18
	b) Change during the Year			No Change	
	c) At the end of the Year			10548	0.18
10	STATE BANK OF HYDERABAD IN3037861000025				
	a) At the Beginning of the Year	10464	0.18	10464	0.18
	b) Change during the Year				
		<b>Date</b>	<b>Reason</b>		
		26.09.2014	Sale	-10464	-0.18
	c) At the end of the year			NIL	NIL
11	Corum Securities Pvt Ltd IN30009511588139				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Change during the Year				
		<b>Date</b>	<b>Reason</b>		
		17.10.2014	Buy	90000	1.51
		28.11.2014	Buy	32500	0.54
	c) At the end of the Year			122500	2.05
12	ELCO CONSULTANTS LTD IN30068510348127				
	a) At the Beginning of the Year	9125	0.15	9125	0.15
	b) Change during the Year			No Change	
	c) At the end of the Year			9125	0.15

**(V) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015				
		No. of shares	% of total shares of the company	Date	Increase/Decrease In shareholding	Reason	No. of shares	% of total shares of the company
1	Mr. J. D. Curravala – M. D.	100	0.00		0	Nil movement during the year	100	0.00
2	Mr. G. Srinivasan - Director	50	0.00		0		50	0.00
3	Mr. M. L. Lahoti - Director	NIL			0		NIL	
4	Mr. N. K. Navalakha - Director	NIL			0		NIL	
5	Mr. P. S. Lodha - Director	NIL			0		NIL	
6	Ms. Sucharita Basu De - Director	NIL			0		NIL	
7	Mr. A. Chakrabarti – CFO	1	0.00		0		1	0.00
8	Mr. J. N. Ghosh – Company Secretary	NIL			0		NIL	

**VI. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
<b>Net Change</b>	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. J. D. Curravala- MD	67,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		4,50,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		-
	- as % of profit		-
	- others, specify		-
5.	Others, please specify		
	<b>Total (A)</b>		72,30,000
	Ceiling as per the Act		

B. Remuneration to other directors

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
1.	Independent Directors		Rs.		Rs.
	➤ Fee for attending board / committee meetings Commission	Mr. M. L. Lahoti	1,65,000		1,65,000
		Mr. N.K.Navlakha	1,65,000		1,65,000
	➤ Others, please specify	Mr. P.S.Lodha	1,65,000		1,65,000
		Ms. S. Basu De	40,000		40,000
2.	Total (1)		5,35,000		5,35,000
3.	Other Non-Executive Directors				
	➤ Fee for attending board / committee meetings Commission	Mr. G. Srinivasan	42,500		42,500
	➤ Others, please specify	- Non-Executive Director			
4.	Total (2)		42,500		42,500
5.	Total (B)=(1+2)		5,77,500		5,77,500
6.	Total Managerial Remuneration				
7.	Overall Ceiling as per the Act (For the Wholetime Directors)				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	Mr. J.N. Ghosh- Company Secretary Mr. A. Chakrabarti- Chief Financial Officer	Rs. 9,65,280 (a) 64,200 (b) 21,44,640 (a) 65,149 (b)	Rs. 9,65,280 (a) 64,200 (b) 21,44,640 (a) 65,149 (b)
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify			
5.	Others, please specify			
	Total		32,39,269	32,39,269

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTOR</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) &amp; (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars													
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<p><b>Managing Director</b> Mr. J.D. Curravala 39.36:1</p> <p><b>Directors Fees</b> Mr. G. Srinivasan 0:23:1 Mr. M.L. Lahoti 0.90:1 Mr. N.K. Navalakha 0.90:1 Mr. P.S. Lodha 0.90:1 Ms. S. Basu De For part of the year</p>												
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<p><b>Managing Director</b> Mr. J. D. Curravala 72% #</p> <p><b>Directors</b> Mr. G. Srinivasan 42% Mr. M. L. Lahoti 83% Mr. N. K. Navalakha 83% Mr. P. S. Lodha 83% CFO Mr. A.Chakrabarti 19%</p> <p><b>Company Secretary</b> Mr. J. N. Ghosh 17%</p> <p># There was no increase in the remuneration of Managing Director for three year prior to 2014-2015</p>												
(iii) The percentage increase in the median remuneration of employees in the financial year;	13%												
(iv) The number of permanent employees on the rolls of company;	36												
(v) The explanation on the relationship between average increase in remuneration and company performance	The average increase in the remuneration of the employees are commensurate with the size and performance of the Company.												
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The remuneration of the Chief Financial Officer and Company Secretary are commensurate with the size & performance of the Company.												
(vii) Variations in the market capitalisation of the company, price earnings ratio as at the close of the current and previous financial year	<table border="1"> <thead> <tr> <th></th> <th>31.03.2014</th> <th>31.03.2015</th> <th>Variation</th> </tr> </thead> <tbody> <tr> <td>Market Capitalisation (Rs. lakhs)</td> <td>30467.93</td> <td>23866</td> <td>6601.93</td> </tr> <tr> <td>Price earnings ratio</td> <td>286.88</td> <td>64.41</td> <td></td> </tr> </tbody> </table>		31.03.2014	31.03.2015	Variation	Market Capitalisation (Rs. lakhs)	30467.93	23866	6601.93	Price earnings ratio	286.88	64.41	
	31.03.2014	31.03.2015	Variation										
Market Capitalisation (Rs. lakhs)	30467.93	23866	6601.93										
Price earnings ratio	286.88	64.41											
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>The average increase in the salaries of employees other than managerial personnel in the last financial year 5.06 %</p> <p>Average increase in salaries of Managerial remuneration 18.16%</p> <p>There are no exceptional circumstances in increase in managerial remuneration.</p>												
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	The remuneration of the Key Managerial Personnel of the Company are commensurate with the size & performance of the Company.												
(x) The Key Parameters for any variable component of remuneration availed by the directors:	The employees including the Managing Director are not entitled to variable remuneration. Hence the key parameters for such remuneration does not arise.												
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	No employee has received any remuneration during the year higher than the highest paid Director.												
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the Remuneration Policy of the Company.												

Particulars of Employees pursuant to Rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 and forming part of the Report of the Directors

Name	Age	No. of shares	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment position held
1	2		3	4	6	7	8	9	10
Curavala J D	75	100	Managing Director	72,30,000	52,34,632	B.Com., A.C.A., LL.B	48	01.04.70	Stewart & Lloyds Ltd. (U.K.) -Financial Accountant

**Notes:**

- Gross remuneration comprises of salary, house rent allowances and leave travel assistance.
- Net remuneration comprises cash income less income tax as applicable.

**Annexure III**

Particulars of Investments under section 186 of the Companies Act 2013

Particulars	Relationship	As at 31.03.15 Rs lakhs
<b>Investments in Equity Instruments :</b>		
<b>Quoted</b>		
IDBI Bank Ltd		
10720 shares of Rs.10 each- fully paid at cost		8.71
Graphite India Limited		
2000000 shares of Rs.2 each- fully paid at cost		1390.00
<b>Unquoted</b>		
GKW (Overseas Trading) Limited -		
50,000 Ordinary shares of Rs.10 each- fully paid, at cost	Subsidiary	5.00
<b>Investments in Government or trust securities :</b>		
<b>Quoted</b>		
12 Bonds of Rs 1000000/- each of 8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost		120.00
40 Bonds of Rs 1000000/- each of 9.05% IDBI Bond, 2020 fully paid at cost		407.20
10 Bonds of Rs 1000000/- each of 8.85% PFC Bond, 2030 fully paid at cost		100.14
10 Bonds of Rs 1000000/- each of 9.65% YES Bond, 2020 fully paid at cost		100.38
10 Bonds of Rs 1000000/- each of 8.90% HDFC Bond, 2020 fully paid at cost		100.00
<b>Investments in Mutual Funds:</b>		
<b>Quoted</b>		
78521.671 units of Rs 10/- each of TATA Equity P/E Fund Div Trigger Option A ( 5 percentage )		30.04
Less: Sold during the year		-30.04
2735650 units of Rs 10/- each of ICICI - Prudential FMP series 73-366 Days Plan A Regular Plan - Cumulative		273.57
1000000 units of Rs 10/- each of SBI DEBT FUND SERIES "A" 17 - 366 days REGULAR (Growth)		100.00
1400000 units of Rs 10/- each of ICICI Prudential FMP Series 74-368 days Plan J		140.00
501556.497 units of Rs 10/- each of HDFC MIP - Long Term - Growth		150.00
Less : Sold during the year		-150.00
1251973.959 units of Rs 10/- each of IDFC Arbitrage Fund Plus - Plan A ( Regular ) - Dividend		150.00
502467.114 units of Rs 10/- each of Kotak Equity Arbitrage Fund - Growth		100.00
511352.015 units of Rs 10/- each of Kotak Equity Arbitrage Fund - Dividend		55.00
46478.336 units of Rs 10/- each of Kotak Equity Arbitrage Fund - Dividend		5.00
Provision for diminution in value of investments		-3.36
		<b>3051.64</b>

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
GKW Limited  
4<sup>th</sup> Floor Central Plaza  
2/6 Sarat Bose Road  
Kolkata- 700020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GKW Limited** (the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the GKW Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (v) And other applicable laws like The Factories Act 1948, Payment of Gratuity Act 1972, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Minimum Wages Act, 1948, The Payment Of Bonus Act, 1965.
2. I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE).
3. I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
4. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
5. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Kolkata  
Dated: 13<sup>th</sup> May, 2015

  
ARUP KUMAR ROY  
Practicing Company Secretary  
ACS:6784  
CoP No. 9795

**GKW LIMITED  
POLICY ON RELATED PARTY TRANSACTIONS**

**i) Definitions**

i) Key managerial personnel (KMP) [Section 2(51) of the Act] – KMP means (i) the CEO or the MD or the manager, (ii) Company Secretary; (iii) the Wholetime Director (WTD); the CFO; and (v) such other officers as may be prescribed. A 'related party' is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes persons/entities as defined vide clause VII (B) of the Securities and Exchange Board of India (SEBI) circulars on Corporate Governance dated 17/04/2014 and 15/09/2014.

**ii) Related Party**

'Related party' with reference to a Company means – Section 2(76) of the Companies Act, 2013 (Act)

- a. A director or his relative;
- b. A key managerial personnel (KMP) or his relative;
- c. A firm, in which a director, manager or his relative is a partner;
- d. a private company in which a director or manager is a member or director;
- e. A public company in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital;
- f. Any body corporate whose Board of Directors, Managing Director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- g. Any person whose advice, directions or instructions a director or manager is accustomed to act; Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity;
- h. Any company which is –
  - (A) A holding, subsidiary or an associate company of such company; or
  - (B) A subsidiary of a holding company to which it is also a subsidiary;
- i. such other person as may be prescribed

**Prescribed by Rule 3 of the Companies (Specification of definition details) Rules 2014 (Definition Rules) and Rule 2(e) of the Company's (Meetings of Board and its Powers) Rules 2014 (Board Rules)**

- j. a Director or KMP of the holding company or his relative with reference to the company

**Under Clause 49 of Listing Agreement****An entity shall be considered as related to the company if –**

- a. such entity is a related party under Section 2(76) of Companies Act, 2013; or
- b. Such entity is a related party under the applicable accounting standards.

Relative – with reference to any person, means anyone who is related to another, if –

- (1) They are members of a Hindu Undivided Family
- (2) They are husband and wife or
- (3) One person is related to the other in such manner as may be prescribed.

**Prescribed (Rule 4 of Definition Rules)**

A person shall be deemed to be relative of another, if he or she is related to another in the following manner:- (i) Father including step-father; (2) Mother including step-mother; (3) son including step-son; (4) son's wife; (5) daughter; (6) daughter's husband; (7) brother including step-brother; and (8) sister including step-sister. (Step-son's wife, step-daughter and her husband are not relatives within this definition).

**iii) Transactions which may be treated as Related Party Transactions (RPT) (as per Section 188 of Companies Act, 2013)**

"Related Party Transactions" (RPT) means any contract or arrangement with related party with respect to –

- (i) Sale, purchase or supply of any goods or materials,
- (ii) Selling or otherwise disposing of, or buying, property of any kind;
- (iii) Leasing of property of any kind.
- (iv) Availing or rendering of any services;
- (v) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (vii) Underwriting the subscription of any securities or derivatives thereof, of the company;

**iv) Transactions which may not be construed as RPT.**

The following transaction, even though entered into between related parties, may not amount to RPT – (i) that does not fulfill the nature of transactions mentioned in paragraph II above ; (ii) that is entered into by the company in its ordinary course of business and is concluded on arm's length basis and (iii) arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956 or the Act.

The expression "arm's length" transaction means transaction between two related parties that is concluded as if they were related, so that there is no conflict of interest.

**v) Manner of entering into RPT**

(i) Approval by Audit Committee (AC)

RPT involving the transactions mentioned in Para II would require prior approval by the AC. However, where transactions are repetitive in nature, AC can grant omnibus approvals (OA) subject to –

- (a) Laying down criteria for grant of OA in line with this policy.
- (b) AC shall satisfy itself the need for such OA and that such approval is in the interest of the Company.
- (c) Such OA shall specify –
  - (i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into.
  - (ii) The indicative base price / current contracted price and the formula for variation in the price if any and
  - (iii) Such other conditions as the Audit Committee may deem fit.
  - (d) Review on quarterly basis of details of such RPTs.

(ii) Approval of Board of Directors (Board)

On approval by the AC, RPTs shall be entered into with the consent of the Board accorded by a resolution passed at a meeting. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract of arrangement.

(iii) Approval of members of the company

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board, subject to such other conditions as may be prescribed, the company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into, (a) as contracts or arrangements with respect to sub-clauses (i) to (vii) of clause (iii) here-in above and with criteria as mentioned below -

- (a) Sale, purchase or supply of any goods or materials, directly or through appointment of agents, exceeding five percent of the annual turnover as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188.
- (b) Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent, exceeding twentyfive percent of annual turnover as mentioned in clause (b) & (e) respectively of sub-section (1) of section 188.
- (c) Leasing of property of any kind exceeding ten percent of the net worth or exceeding ten percent of turnover as mentioned in Clause (c) of sub-section(1) of section 188.
- (d) Availing or rendering of any services directly or through appointment of agents exceeding ten percent of the net worth as mentioned in Clause (d) and clause (e) of sub-section (1) of section 188.
- (e) Appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188; or
- (f) remuneration for underwriting the subscription of any securities or derivatives thereof of the company exceeding one percent, of the net worth as mentioned in clause (g) of sub-section (10) of section 188.
- (g) appointment to any office or place of profit in the company, its subsidiary company or associate at a monthly remuneration exceeding two and half lakhs rupees as mentioned in clause (f) of sub-section (1) of section 188; or
- (h) remuneration for underwriting the subscription of any services or derivatives thereof of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation – (1) The Turnover or Net Worth referred in the above sub-rules shall be on the basis of the Audited Financial Statement of the preceding Financial year.

- vi)** A transaction with a related party shall be considered 'material' if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Such transaction shall require approval of the Shareholders by way of a Special Resolution.

**vii) As per rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 notified w.e.f. 1st April 2014, the Agenda of Board Meeting should disclose the following points specifically:**

- (a) the name of the related party and nature of relationship;
- (b) the nature, duration of the contract and particulars of the contract or arrangement;
- (c) the material terms of the contract or arrangement including the value, if any;
- (d) any advance paid or received for the contract or arrangement, if any;
- (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement-

- viii) Details of any transaction proposed to be entered into by the Company with any of the persons/entities (related parties) included in the list referred to in para II above should be forwarded to the Company Secretary for prior approval, who will then take such steps as are necessary for obtaining approval of the said transaction, and will intimate such approval to the person concerned.
- ix) All Related Party Transactions shall require prior approval of the Audit Committee and the Board of Directors.
- x) The criteria to be adopted for all related party transactions inter alia should be as under :
- (a) The transaction should be at arms length without any conflict of interest.
  - (b) Full documentation regarding such transaction should be provided if so required by the Audit Committee in order for it to take an objective decision.
  - (c) The need and/or benefit of entering into such a transaction should be indicated.
  - (d) Interest of all stakeholders should be protected.
- xi) Disclosures
- (a) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
  - (b) The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
  - (c) A comprehensive list of such persons/entities identified as related parties as indicated in para (ii) above shall be prepared by the Company Secretary and circulated to all the concerned personnel within the Company. This list shall be updated from time to time as appropriate.

### Annexure VI

#### POLICY RELATING TO THE REMUNERATION FOR THE DIRECTOR AND KMP

The remuneration/ compensation/ commission etc. to Directors (including Managing Director/Wholetime Director) and their remuneration will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Act, and the rules made thereunder for the time being in force.

Increments to the existing remuneration/ compensation structure payable to Directors may be recommended by the Committee to the Board which should be approved by the shareholders, and where the range of remuneration has been approved, the remuneration should be within such range or slabs.

Where any insurance is taken by the Company on behalf of its Directors and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Directors (other than Independent Directors):

##### Fixed pay:

Directors (excluding Independent Directors) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

KMPs (other than Directors) Senior Management Personnel and employees shall be eligible to monthly remuneration and quantum of perquisite including employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. as per internal guidelines of the Company.

##### Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors (excluding Independent Directors) in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the prior approval of the Central Government.

Remuneration to Independent Director:

Remuneration/ Commission:

The remuneration/ commission shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

**Sitting Fees:**

The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or its committee.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding the limits prescribed by applicable laws.

**Provisions for excess remuneration:**

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Senior Management Personnel:**

The remuneration payable to Senior Management Personnel shall be determined in accordance with internal guidelines of the Company.

**Remuneration to Other Employees:**

The Company will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the Personnel Department of the Company in conjunction with the respective departmental heads, and based on performance criteria of the Company.

**Annexure VII****POLICY AND CRITERIA FOR IDENTIFICATION, APPOINTMENT, TENURE, EVALUATION, RETIREMENT AND REMOVAL OF DIRECTORS AND KMP****Identification and Appointment criteria and qualifications of Directors/KMPs****Directors**

Any person who in the opinion of the Board is not disqualified to become a Director, under Section 164 of the Companies Act, 2013 and who in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), KMP, Senior Management personnel and employees and recommend to the Board his/her appointment.

Such person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned person.

The Company may also appoint or continue the employment of any person as a Managing Director or a Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution subject to the provisions of Section 196 read with Rule 3 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Schedule V of the Companies Act, 2013.

**Independent Directors**

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014); and the Listing Agreement.

**Term / Tenure:****Managing Director/ Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Wholetime Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

Subject to the provisions of Section 152(2) of the Companies Act, 2013 no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

If a person has already served as an Independent Director for 5 (five) years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for only one more term of 5 (five) years.

At the time of appointment of Directors (including Independent Directors) the Committee should ensure that the persons proposed to be appointed as Directors (including Independent Directors) do not exceed the maximum number of directorships a person can hold as per applicable laws.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director or KMP at such intervals as it may determine, but at least once a year.

**Evaluation of Directors:**

In terms of Section 149 of the Act read with Schedule IV of the said Act and Listing Agreement the Independent Directors shall at its separate meeting without the attendance of non-independent directors and members of management and review the performance of non- independent Directors based on the parameters that are considered relevant by the Independent Directors.

The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting.

**Evaluation of KMP and Senior Management Personnel**

Criteria for evaluating performance of KMP (other than Directors) has been delegated to the Managing Director as per Clause 16(B). The evaluation performance of Senior Management and Employees shall be delegated to the Personnel Department of the Company.

**Removal**

Subject to the provisions of applicable laws, the Committee may recommend to the Board, with reasons recorded in writing, removal of a Director or KMP.

Removal of Senior Management Personnel and Other Employees has been delegated to the Managing Director as per Clause 16(B).

**Retirement**

Subject to the provisions of applicable laws, the Managing Director, KMPs (other than Director), Senior Management Personnel and Other Employees shall retire as per the prevailing policy of the Company.

Subject to the provisions of applicable laws, the Committee may recommend to the Board and Board may, at its discretion, retain Managing/Wholtime Directors, and at remuneration it deems fit, even after attainment of the applicable retirement age, for the benefit of the Company.

KMPs (other than Director), Senior Management Personnel and other Employees may be retained with such remuneration as may be decided by the Managing Director with delegated power as per Clause 16(B).

**ANNEXURE VIII****CORPORATE SOCIAL RESPONSIBILITY POLICY****I. Requirement of the Companies Act, 2013**

- (i) Every company having net worth of rupees five hundred crore or more or a net profits of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (ii) The Board's report under Sub-section(3) of Section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

**2. The Corporate Social Responsibility (CSR) Committee:**

The CSR Committee as constituted by the Board of Directors is presently consisting of four Directors with one Executive Director and three Independent Directors.

**3. Responsibility of the CSR Committee:**

- (i) To formulate and recommend to the Board of Directors the activities which will be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time vide circulars and/or notifications to be issued by the Ministry of Corporate Affairs (MCA).
- (ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and (iii) To monitor the CSR policy of the company from time to time.

**4. Responsibility of the Board of Directors :**

- (i) After taking into account the recommendation made by CSR Committee the Board of Directors shall approve the CSR policy from time to time and disclose contents of the Policy in its Report and place it on the company
- (ii) To ensure that the activities as are included in the CSR policy of the Company are undertaken by the Company.
- (iii) To ensure that the Company on its applicability of the CSR under the Companies Act, 2013 spends in every financial year, at least two percent of the average net profit of the Company made during the three previous financial years, in pursuance of the CSR policy which is subject to the provisions of Section 135 of the Companies Act, 2013 provided that the Company shall give preference to the local area and areas around it where it operates, for spending the amount ear-marked for Corporate Social Responsibility activities and, provided where CSR is applicable to the Company, and the Company fails to spend such amount the Board of Directors in its report shall specify the reasons for not spending the amount.

Corporate Social Responsibility (CSR) Policy is not applicable for the Company at present. As and when applicable, the policy will follow the deployment of the resources on the basis of the criteria given above. The CSR policy will be amended in order to identify any other areas of the CSR where the deployment of the fund of the Company shall be ear-marked for the CSR in accordance with the Companies Act, 2013.

**Annexure IX****Evaluation Criteria For Performance of Independent Directors**

Evaluation criteria for Independent Directors (IDs) have been formulated on the basis of their duties indicated in Companies Act, 2013 and are summarized below:

1. Attendance and constructive participation by IDs at Board Meetings and Board Committees.
2. ID's to regularly update their knowledge and familiarize themselves with the activities of the Company.
3. Where ID's have concerns about the running of the Company or any proposed action, they should ensure that these are addressed and if not resolved, their concerns are recorded in the Minutes of the Board Meeting.
4. ID's to ensure adequate deliberation before approving related party transactions.
5. ID's to highlight any violation of the Company's Code of Conduct or any unethical behavior which may come to their notice.
6. ID's should not disclose any sensitive/confidential information pertaining to the Company without the express approval of the Board.

**Annexure X****VIGIL MECHANISM / WHISTLE BLOWER POLICY****1. INTRODUCTION**

The Companies Act, 2013 as also the Listing Agreement with the Stock Exchange mandates establishment of a vigil mechanism for listed companies to facilitate reporting by its Directors and employees their genuine concerns inter alia about unethical behavior, actual or suspected fraud, violation of the company's code of conduct or ethics policy. This mechanism lays down the policy towards attainment of objective stated below.

**2. POLICY OBJECTIVES**

- 2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal propriety in the conduct of its business. To maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and report such concerns without fear of victimization or unfair treatment.

**3. DEFINITIONS**

"Alleged wrongful conduct" shall mean violation of law, infringement of Company's rules, misappropriation of monies, actual or suspected fraud or abuse of authority for any fraud/unethical conduct, as included in the "Scope of the Policy".

## **GKW LIMITED**

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"Audit Committee" means a Committee constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange.

"Board" means the Board of Directors of the Company.

"Company" means the GKW Limited and all its offices.

"Employee" means all permanent employees – on the roles of the company and the Managing Director of the Company

"Nodal Officer" means an officer of the Company nominated by the Managing Director of the Company to receive protected disclosures from whistle blowers, maintaining records thereof placing the same before the Audit Committee of the Company for its disposal and informing the whistle blower the result thereof.

"Protected Disclosure" means a concern raised by a Director or an employee or a group of employees of the Company, through a written communication and made in good faith which discloses with evidence an unethical or improper activity under the title "SOPE OF THE POLICY" with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation/conclusion and should contain specific evidence to allow for proper assessment of the nature and extent of the concern along with a declaration.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"Whistle Blower" is a Director or an employee or group of employees who make a Protected Disclosure under this Policy.

"Investigators" means persons/bodies appointed, consulted or approached by the Nodal Officer (NO)/Chairperson of the Audit Committee (CAC) and may include the auditors of the Company.

#### **4. SCOPE OF THE POLICY**

4.1 This Policy covers malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and when such matters are formally reported, will be treated as "Protected Disclosures" by the complainant (whistle blowers).

#### **5. DISQUALIFICATIONS**

5.1 While it will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

#### **6. PROCEDURE**

6.1 All Protected Disclosures concerning financial/accounting matters of the Company should be addressed to the CAC of the Company for investigation.

6.2 In respect of all other Protected Disclosures, those concerning the NO and employees at the levels of Vice Presidents or above should be addressed to the CAC of the Company and those concerning other employees should be addressed to the NO of the Company.

6.3 The contact details of the Chairman of the (CAC) are as under:

Mr. M. L. Lahoti  
Chairman  
Audit Committee  
8, Commissariat Road  
Hastings  
Kolkata -700 022  
Email: lahoti.ml1935@gmail.com

The contact details of the Nodal Officer (NO) are as under:

Mr. J. N. Ghosh  
Vice President & Secretary  
GKW Limited  
Registered Office  
"Central Plaza"  
2/6 Sarat Bose Road  
Office Space No.406, 4th Floor  
Kolkata -700 020  
Email: jaynarayanghsh@gmail.com

6.4 If a Protected Disclosure is received by any executive of the Company other than CAC/NO, the same should be forwarded to the CAC/NO, as applicable above for further appropriate action.

- 6.5 Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should be typed or written in a legible handwriting in English or Hindi & signed by the whistle blower.
- 6.6 The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The CAC/NO, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation. The disclosure without the above will not be processed.
- 6.7 The Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- 6.8 On making a "Protected Disclosure", if an employee resigns/retires, the Company may withhold final settlement of dues till completion of the investigation.
- 6.9 On submission of resignation/termination, an employee becomes ineligible for making a "Protected Disclosure".

#### **7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.**

- 7.1 All Protected Disclosures should be reported in writing by the complainant in a closed and secured envelope to the Chairman of the Audit Committee as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English.

#### **8. INVESTIGATION**

- 8.1 The Audit Committee will record and investigate the disclosures under this policy and may call for further information from the complainant. The CAC may at its discretion, consider involving any officer of the Company or other outside investigators for the purpose of investigation.
- 8.2 The CAC after examining the protected disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.3 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

#### **9. DECISION AND REPORTING**

- 9.1 If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Committee shall recommend to the management of the Company to take such disciplinary or corrective action as it may deem fit, after adhering to the applicable personnel and disciplinary procedures.

#### **10. INVESTIGATORS**

- 10.1 Investigators are required to conduct a search towards fact-finding and analysis. Investigators shall derive their authority and access rights from the CAC/NO when acting within the course and scope of their investigation.
- 10.2 Technical and other resources may be drawn upon as necessary to augment the investigation as determined fit by the Investigators. All Investigators shall be unbiased. Investigators have to be fair, objective, thorough, ethical and observe legal and professional standards.

#### **11. DECISION**

- 11.1 If an investigation leads the CAC/NO to conclude that an improper or unethical act has been committed, the CAC shall recommend to the management of the Company to take such disciplinary or corrective action as the CAC/NO may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the legal provisions.

#### **12. AMENDMENT**

- 12.1 The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and Directors unless the same is notified to them in writing.

#### **13. NOTIFICATION**

- 13.1 This Policy shall be communicated within the Company by putting it on the Company's website.

## 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	Non-Executive	-	-	-
Mr. M.L. Lahoti	Non-Executive*	GKW (Overseas Trading) Limited	-	-
Mr. N.K. Navalakha	Non-Executive*	-	-	-
Mr. P.S. Lodha	Non-Executive*	-	-	-
Ms. S. Basu De	Non-Executive*	Harrisons Malayalam Limited STEL Holdings Limited Pilani Investment and Industries Corporation Limited Gillanders Arbuthnot & Co Ltd. James Warren Tea Limited CESC Properties Ltd. Khaitan Consultants Ltd. Rainbow Investments Ltd. Murlidhar Ratanlal Exports Ltd.	-	3**

\*also independent

\*\*only audit Audit Committee and Stake Holders Relationship Committee Considered

#### Board, Annual General Meeting and Attendance

Board Meetings were held on 8th May'14, 13th August'14, 11th November'14 and 12th February'15. The Annual General Meeting was held on 13th August, 2014.

<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
Ms. S. Basu De (Appointed from 11th November, 2014)	4	2	NA

#### 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, 2015. 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 Clause 49(III) of the Listing Agreement with the Stock Exchange. The terms of reference also fully conform to the requirement of Section 177 of the Companies Act, 2013. Broadly the following terms are specified for the Audit Committee:

- 1) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 2) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 3) examination of the financial statement and the auditors' report thereon;
- 4) approval or any subsequent modification of transactions of the company with related parties;
- 5) scrutiny of inter-corporate loans and investments;
- 6) valuation of undertakings or assets of the company, wherever it is necessary;
- 7) evaluation of internal financial controls and risk management systems;
- 8) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 9) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- 10) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 11) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report.
- 12) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 15) Discussion with internal auditors any significant findings and follow up thereon.
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 17) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit.
- 18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

## GKW LIMITED

20) To safeguard against victimization of persons who use the vigil mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate exceptional circumstances.

### **Compositions, Name of Members and Chairperson**

Audit Committee meetings were held on 8th May'14, 13th August'14, 5th November'14, 11th November'14 and 12th February, 2015.

Member	Category	Meetings Held	Meetings Attended
Mr. M.L. Lahoti Chairman	Non Executive/ Independent	5	5
Mr. N.K. Navalakha	- do -	5	5
Mr. P. S. Lodha	-do -	5	5

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

### **5. Nomination and Remuneration Committee**

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

The Remuneration Committee met once on 6th May, 2014 with following members viz. Mr. M. L. Lahoti, Non-Executive/ Independent as Chairman, Mr. N.K. Navalakha, Non-Executive/Independent and Mr. P.S. Lodha as Non-Executive/ Independent during the year. The Nomination and Remuneration Committee as constituted met on 15th September, 2014, 5th November, 2014 and 31st March, 2015.

Member	Category	Meetings Held	Meetings Attended
Mr. M.L. Lahoti	Non Executive/ Independent as Chairman	3	3
Mr. N.K. Navalakha	Non Executive/ Independent	3	3
Mr. P. S. Lodha	-do-	3	3
Ms. S. Basu De (Appointed from 11th November, 2014)	-do-	3	1

The terms of reference of Nomination and Remuneration Committee are as follows:

The terms of reference of Nomination and Remuneration Committee have been broadly referred to under clause 49(IV) of the Revised Listing Agreement with the National Stock Exchange and Section 178 of the Companies Act, 2013. The board terms of reference of the Nomination and Remuneration Committee include recommending the policy relating to remuneration and employment relating to identification, appointment, tenure, evaluation, retirement and removal of Directors, Key Managerial personnel (KMP), Senior Managerial personnel and employees of the Company.

**Remuneration Policy:** The remuneration of non executive directors is decided by the Board within the limits set out in the Companies Act, 2013. The remuneration of executive directors is approved by the Nomination and Remuneration Committee, the Board of Directors and the Shareholders in the General Meeting. This is applicable to all directors, KMP, Senior Management Personnel and employees of the company with the defined matters dealt with by the Nomination and Remuneration Committee policy.

Details of Remuneration to Directors for the year ended 31st March 2015.

Sl. No.	Name	Salary	Commission	Perquisites/ Allowances, Others	Sitting fees	Total
		₹	₹	₹	₹	₹
1.	Mr. J.D. Curavala	5400000	—	1830000	—	7230000
2.	Mr. G. Srinivasan	—	—	—	42500	42500
3.	Mr. M.L. Lahoti	—	—	—	165000	165000
4.	Mr. N.K. Navalakha	—	—	—	165000	165000
5.	Mr. P.S. Lodha	—	—	—	165000	165000
6.	Ms. S. Basu De (appointed from 11th November, 2014)	—	—	—	40000	40000

**6. Service Contracts, Severance Fees and Notice Period**

Period of contract of Managing Director : 1 year from 11-08-2014. 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, 2013.

**7. Transfer Committee**

The Transfer Committee of the Company approves transfer and transmission, duplicate, sub-division, consolidation, replacement, rematerialization and other matters related to shares. The following are the members of the Committee:

1. Mr. J.D. Curravala
2. Mr. N. K. Navalakha - Chairman
3. Mr. M. L. Lahoti
4. Mr. P. S. Lodha
5. Ms. S. Basu De (w.e.f. 11th November, 2014)

The Committee is headed by Mr. N. K. Navalakha and Mr. J.N. Ghosh, Company Secretary is the Compliance Officer. The Committee met on 8th May'14, 13th August'14, 10th November'14 and 11th February, 2015.

Member	Category	Meetings Held	Meetings Attended
Mr. J.D. Curravala	Managing Director/ Executive	4	-
Mr. N.K. Navalakha – Chairman	Non Executive/ Independent	4	4
Mr. M.L. Lahoti	4	4	4
Mr. P. S. Lodha	4	4	4
Ms. S. Basu De (w.e.f. 11th November, 2014)	- do -	4	1

**8. Stakeholders' Relationship Committee**

The Committee has been constituted during the year. The Committee deals with complaints regarding transfer of shares, non receipt of balance sheet, etc., and other matters of all stakeholders. The following are the Members of the Committee:

1. Mr. M. L. Lahoti - Chairman
2. Mr. N. K. Navalakha
3. Mr. P. S. Lodha
4. Ms. S. Basu De (w.e.f. 11th November, 2014)

Mr. J.N. Ghosh, Company Secretary is the Compliance Officer.

The Committee met twice on 13th August, 2014 and 10th November, 2014.

Member	Category	Meetings Held	Meetings Attended
Mr. M.L. Lahoti Chairman	Non Executive/ Independent	2	2
Mr. N.K. Navalakha	- do -	2	2
Mr. P. S. Lodha	- do -	2	2
Ms. S. Basu De (w.e.f. 11th November, 2014)	- do -	2	1

There was no shareholder's complaint at the end of the year. The number of complaints received were 3 and resolved.

**9. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was constituted on 8th May, 2014 with the following members :

1. Mr. J. D. Curravala - Chairman
2. Mr. M. L. Lahoti
3. Mr. N. K. Navalakha
4. Mr. P. S. Lodha

The Corporate Social Responsibility Committee met once on 31st March, 2015.

Member	Category	Meetings Held	Meetings Attended
Mr. J.D. Curravala	Chairman/ Executive	1	-
Mr. M.L. Lahoti	Non Executive/ Independent	1	1
Mr. N.K. Navalakha	- do -	1	1
Mr. P. S. Lodha	- do -	1	1

**10. Risk Management Committee**

The Risk Management Committee was constituted on 11th November, 2014 with the following members :

1. Mr. J. D. Curravala - Chairman
2. Mr. M. L. Lahoti
3. Mr. N. K. Navalakha
4. Mr. P. S. Lodha

**11. 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, 2014	13th August, 2014	Kala Kunj, Kolkata	11.00 a.m.
31st March, 2013	7th August, 2013	Kala Kunj, Kolkata	11.00 a.m.
31st March, 2012	1st August, 2012	Kala Kunj, Kolkata	11.00 a.m.

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

- i) At the Eighty second Annual General Meeting held on 1st August, 2012.
  - Re-appointment of Managing Director for a period of one year from 11th August 2011 and also from 11th August, 2012 respectively.
  - Re-appointment and revision of remuneration of Wholetime Director for a period of one year from 13th September, 2011 and also from 13th September, 2012 respectively.
- ii) At the Eightythird Annual General Meeting held on 7th August, 2013.
  - Re-appointment of Managing Director for a period of one year from 11th August, 2013.
- iii) At the Eightyfourth Annual General Meeting held on 13th August, 2014.
  - Revision of remuneration of Managing Director from 1st April, 2014 to 10th August, 2014.
  - Re-appointment of Managing Director for a period of one year from 11th August, 2014.

**12. Disclosures**

- i) Disclosures on materially significant related party transactions of the Company with its promoters, directors, management, 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. 29 of financial statements. 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 Exchange, 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) Whistle Blower mechanism is in place. No personnel has been denied access to the Audit Committee.
- iv) Details of compliance with mandatory requirements and adoption of non mandatory requirements.
- v) All mandatory requirements with respect to Corporate Governance have been duly complied with.
- vi) Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are reviewed by the Board from time to time.
- vii) The quarterly Reconciliation of Share Capital has been done as per mandatory requirement of the Stock Exchange.

**13. 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 sixty days 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	:	Business Standard (English newspaper – Kolkata & Mumbai) Aajkal (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

#### **14. General Shareholders Information**

AGM:	<u>Date</u> 12th August, 2015	<u>Time</u> 11.00 a.m.	<u>Venue</u> Kala Kunj
Financial Calendar (tentative) 2015-2016			
i) Financial Year	:	April-March	
ii) First Quarter Results	:	August, 2015	
iii) Second Quarter Results	:	November 2015	
iv) Third Quarter Results	:	February 2016	
v) Audited results for the year ending 31st March, 2016	:	May, 2016	
Date of Book Closure	:	3rd August, 2015 to 12th August, 2015 (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 &amp; 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 2015-2016.

#### **15. Unclaimed Shares**

The Company has transferred 41975 Unclaimed Ordinary Shares held by 5940 Shareholders, to GKW Limited - Unclaimed Suspense Account with AXIS Bank Ltd., 7, Shakespeare Sarani, Kolkata 700 071 being Depository Participant in compliance with the requirement of Clause 5A(h) of the Listing Agreement. The above shares were demated by the aforesaid Bank.

The following is the position of –

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year : No of Shareholders : 5929 and No of outstanding Shares : 41863.
- Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year : 23.
- Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year : 23
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year : No of Shareholders : 5906 and no of outstanding Shares : 40146

## GKW LIMITED

### 16. Stock Market Data

Stock Market Price for the year	N S E		NSE NIFTY	
	High(₹)	Low(₹)	High(₹)	Low(₹)
April 2014	417.00	389.00	6869.85	6650.40
May 2014	427.90	381.10	7563.50	6638.55
June 2014	439.50	389.10	7700.05	7239.50
July 2014	446.10	400.00	7840.95	7422.15
August 2014	481.00	392.00	7968.25	7540.10
September 2014	500.00	407.05	8180.20	7841.80
October 2014	500.00	345.00	8330.75	7723.85
November 2014	494.90	401.00	8617.00	8290.25
December 2014	560.00	417.00	8626.95	7961.35
January 2015	1237.00	520.45	8996.60	8065.45
February 2015	914.50	660.00	8941.10	8470.50
March 2015	712.00	442.00	9119.20	8260.15

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 15 days of lodgment thereof, if the documents are clear in all respects.

### 17. Distribution of shareholding

Distribution of shareholding as on 31.03.2015

No. of Shares held	No. of Share holders	%	No. of Shares	%
1 to 500	27339	99.56	290261	4.87
501 to 1000	51	0.19	39969	0.67
1001 to 2000	28	0.10	42003	0.70
2001 to 3000	15	0.05	39824	0.67
3001 to 4000	6	0.02	20375	0.34
4001 to 5000	4	0.02	18038	0.30
5001 to 10000	4	0.02	33375	0.56
10001 & above	12	0.04	5482655	91.89
<b>TOTAL</b>	<b>27459</b>	<b>100.00</b>	<b>5966500</b>	<b>100.00</b>

**18. Shareholding Pattern**

Shareholding Pattern as on 31.03.2015

Category	No. of Shares Held	% of share- holding of issued share capital
<b>I PROMOTERS HOLDING</b>		
Promoters – a. Indian Promoters	3580375	60.01
b. Foreign Promoters	894500	14.99
Sub Total	4474875	75.00
<b>II NON PROMOTERS HOLDING</b>		
<b>Institutional Investors</b>		
a. Mutual Fund & Unit Trust of India	2931	0.05
b. Banks, Financial Institutions & Insurance Companies, (Central/State Govt. Institution/Non Govt. Institution)	112588	1.89
c. Foreign Institutional Investors	1489	0.02
d. Others	8	0.00
Sub Total	117016	1.96
<b>III Others -</b>		
a. Private Corporate Bodies/Trust	881323	14.77
b. Indian Public	448023	7.51
c. NRIS/OCBs/Foreign Nationals	3941	0.07
d. Any other (specify) Clearing members	1176	0.02
e. Unclaimed Suspense Account	40146	0.67
Sub Total	1374609	23.04
<b>GRAND TOTAL</b>	<b>5966500</b>	<b>100.00</b>
<b>NOTE: TOTAL FOREIGN SHARE HOLDING</b>	<b>No. of Shares</b>	<b>% of Share Holding</b>
Foreign Holding (Non – Resident)	894500	14.99
NRIS/OCBS/Foreign Nationals	3941	0.07
FII	1489	0.02
<b>TOTAL</b>	<b>899930</b>	<b>15.08</b>

**19. Dematerialisation of shares and liquidity.**

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the depositories NSDL and CDSL.

As on 31.03.2015, a total of Ordinary shares 5829099 of the Company which forms 97.70% 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 Location**

1. Metal Pressings Division  
Village – Pimpri Jagtap,  
Taluq - Jagtap  
District - Shirur,  
Pune 412 208

## **GKW LIMITED**

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### **Other Locations**

1. 97 Andul Road  
Howrah 711103  
West Bengal
2. Lal Bahadur Shastri Marg  
Bhandup  
Mumbai 400 078  
Maharashtra

Address for Correspondence

GKW Limited  
'Central Plaza', 2/6, Sarat Bose Road  
Office Space No.: 406, 4th Floor,  
Kolkata - 700 020

### **20. Compliance of non mandatory requirement**

- 1) Entitlement of a Non Executive Chairman to maintain a Chairman office at the expense of the Company - Not applicable
- 2) Shareholder Rights –The Company publishes the quarterly results in the News papers in accordance with the requirements of the listing agreement. However, for the present, half-yearly declaration of financial performance including summary of the significant events in last six months are not sent to each household of shareholder.
- 3) Audit qualifications – The audit report on the financial statements of the Company for the year has no qualifications.
- 4) The Company has not yet adopted any policy for separate persons to the post of Chairman and Managing Director.
- 5) The Internal Auditor reports directly to the Audit Committee.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

For and on behalf of the Board

Kolkata,  
13th May, 2015

J D Curavala  
*Managing Director*

G.Srinivasan  
*Director*

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**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, 2015 affirmed their compliance of the Code of Conduct of the Company dated 9th March, 2015.

Kolkata,  
13th May, 2015

J D Curravala  
*Managing Director*  
GKW Limited

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**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE****To the Members of  
GKW Limited**

1. We have examined the compliance of conditions of Corporate Governance by GKW Limited ('the company'), for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the company's 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 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 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 respects 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 the 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

Place: Kolkata  
Dated: 13th May, 2015

R P Singh  
*Partner*  
Membership No. 52438

**GKW LIMITED****BALANCE SHEET**

AS AT 31ST MARCH, 2015

Particulars	Note No.	₹ in Lakhs	
		As at <u>31.03.15</u>	As at <u>31.03.14</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	2	596.65	596.65
(b) Reserves and Surplus	3	8464.28	8453.11
Total ( a+b)		<u>9060.93</u>	<u>9049.76</u>
<b>Non - current liabilities</b>			
(a) Deferred tax liabilities (net)	4	49.03	46.53
(b) Other Long - term liabilities	5	194.88	92.08
(c ) Long - term provisions	6	21.59	25.57
Total ( a+b+c)		<u>265.50</u>	<u>164.18</u>
<b>Current liabilities</b>			
(a) Trade payables	7	35.69	114.57
(b) Other current liabilities	8	681.86	696.40
(c ) Short - term provisions	9	194.92	151.77
Total ( a+b+c)		<u>912.47</u>	<u>962.74</u>
<b>TOTAL</b>		<u>10238.90</u>	<u>10176.68</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
- Tangible Assets	10	573.49	663.12
- Intangible assets		4.60	4.97
- Capital Work-in-progress		73.13	-
(b) Non-current investments	11	1403.71	1403.71
(c ) Long -term loans and advances	12	1333.51	1370.80
(d) Other non-current assets	13	1921.13	1375.68
Total ( a+b+c+d)		<u>5309.57</u>	<u>4818.28</u>
<b>Current Assets</b>			
(a) Current investments	14	1647.93	1076.48
(b) Inventories	15	69.13	80.90
(c ) Trade receivables	16	201.02	128.18
(d) Cash and bank balances	17	2909.25	3895.36
(e) Short -term loans and advances	18	41.63	69.62
(f) Other current assets	19	60.37	107.86
Total ( a+b+c+d+e+f)		<u>4929.33</u>	<u>5358.40</u>
<b>TOTAL</b>		<u>10238.90</u>	<u>10176.68</u>
Significant Accounting Policies	1		
Notes to Financial Statements	2-34		

The notes referred to above form an integral part of the Financial Statements

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

On behalf of the Board

J D Curavala  
Managing DirectorG Srinivasan  
DirectorJ N Ghosh  
Company SecretaryA Chakrabarti  
Chief Financial OfficerKolkata  
13th May , 2015R.P.Singh  
Partner  
for and on behalf of  
LODHA & Co .  
Chartered Accountants

**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

Particulars	Note No.	Year ended	
		31st March, 2015	31st March, 2014
Revenue from operations :	20		
Sale of Products ( Gross )		871.29	903.16
Sale of Services ( Net of service tax )		395.57	389.36
Other operating Revenue ( Gross )		403.77	553.19
Less : Excise Duty		<u>128.05</u>	<u>139.23</u>
Other income	21	789.47	695.47
<b>TOTAL REVENUE</b>		<u>2332.05</u>	<u>2401.95</u>
<b>EXPENSES:</b>			
Cost of materials consumed	22	881.87	953.68
Changes in inventories of finished goods, work in progress and stock in trade	23	14.89	(23.22)
Employee benefits expense	24	511.84	209.10
Depreciation and amortization expense	10	28.70	81.42
Other Expenses	25	726.81	748.08
<b>TOTAL EXPENSES</b>		<u>2164.11</u>	<u>1969.06</u>
<b>PROFIT BEFORE TAX</b>		167.94	432.89
<b>TAX EXPENSES:</b>			
- Current tax		(7.92)	(107.90)
- Tax for earlier year		<u>(5.43)</u>	—
- Deferred tax credit/(charge)		<u>(48.23)</u>	45.39
<b>Profit/(loss) for the period from continuing operations</b>		<u>106.36</u>	<u>370.38</u>
Profit/(loss) from discontinuing operations		—	0.42
Tax expenses from discontinuing operations		—	—
<b>Profit/(loss) from discontinuing operations after tax</b>	33	—	0.42
<b>PROFIT FOR THE YEAR</b>		<u>106.36</u>	<u>370.80</u>
Earnings per equity share ( Note 31)			
- Basic & Diluted ( from Continuing operation )		1.78	6.21
- Basic & Diluted		1.78	6.21
Significant Accounting Policies	1		
Notes to Financial Statements	2-34		

The notes referred to above form an integral part of the Financial Statements

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

On behalf of the Board

J D Curavala  
*Managing Director*

G Srinivasan  
*Director*

J N Ghosh  
*Company Secretary*

A Chakrabarti  
*Chief Financial Officer*

R.P.Singh  
*Partner*

Kolkata  
13th May, 2015

for and on behalf of  
LODHA & Co.  
Chartered Accountants

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

₹ in Lakhs

	<b>For the year ended 31st March, 2015</b>	For the year ended 31st March, 2014
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) before taxation	<b>167.94</b>	433.31
Adjustments for:		
Depreciation - Fixed Assets	<b>28.70</b>	81.65
Provision for diminution in value of Current investments	<b>(51.49)</b>	23.94
(Profit) / Loss on disposal of fixed assets ( net )	-	(43.45)
(Profit) / Loss on sale of Current investment (net)	<b>(24.34)</b>	-
Dividend and Income on investment	<b>(74.26)</b>	(95.13)
Interest income	<b>(512.69)</b>	(525.89)
Provision for doubtful debts and advances	<b>2.65</b>	55.96
Doubtful debts and advances written off	<b>(65.24)</b>	16.47
Provision for doubtful advances no longer required written back	<b>(55.96)</b>	(4.90)
Liability no longer required written back	<b><u>(82.93)</u></b>	<u>(37.96)</u>
	<b><u>(835.56)</u></b>	<u>(529.31)</u>
Operating Profit/(Loss) before Working Capital changes	<b>(667.62)</b>	(96.00)
Adjustments for:		
Trade and Other receivables	<b>199.66</b>	(46.74)
Inventories	<b>11.77</b>	47.72
Trade Payables	<b><u>131.46</u></b>	<u>(72.76)</u>
Cash generation from operation	<b>(324.73)</b>	(167.78)
Direct taxes (paid)/refund (net)	<b><u>(102.01)</u></b>	<u>(99.46)</u>
Net Cash inflow/ (outflow) from operating activities	<b>(426.74)</b>	(267.24)
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	<b>(79.61)</b>	(134.20)
Purchase of investment	<b>(700.00)</b>	(23.57)
Capital WIP	<b>(73.13)</b>	-
Sale of Fixed Assets	-	53.97
Sale of investment	<b>204.38</b>	-
Bank deposits with maturity more than 3 months	<b>551.25</b>	(1,171.95)
Dividend and Income on investment	<b>74.26</b>	95.13
Interest income	<b><u>560.18</u></b>	<u>523.84</u>
Net cash inflow/(outflow) from investing activity	<b>537.33</b>	(656.78)

## CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT)

₹ in Lakhs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>C. Cash Flow from Financing activities</b>		
Net cash flow from financing activities	-	-
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)	<u>110.59</u>	<u>(924.02)</u>
<b>Opening Cash and Cash Equivalents as on 01.04.14</b>	<u>875.55</u>	<u>1799.57</u>
<b>Closing Cash and Cash Equivalents as on 31.03.15</b>	<u>986.14</u>	<u>875.55</u>
Cash flow from discontinued operations included above	<u>-</u>	<u>0.65</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 bank amounting to ₹ 835.00 lakhs ( 2013-14 - ₹ 693.99 Lakhs ) 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  
Company Secretary

A. Chakrabarti  
Chief Financial Officer

Kolkata  
13th May, 2015

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

14, Government East Place  
Kolkata  
13th May, 2015

R.P.Singh  
Partner  
for and on behalf of  
LODHA & Co .  
Chartered Accountants

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015****1 SIGNIFICANT ACCOUNTING POLICIES****(i) a) ACCOUNTING CONVENTION & REVENUE RECOGNITION**

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013 and Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 .

(c) Depreciation has been provided on straight line method based on useful life specified in Schedule II of the Companies Act, 2013 after retaining residual value of 5% of the Original cost of the assets.

(d) 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) 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### (vi) SALES

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

### (vii) LEASE

Rental income in respect of properties given on operating lease for warehousing purpose is accounted for on fixed monthly basis as per agreement. Initial direct revenue cost is recognised as expenses in the Statement of Profit and Loss.

### (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 are not recognised unless there is sufficient assurance with respect to reversal thereof in future years.

		<i>₹ in Lakhs</i>	
		<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>2</b>	<b>SHARE CAPITAL</b>		
	Authorised :		
	49250000 Cumulative redeemable Preference shares of ₹ 10/- each	<b>4925.00</b>	4925.00
	59665008 Ordinary shares of ₹ 10/- each	<b>5966.50</b>	5966.50
		<b><u>10891.50</u></b>	<u>10891.50</u>
<b>2.1</b>	Issued, Subscribed and Paid-up :		
	3669653 Ordinary shares of ₹ 10/- each fully paid up at par in cash	<b>366.97</b>	366.97
	659749 Ordinary shares for consideration other than cash pursuant to contracts / scheme of arrangements.	<b>65.97</b>	65.97
	1637098 Bonus shares by way of capitalisation of reserves and share premium	<b>163.71</b>	163.71
		<b><u>596.65</u></b>	<u>596.65</u>

### 2.2 Shareholders holding Ordinary shares in the company for more than 5% :

<b>Name of Shareholder</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
Matrix Commercial Pvt Ltd (Holding Company)	<b>3580375</b> <b>(60.01%)</b>	2,759,599 (46.25%)
Kiwi Investments Ltd	<b>894,500</b> <b>(14.99%)</b>	894,500 (14.99%)
Bellona Finvest Ltd	<b>524534</b> <b>(8.79%)</b>	524534 (8.79%)
Rosemary Commercial Pvt Ltd	-	820,776 (13.76%)

### 2.3 Terms and Rights attached to Ordinary shares :

The Company has one class of Ordinary shares having par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held and dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the Ordinary shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company in proportion to their shareholding.

**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

	<b>As at 31.03.15</b>	<i>₹ in Lakhs</i>	<b>As at 31.03.14</b>
<b>3 RESERVES AND SURPLUS</b>			
General Reserve			
At the beginning of the year	<b>6300.00</b>		6000.00
Add: Transfer from Surplus	<b><u>50.00</u></b>		<u>300.00</u>
	<b>6,350.00</b>		6300.00
Surplus			
At the beginning of the year	<b>2153.11</b>		2082.31
Less : Adjustment on account of depreciation as per Schedule II of Companies Act, 2013 ( Note 32)			
(net off deferred tax liability - ₹ 45.72 Lakhs)	<b>(95.19)</b>		-
Add: Transferred from Statement of Profit and Loss	<b>106.36</b>		370.80
Appropriations :			
- Transfer to General Reserve	<b><u>(50.00)</u></b>		<u>(300.00)</u>
	<b><u>2114.28</u></b>		2153.11
	<b><u>8464.28</u></b>		<u>8453.11</u>
<b>4 DEFERRED TAX LIABILITIES ( NET )</b>			
Deferred Tax Liabilities :			
Depreciation	<b>142.02</b>		140.67
Less : Adjustment on account of depreciation as per Schedule II of Companies Act, 2013 ( Note 32)	<b>(45.72)</b>		-
Less : Deferred Tax Assets :			
Provision for assets	<b>1.85</b>		35.95
Expenses allowed on payment basis	<b><u>45.42</u></b>		<u>58.19</u>
	<b><u>49.03</u></b>		<u>46.53</u>
<b>5 OTHER LONG-TERM LIABILITIES</b>			
Security Deposit received from dealers, lessee etc	<b><u>194.88</u></b>		<u>92.08</u>
<b>6 LONG-TERM PROVISIONS</b>			
Provision for employee benefits	<b><u>21.59</u></b>		<u>25.57</u>
<b>7 Trade Payables</b>			
Trade payable for goods and services	<b><u>35.69</u></b>		<u>114.57</u>
(a) To the extent information available, the Company does not have any amount payable to vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006.			
<b>8 OTHER CURRENT LIABILITIES</b>			
Security Deposits / Advance from customers	<b>6.75</b>		41.97
Capital Vendor	<b>23.24</b>		23.29
Claims payable	<b>371.22</b>		360.45
Employee benefits payable	<b>126.20</b>		128.69
Dues payable to Government authorities	<b>21.74</b>		35.91
Liability for expenses	<b>67.62</b>		47.29
Liability for fractional share payment ( Note 17 )	<b>58.11</b>		58.15
Others	<b>6.98</b>		0.65
	<b><u>681.86</u></b>		<u>696.40</u>

(a) Advance from customers include ₹ 5.08 lakhs ( 2013-14 - ₹ 0.53 Lakh) received as advance against scrap and other sales.

(b) Claims payable relate to provision against demands in respect of rented premises and annual guaranteed minimum consumption of power.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<b>As at 31.03.15</b>	As at 31.03.14
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	<b>194.92</b>	151.77

**10 FIXED ASSETS****10.1 Reconciliation of gross and net carrying of each class of assets**

₹ in Lakhs

Description	GROSS BLOCK - AT COST			DEPRECIATION				NET BLOCK		
	As at 1st April 2014	Withdrawals/ Transfer/ Adjustment	As at 31st March 2015	As at 1st April, 2014	Recognised in Statement of Profit & loss	Transferred to Retained Earnings (Note 1)	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>(i) Tangible assets</b>										
Land (including Leasehold Land)	87.00	-	87.00	4.10	0.11	-	-	4.21	82.79	82.90
Buildings	1042.89	66.94	1109.83	686.45	16.64	18.63	-	721.72	388.11	356.44
Plant & Machinery:	1259.85	-	1259.85	1069.72	2.56	117.94	-	1190.22	69.63	190.13
Motor Vehicles	26.94	-	26.94	17.83	2.43	0.08	-	20.34	6.60	9.11
Furniture and Fittings	5.14	6.37	11.51	1.34	1.19	-	-	2.53	8.98	3.80
Railway Sidings	0.34	-	0.34	0.33	-	-	-	0.33	0.01	0.01
Office Equipment	6.93	0.20	7.13	2.16	1.06	2.23	-	5.45	1.68	4.77
Computers and data processing units	16.92	-	16.92	11.39	2.17	2.03	-	15.59	1.33	5.53
Electrical Installations and Equipment	10.63	5.48	16.11	0.20	1.55	-	-	1.75	14.36	10.43
<b>Total Tangible assets</b>	<u>2456.64</u>	<u>78.99</u>	<u>2535.63</u>	<u>1793.52</u>	<u>27.71</u>	<u>140.91</u>	<u>-</u>	<u>1962.13</u>	<u>573.49</u>	<u>663.12</u>
<b>Previous year</b>	<u>2426.70</u>	<u>134.20</u>	<u>2456.64</u>	<u>1806.80</u>	<u>80.46</u>	<u>-</u>	<u>93.74</u>	<u>1793.52</u>	<u>663.12</u>	<u>-</u>
<b>(ii) Intangible assets</b>										
Computer software acquired	7.35	0.62	7.97	2.38	0.99	-	-	3.37	4.60	4.97
<b>Total Intangible assets</b>	<u>7.35</u>	<u>0.62</u>	<u>7.97</u>	<u>2.38</u>	<u>0.99</u>	<u>-</u>	<u>-</u>	<u>3.37</u>	<u>4.60</u>	<u>4.97</u>
<b>Previous year</b>	<u>7.35</u>	<u>-</u>	<u>7.35</u>	<u>1.19</u>	<u>1.19</u>	<u>-</u>	<u>-</u>	<u>2.38</u>	<u>4.97</u>	<u>-</u>
<b>Grand Total</b>	<u>2463.99</u>	<u>79.61</u>	<u>2543.60</u>	<u>1795.90</u>	<u>28.70</u>	<u>140.91</u>	<u>-</u>	<u>1965.51</u>	<u>578.09</u>	<u>668.09</u>
<b>Previous year</b>	<u>2434.05</u>	<u>134.20</u>	<u>2463.99</u>	<u>1807.99</u>	<u>81.65</u>	<u>-</u>	<u>93.74</u>	<u>1795.90</u>	<u>668.09</u>	<u>-</u>

**Note 1 :**

Depreciation for the year includes ₹140.91 Lakhs being the carrying amount of the assets whose useful life has already expired as on 1st April, 2014 and the same has been adjusted against retained earnings ( Note 32 )

The above amount include assets given on operating lease as under; (Note 30)

Land - cost ₹ 20.06 lakhs (2013-14 - ₹ 20.06 Lakhs), depreciation - Nil (2013-14 - Nil ) and accumulated depreciation - Nil (2013-14 - Nil)

Buildings - cost ₹ 170.46 Lakhs (2013-14 - ₹ 103.51 lakhs), depreciation - ₹ 5.41 Lakhs (2013-14 ₹ 0.39 Lakh) and accumulated depreciation - ₹ 5.80 Lakhs (2013-14 - ₹ 0.39 Lakh)

Electrical Installation and Equipment - cost ₹ 16.11 lakhs (2013-14 - ₹ 10.63 lakhs), depreciation - ₹ 1.54 lakhs (2013-14 - ₹ 0.19 lakh) and accumulated depreciation ₹ 1.73 lakhs (2013-14 - ₹ 0.19 lakh)

**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>11 NON-CURRENT INVESTMENTS</b>		
<b>Long Term ( At cost less provision )</b>		
Investments in Equity Instruments :		
Quoted		
IDBI Bank Ltd		
10720 shares of ₹10 each- fully paid at cost	8.71	8.71
Graphite India Limited		
2000000 shares of ₹ 2 each- fully paid at cost	1390.00	1390.00
Investments in Equity Instrument in Subsidiary Company		
Unquoted		
GKW (Overseas Trading) Limited -		
50000 Ordinary shares of ₹10 each- fully paid, at cost	5.00	5.00
	<u>1403.71</u>	<u>1403.71</u>
Aggregate book value of quoted investments	1398.71	1398.71
Market value of quoted investments	1666.58	1788.00
Aggregate book value of unquoted investments	5.00	5.00
<b>12 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured :		
– Considered good :		
– Capital Advances	0.94	2.61
– Security Deposits	26.42	27.51
– Other Loans and advances :		
– Balances with Government authorities	7.02	14.97
– Loan to Employee	-	2.36
– Prepaid Expenses	-	0.21
– Pension Fund	135.71	260.17
– Gratuity Fund	37.09	25.30
– MAT Credit Entitlement	896.97	910.32
– Advance payment of Income tax (net of provisions)	229.36	127.35
– Considered Doubtful :		
– Balances with Government authorities	-	55.96
	<u>1333.51</u>	<u>1426.76</u>
Less : Provision for bad and doubtful loans and advances	-	55.96
	<u>1333.51</u>	<u>1370.80</u>
<b>13 OTHER NON-CURRENT ASSETS</b>		
Unsecured - Considered good :		
Deposits with Bank with more than 12 months' maturity	1921.13	1375.68

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>14 CURRENT INVESTMENTS</b>		
<i>( At lower of Cost and market value )</i>		
Investments in Government or trust securities :		
Quoted		
12 Bonds of ₹ 1000000/- each of 8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost	<b>120.00</b>	120.00
40 Bonds of ₹ 1000000/- each of 9.05% IDBI Bond, 2020 fully paid at cost	<b>407.20</b>	407.20
10 Bonds of ₹ 1000000/- each of 8.85% PFC Bond, 2030 fully paid at cost	<b>100.14</b>	100.14
10 Bonds of ₹ 1000000/- each of 9.65% YES Bond, 2020 fully paid at cost	<b>100.38</b>	100.38
10 Bonds of ₹ 1000000/- each of 8.90% HDFC Bond, 2020 fully paid at cost	<b>100.00</b>	100.00
Investments in Mutual Funds:		
Quoted		
78521.671 units of ₹ 10/- each of TATA Equity P/E Fund Div Trigger Option A ( 5 percentage )	<b>30.04</b>	30.04
Less: Sold during the year	<b><u>(30.04)</u></b>	
2735650 units of Rs 10/- each of ICICI - Prudential FMP series 73-366 Days Plan A Regular Plan - Cumulative	-	-
1000000 units of Rs 10/- each of SBI DEBT FUND SERIES "A" 17 - 366 days REGULAR (Growth)	<b>273.57</b>	273.57
1400000 units of Rs 10/- each of ICICI Prudential FMP Series 74-368 days Plan J	<b>100.00</b>	-
501556.497 units of Rs 10/- each of HDFC MIP - Long Term - Growth	<b>140.00</b>	-
Less : Sold during the year	<b><u>(150.00)</u></b>	-
1251973.959 units of Rs 10/- each of IDFC Arbitrage Fund Plus - Plan A ( Regular ) - Dividend	<b>150.00</b>	-
502467.114 units of Rs 10/- each of Kotak Equity Arbitrage Fund - Growth	<b>100.00</b>	-
511352.015 units of Rs 10/- each of Kotak Equity Arbitrage Fund - Dividend	<b>55.00</b>	-
46478.336 units of Rs 10/- each of Kotak Equity Arbitrage Fund - Dividend	<b>5.00</b>	-
Less : Provision for diminution in value of investments	<b>(3.36)</b>	(54.85)
	<b><u>1647.93</u></b>	<u>1076.48</u>
Aggregate book value of quoted investments	<b>1647.93</b>	1076.48
Market value of quoted investments	<b>1710.07</b>	1080.31

**15 INVENTORIES**

At or under cost (being cost or net realisable value whichever is lower)

Raw materials	<b>30.86</b>	27.78
Work in progress	<b>9.75</b>	11.82
Finished products	<b>23.38</b>	38.48
Assets held for disposal	-	0.14
Stores and spare parts	<b>2.72</b>	2.68
Product Scrap	<b>2.42</b>	-
	<b><u>69.13</u></b>	<u>80.90</u>

**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<b>As at 31.03.15</b>	As at 31.03.14
<b>16 TRADE RECEIVABLES</b>		
Other debts		
Unsecured - Considered good	201.02	128.18
Unsecured - Considered Doubtful	<u>2.65</u>	-
	203.67	128.18
Less : Provision for doubtful debts	<u>(2.65)</u>	-
	<u>201.02</u>	<u>128.18</u>
<b>17 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents:		
Cash on hand	1.87	8.09
Cheques on hand	47.35	0.33
Balances with Banks :		
– in current accounts	101.92	173.14
– in deposit account (with maturity of less than 3 months)	<u>835.00</u>	693.99
	986.14	875.55
Other Bank Balances:		
– in deposit account (with maturity of less than 12 months)	1865.00	2961.66
– in fractional share payment accounts @	<u>58.11</u>	58.15
	<u>2909.25</u>	<u>3895.36</u>
@ Earmarked for Fractional share payment ( Note 8)		
<b>18 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured		
– Considered good :		
– Security Deposits	-	0.78
– Other Loans and advances :		
– Balances with Government authorities	13.84	26.65
– Loan to Employee *	2.36	3.54
– Advance to Subsidiary Company ( Note 29)	-	0.08
– Advance to staff	0.43	2.18
– Advance to suppliers	4.26	14.89
– Recoverable claims	20.01	20.33
– Prepaid Expenses	<u>0.73</u>	1.17
	<u>41.63</u>	<u>69.62</u>
* Amount due from an employee of the Company ( outstanding ₹ 2.36 Lakhs ( 2013-14 - ₹ 5.90 Lakhs), maximum outstanding - ₹ 2.36 Lakhs ( 2013-14 - ₹ 3.54 Lakhs )		
<b>19 OTHER CURRENT ASSETS</b>		
Unsecured - Considered good :		
Interest receivables	<u>60.37</u>	<u>107.86</u>
	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>20 REVENUE FROM OPERATIONS</b>		
(a) Sale of products		
Mild steel pressed components	871.29	903.16
Less : Excise duty	<u>92.95</u>	96.97
Net sales	<u>778.34</u>	<u>806.19</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>(b) Sale of services</b>		
Conversion charges recovered	0.10	0.10
Income from Warehousing facilities		
Lease Rental	443.89	160.78
Less : Service tax	48.42	17.52
Net Lease Rental	395.47	143.26
Income from Business services Centre	-	276.41
Less : Service tax	-	30.41
Net Service income	-	246.00
	<u>395.57</u>	<u>389.36</u>
<b>(c) Other operating revenues</b>		
Sale of assets held for Disposal	119.05	193.96
Product Scrap	284.72	359.23
	403.77	553.19
Less : Excise duty	35.10	42.26
	<u>368.67</u>	<u>510.93</u>
	<u>1542.58</u>	<u>1706.48</u>

**21 OTHER INCOME**

Interest Income		
- On Loans and Deposits	0.93	0.93
- On Fixed Deposits	438.08	451.28
- On Current investment	73.68	73.68
Dividend Income		
- On Current investment	4.26	25.13
- On Non- Current investment	70.00	70.00
Provision for diminution in value of Current investments written back	52.45	-
Net profit on sale of fixed assets	-	3.25
Net Profit on disposal of Current investments	24.34	-
Miscellaneous Income	125.73	71.20
	<u>789.47</u>	<u>695.47</u>

Miscellaneous Income includes Profit on sale of scrap materials - Rs 32.94 Lakhs (2013-14 - Rs 28.70 Lakhs), liabilities no longer required - Rs 82.93 Lakhs ( 2013-14 - Rs 37.96 Lakhs).

**22 COST OF MATERIALS CONSUMED**

Steel Sheets	<u>881.87</u>	<u>953.68</u>
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**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stocks :		
Finished products	38.48	14.80
Work in progress (including scrap)	11.82	8.89
Assets held for disposal	0.14	3.53
	<u>50.44</u>	<u>27.22</u>
Closing Stocks :		
Finished products	23.38	38.48
Work in progress (including scrap)	9.75	11.82
Product scrap	2.42	-
Assets held for disposal	-	0.14
	<u>35.55</u>	<u>50.44</u>
(Increase)/decrease (including shortages, provisions & write off etc)	<u>14.89</u>	<u>(23.22)</u>
<b>Details of inventory :</b>		
<b>Finished products:</b>		
Mild Steel pressed components	<u>23.38</u>	<u>38.48</u>
	<u>23.38</u>	<u>38.48</u>
<b>Work-in-progress:</b>		
Mild Steel pressed components	9.75	11.82
Product scrap	<u>2.42</u>	<u>-</u>
	<u>12.17</u>	<u>11.82</u>
<b>24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	285.00	244.54
Contribution to provident and other funds ( net ) ( Note 27(b) )	196.15	(62.59)
Staff welfare expenses	<u>30.69</u>	<u>27.15</u>
	<u>511.84</u>	<u>209.10</u>
<b>25 OTHER EXPENSES</b>		
Consumption of stores and spares	4.08	15.33
Power and Fuel	58.87	55.05
Repairs to Buildings	25.78	8.57
Repairs to Machinery	3.49	11.13
Repairs to Others	19.26	19.51
Directors' sitting fees	5.78	3.00
Insurance	6.54	7.61
Rent	61.37	82.29
Rates and taxes	91.97	70.93
Printing and stationery	7.17	5.90
Postage, telephone and telex	27.30	19.77
Data processing expenses	3.93	6.84
Travelling expenses	9.06	13.13
Advertisement expenses	15.27	7.42
Security charges	84.28	57.61

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

<b>25 OTHER EXPENSES (contd.)</b>	<u>Year ended 31st March, 2015</u>	<u>Year ended 31st March, 2014</u>
Freight, packing and delivery charges	7.33	7.67
Selling commission / Brokerage	11.26	17.85
Legal and Professional Charges	149.67	111.60
Consultants' fees	41.95	35.84
Provision for diminution in value of Current Investments	0.96	23.94
Provision for doubtful debts	2.65	-
Provision for doubtful advances	-	55.96
Provision for doubtful advances no longer required written back	(55.96)	(4.90)
Doubtful advances written off	65.24	9.87
Miscellaneous expenses	79.56	106.16
	<u>726.81</u>	<u>748.08</u>
(a) Payment to auditors (included in Miscellaneous expenses)		
– For Statutory Audit	2.25	2.25
– For other services	2.97	2.82
– For re-imburement of expenses	0.13	0.16
	<u>5.35</u>	<u>5.23</u>

(b) Miscellaneous expenses include ₹10.77 Lakhs ( 2013-14 - ₹ 32.41 Lakhs) on account of claims made against the Company.

<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
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**26 CONTINGENT LIABILITIES AND COMMITMENTS**
**Contingent Liabilities:**

a) Excise duty under Appeal ( to the extent ascertainable )	135.38	164.66
b) Disputed sales tax under Appeal	251.28	507.29
c) Municipal demand against Company's premises at Andul Road Works stayed by Hon'ble High Court at Calcutta	215.81	-
d) Demand of enhancement of rental against rented premises pending disposal of matters by relevant High Court	78.14	-
e) Various labour related matters pending finalisation by appropriate authorities , amount of liability etc if any, is presently not ascertainable	-	-
f) Demand for shortfall in annual guaranteed minimum consumption of power pending disposal of matter by High Court	80.00	80.00
g) Other claims not acknowledged as debts (to the extent ascertainable and not provided for)	9.37	21.14

Future cash outflows in respect of above contingent liabilities is dependant upon the outcome of judgements / decisions.

**Commitments:**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances )	121.24	5.44
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**GKW LIMITED**
**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>27 EMPLOYEE BENEFITS</b>		
<b>a. Defined Contribution Scheme</b>		
Employer's Contribution to Provident Fund	24.23	20.05

Note :

As per Accounting Standard ( AS-15 ) , the difference between the interest credited to the member's account and the interest earned by the Fund which is met by the employer should be treated as " Defined Benefit Plan ". The actuary has provided a valuation and based on the same, interest shortfall, if any, has been provided in the financial statements.

**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.

I Expense recognised in the Income statement	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
	₹ in Lakhs							
Current service cost	2.10	2.07	3.21	3.05	25.09	38.56	3.26	4.46
Interest cost	7.60	8.00	5.48	6.10	102.69	99.55	7.00	8.04
Expected return on plan assets	-	-	(7.32)	(7.65)	(130.88)	(129.84)	-	-
Actuarial (gain)/loss	18.87	(12.02)	(8.17)	(8.28)	127.56	(85.86)	15.43	(8.82)
Total Expenses @	28.57	(1.95)	(6.80)	(6.78)	124.46	(77.59)	25.69	3.68
@ Recognised under " Contribution to Provident and Other Funds " in Note 24								
II Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
Present value of Defined benefit obligation at the beginning of the year	88.37	112.32	71.24	84.98	1225.83	1363.16	88.96	118.23
Current service cost	2.10	2.07	3.21	3.05	25.09	38.56	3.26	4.46
Interest Cost	7.60	8.00	5.48	6.10	102.69	99.55	7.00	8.04
Benefit payments	-	(22.00)	(15.11)	(15.64)	(63.45)	(206.13)	(15.09)	(32.95)
Actuarial (gain)/loss	18.87	(12.02)	1.62	(7.25)	121.13	(69.31)	15.43	(8.82)
Present value of Defined benefit obligation at the end of the year	116.94	88.37	66.44	71.24	1411.29	1225.83	99.56	88.96
III Changes in the fair value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows:	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
Fair value of plan assets at the beginning of the year	-	-	96.53	103.49	1486.00	1545.74	-	-
Employer contribution	-	22.00	5.00	-	-	-	15.09	32.95
Expected Return on plan assets	-	-	7.32	7.65	130.88	129.84	-	-
Benefit payments	-	(22.00)	(15.11)	(15.64)	(63.45)	(206.13)	(15.09)	(32.95)
Actuarial gain / (Loss)	-	-	9.79	1.03	(6.43)	16.55	-	-
Fair value of plan assets at the end of the year	-	-	103.53	96.53	1547.00	1486.00	-	-

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

IV Reconciliation of Net Asset / ( Liability ) recognised in the Balance Sheet during the year ended 31st March, 2015	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Net Asset / (Liability) at the beginning of the year	(88.37)	(112.32)	25.29	18.51	260.17	182.58	(88.96)	(118.23)
Employer (Expenses)/credit	(28.57)	1.95	6.80	6.78	(124.46)	77.59	(25.69)	(3.68)
Employer Contribution	-	22.00	5.00	-	-	-	15.09	32.95
<b>Net Asset / ( Liability ) at the end of the year</b>	<b>(116.94)</b>	<b>(88.37)</b>	<b>37.09</b>	<b>25.29</b>	<b>135.71</b>	<b>260.17</b>	<b>(99.56)</b>	<b>(88.96)</b>

V Actuarial assumptions :	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Discount rate ( per annum)	7.90%	8.60%	7.90%	8.60%	7.90%	8.60%	7.90%	8.60%
Salary Escalation ( per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected return on plan assets ( per annum)	NA	NA	8.00%	8.00%	8.75%	9.00%	NA	NA

**Notes:**

- i) 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.
- ii) Disclosure in terms of Para 120(n) of AS 15 ( revised 2005)

	Gratuity					Pension Fund				
	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Present Value of Defined Benefit Obligation at the year end	(183.38)	(159.61)	(197.30)	(181.78)	(157.55)	(1411.29)	(1225.83)	(1363.16)	(1219.59)	(1003.32)
Fair Value of Plan Assets at the year end	103.53	96.53	103.49	106.17	99.25	1547.00	1486.00	1545.74	1439.00	1316.34
Surplus/(Defect)	(79.85)	(63.08)	(93.81)	(75.61)	(58.30)	135.71	260.17	182.58	219.41	313.02
Experience Adjustments on Plan Liabilities	(18.35)	16.69	4.41	(13.31)	3.73	(109.06)	112.31	(2.83)	(108.43)	(1.46)
Experience Adjustments on Plan Assets	9.72	1.03	1.80	5.26	8.86	(6.43)	16.55	20.21	18.40	9.86

iii) Category of Plan Assets :	Gratuity (Funded)		Pension Fund (Funded)	
	2014/2015	2013/2014	2014/2015	2013/2014
- Special Deposit	24.38%	26.15%	-	-
- Savings account with nationalised banks	8.78%	6.20%	-	-
- Fixed Deposit with nationalised banks	33.29%	27.88%	-	-
- High quality corporate bonds ( incl Public sector bonds )	28.98%	31.07%	-	-
- Accrued interest	4.57%	8.70%	-	-
- Others ( incl assets under Schemes of Insurance)	-	-	100%	100%
iv) Actual Return on Plan Assets ( ₹ in Lakhs )	8.09	8.68	127.92	123.89

**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

	₹ in Lakhs			
	2014/2015		2013/2014	
	Amount	%	Amount	%
<b>28 CONSUMPTION OF :</b>				
Raw materials				
- Indigenous	<u>881.87</u>	<u>100.00</u>	<u>953.68</u>	<u>100.00</u>
Spare Parts and Components / Stores and Spares				
- Indigenous	<u>4.08</u>	<u>100.00</u>	<u>15.33</u>	<u>100.00</u>

**29 RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD 18**

## (i) Related Party disclosures

## (a) Where control exists:

Matrix Commercial Private Limited	- Holding Company
GKW (Overseas Trading ) Limited	- Subsidiary Company
Mr K K Bangur	- Individual having control over the Company through the voting power in the Holding Company.

## (b) Key Management Personnel

Mr J. D. Curavala	- Managing Director
Mr G Srinivasan	- Whole time Director

## (c) Others with whom transactions have taken place

during the year	
Graphite India Limited	- Enterprise over which Mr K K Bangur is able to exercise significant control

## (ii) Particulars of transactions during the year ended 31st March, 2015

	₹ in Lakhs			
	Transaction during the year		Outstanding Balance as on	
	<u>2014/15</u>	<u>2013/14</u>	<u>31.03.15</u>	<u>31.03.14</u>
<b>(a) Subsidiary Company</b>				
GKW (Overseas Trading) Ltd				
Advance repaid by subsidiary	<b>(0.08)</b>	0.08	-	0.08
- do -	-	(0.23)	-	-
<b>(b) Key Management Personnel</b>				
Mr. J. D. Curavala	Remuneration	72.30	55.09	(6.30)
Mr. G. Srinivasan	Remuneration	-	*5.45	-
		<u>72.30</u>	<u>60.45</u>	<u>(6.30)</u>
<b>(c) Enterprise over which Mr. K. K. Bangur is able to exercise significant control</b>				
Graphite India Limited				
Dividend received for 2013-14		70.00	-	-

\* Part of the year

Figures in brackets indicate amount paid /payable

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 30 "Lease" as per Accounting Standard - 19

All the lease agreements entered into by the Company have a termination clause for cancelling the lease agreement by serving notice on either of the parties

### 31 The Earnings per share has been calculated on the basis of number of equity shares outstanding during the year ended 31st March, 2015 in accordance with the provisions of Accounting Standard- 20 ( Earnings per share) :

₹ in Lakhs

	As at <b>31-Mar-15</b>	As at 31-Mar-14
Profit attributable to Equity Shares ( ₹ in Lakhs )	<b>106.36</b>	370.80
Weighted average Number of Equity Shares	<b>5966500</b>	5966500
Earnings per Share (₹)	<b>1.78</b>	6.21
Profit from continuing operation attributable to equity share ( ₹ in lakhs)	<b>106.36</b>	370.38
Earnings per Share (continuing operation) (₹)	<b>1.78</b>	6.21

### 32 Depreciation for the year has been calculated based on the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 made effective from 1st April, 2014 . Accordingly, net book value of the Fixed assets existing as on date has been depreciated over the remaining useful life of the asset computed as aforesaid. Consequently, charge on account depreciation is lower and profit for the year is higher by ₹ 56 Lakhs.

Further, ₹ 95.19 Lakhs (net of deferred tax of ₹ 45.72 Lakhs) being the carrying amount of the assets whose useful life has already expired as on 1st April, 2014 has been adjusted against opening balance of retained earnings during the year.

### 33 The Company has discontinued its operations for Screws & Fasteners Division with effect from 1st April, 2014 .

The disclosures as required under Accounting Standard - 24 are given below:

₹ in Lakhs

	<b>2014-15</b>	2013-14
Revenue	-	115.89
Expenses	-	115.47
Profit / (Loss)	-	0.42
Total Assets	-	2.97
Total Liabilities	-	11.55
Net Cash flow from operating activities	-	0.65

### 34 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  
Company Secretary

A Chakrabarti  
Chief Financial Officer

R.P.Singh  
Partner

Kolkata  
13th May, 2015

for and on behalf of  
LODHA & Co .  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GKW LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of GKW Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pending litigations (other than those already recognised in the financial statements) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of relevant accounting standards and provisions of the Act;
  - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

R.P. Singh  
Partner

Membership No. 052438

Place: Kolkata

Dated : 13th May 2015

### **Annexure referred to in our report of even date**

- 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.
- 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) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to any company, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the 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 purchases of inventory, fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct the major weaknesses in internal controls.
- v) The Company has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.

## GKW LIMITED

- vi) On the basis of the records produced, we are of the opinion that prima facie the cost records and accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we have not carried out any detailed examination of such records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, amounts of Sales Tax and Excise Duty which have not been deposited on account of dispute are as given below :

Statute	Nature of Tax	Forum where Dispute is pending	Amount (Rs. in Lacs)	Period to which amount relates
The Central Sales Tax Act, 1956	Central Sales Tax	Appellate and Revisional Board CTO	17.57 35.70	1992-95, 1996-00 1994-95
Bengal Finance (Sales Tax) Act, 1941	Sales tax	Appellate and Revisional Board CTO	115.86 21.34	1992-94 1994-95
The West Bengal Sales Tax Act, 1994	Sales Tax	Appellate and Revisional Board	60.81	1998-2000, 2003-2004
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals) Appellate Tribunal	111.39 23.99	1994-1996 1997, 1998, 1999 1995-1996
Customs Act, 1962	Customs Duty	High Court	9.37	1981 and 1990
Howrah Municipal Corporation Act, 1980	Municipal Tax	High Court	215.81	2014-15

- (c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.
- viii) The Company has no accumulated losses as on 31st March 2015 and it has not incurred cash losses in the current and immediately preceding financial year.
- ix) According to the information and explanations given to us, the company has not taken any loans from banks and financial institutions. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions and as such the provisions of clause 3 (x) of the Order is not applicable to the Company.
- xi) The Company has not taken any term loan and as such the provisions of clause 3 (xi) of the Order is not applicable to the Company.
- xii) During the course of our examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company, nor have we been informed of any such case by the management.

For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata  
Dated : 13th May 2015

R.P. Singh  
Partner  
Membership No. 052438

## 10 YEARS' PROFILE

₹ in Lakhs

2005-'06 2006-'07 2007-'08 2008-'09 2009-'10 2010-'11 2011-'12 2012-'13 2013-'14 2014-15

**OPERATING RESULTS**

Sales	13019	13006	13263	9497	2326	4075	3302	3660	1778	<b>1543</b>
Profit/(Loss) before depreciation & finance charges	790	1448	1451	1827	1436	2260	1507	1652	515	<b>197</b>
Finance Charges	(537)	(545)	(556)	(222)	-	-	-	-	-	-
Gross Profit/Loss	253	903	895	1605	1436	2260	1507	1652	515	<b>197</b>
Depreciation	(846)	(831)	(778)	(656)	(86)	(85)	(102)	(88)	(82)	<b>(29)</b>
Profit/(Loss) before tax	1902	72	25703	524	1350	2175	1405	1564	433	<b>168</b>
Profit/(Loss) after tax	2191	337	25694	341	1117	2368	1374	1227	371	<b>106</b>
Dividend	-	-	-	-	-	-	-	-	-	-

**OTHER STATISTICS**

Net Assets Employed	8429	9733	22070	2593	3710	6078	7452	8679	9050	<b>9061</b>
Shareholders' Fund	5007	7189	22070	2593	3710	6078	7452	8679	9050	<b>9061</b>
PBT to Sales (%)	15	-	194	6	58	53	43	43	24	<b>11</b>
PBT to Net Assets Employed (%)	23	1	116	20	36	36	19	18	5	<b>2</b>
Dividend (%)	-	-	-	-	-	-	-	-	-	-
No. of Employees	1839	1646	537	102	71	82	75	74	56	<b>36</b>
No. of shareholders ( '000 nos)	99	96	92	91	38	36	36	29	28	<b>27</b>

Note :

Brackets represent deductions/losses.

## **GKW (OVERSEAS TRADING) LIMITED**

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### **DIRECTORS' REPORT**

Your Directors submit the Annual Report together with the Audited Accounts for the year ended 31st March, 2015. The extract of annual return as provided under sub-section(3)of Section 92 of the Companies Act,2013 is annexed hereto.

During the year there were 4 meetings of the Board of Directors.

#### **ACCOUNTS:**

The turnover for the year was ₹ Nil ( 2013-2014 - ₹ Nil ). Income by way of other income during the year was ₹ 42237/- as against ₹ 39313/- for the year 2013-2014. The expenditure incurred by the Company in foreign currency during the year was ₹ Nil ( 2013-2014 – ₹ Nil ) and the earnings in foreign currency was ₹ Nil ( 2013-2014– ₹ Nil). Net profit for the year was ₹ 0.02 lakh ( 2013-2014 – ₹ 0.08lakh).

#### **OPERATIONS:**

The Company is also looking at the possibility of exploring business in the service sector.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act,2013 the Directors hereby state that:

- a) That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- b) 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 year.
- c) 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.
- d) That the Director had prepared the annual accounts on a going concern basis.
- e) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **OTHER PROVISIONS:**

Other provisions of sub section 3 of Section 134 of the Companies Act,2013 being not applicable are not reported.

#### **PARTICULARS OF EMPLOYEES:**

The Company had no employees during the year.

#### **DIRECTORS:**

Mr M.L.Lahoti 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 as Auditors of the Company subject to ratification and approval of the shareholders in the Annual General Meeting and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The Board recommends the re-appointment of M/s K.C. Roy & Co,Chartered Accountants as Auditors of the Company to be approved and ratified at the next Annual General Meeting.

There are no qualifications or observations or remarks made by the Auditors in their Report.

On behalf of the Board

Place : Kolkata  
Date : 12th May, 2015

A. Bhattacharya  
*Director*

A.Chakrabarti  
*Director*

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:-U90390WB1967PLC027207
- ii) Registration Date 27.12.1967
- iii) Name of the Company GKW (Overseas Trading) Limited
- iv) Category / Sub-Category of the Company : Public Limited
- v) Address of the Registered office and contact details  
CENTRAL PLAZA", OFFICE SPACE NO.406, 4TH FLOOR  
2/6, SARAT BOSE ROAD, KOLKATA 700 020
- vi) Whether listed company No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any Not Applicable

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

No Business activity

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

Sl. No.	Name and Address of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	GKW Limited	L27310WB1931PLC007026	Holding	100	2(87)(ii)

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

- (i) 100% shareholding by GKW Limited in physical form.
- (ii) Shareholding of Promoters : same as above
- (iii) Change in Promoters' Shareholding ( please specify, if there is no change) : Nil
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) : Not applicable
- (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015				
		No. of shares	% of total shares of the company	Date	Increase/Decrease In share holding	Reason	No. of shares	% of total shares of the company
1	A. Chakrabarti, Director (nominee of GKW Ltd.)	1	0		-	0	1	0
2	A. Bhattacharya, Director (nominee of GKW Ltd.)	1	0		-	0	1	0

**V. INDEBTEDNESS:** Nil

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :** Not applicable

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :** Nil

## **GKW (OVERSEAS TRADING) LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF GKW (OVERSEAS TRADING) LIMITED**

#### **REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of GKW (Overseas Trading) Limited ("the Company"), which comprise the Balance sheet as at 31st March, 2015 and the Statement of Profit and Loss, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters started in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable :
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books.
  - c) The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) The Company does not have any pending litigations which would impact its financial position.
    - 2) The Company did not have any long-term contracts including derivative contracts for which there were any materials foreseeable losses.
    - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K. C. ROY & CO.  
Chartered Accountants  
Firm Registration No. 301161E

S. K. SANYAL  
Partner

Membership No. 50631

Place: Kolkata

Dated : 12th May, 2015

**THE ANNEXURE REFERRED TO IN PARAGRAPH 1 – REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GKW (OVERSEAS TRADING) LTD. ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2015**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) In our opinion and according to the information and explanations given to us, Company has no fixed assets, but this does not effect the going concern assumption. Hence items (a) and (b) of Clause 3(i) of the Order are not applicable.
- 2) There has been no inventory at any point of time during the year, hence items (a), (b) and (c) of Clause 3(ii) of the Order are not applicable.
- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013, consequently Clauses 3(iii) (a) and (b) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase and payment for expenses. During the course of our audit, no major instances of continuing failure to correct any weaknesses in the internal controls has been noticed.

## **GKW (OVERSEAS TRADING) LIMITED**

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- 5) The company has not accepted any deposits from the public.
- 6) As per information and explanations given by the management, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act is not applicable to the company.
- 7) a) According to the records of the Company, there are no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, VAT, Cess or any other statutory dues payable by the company as at the last financial year.  
There are no outstanding dues as on 31st March, 2015 for a period of more than six months from the date they become payable.  
b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.  
c) According to the records of the Company no amounts are required to be transferred to Investor Education and Protection Fund.
- 8) The Company does not have any accumulated losses and has not incurred cash losses at the end of the financial year nor in the immediately preceding financial year.
- 9) Based on our audit procedures and on the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 10) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- 11) Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
- 12) Based on our audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor have we been informed by the management.

For K. C. ROY & CO.  
Chartered Accountants  
Firm Registration No. 301161E

S. K. SANYAL  
Partner  
Membership No. 50631

Place: Kolkata  
12th May, 2015

**GKW (OVERSEAS TRADING) LIMITED**

**BALANCE SHEET  
AS AT 31ST MARCH 2015**

Particulars	Note No.	Amount in ₹	
		As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
(a) Share Capital	2	500000	500000
(b) Reserves and Surplus	3	11973	10564
Total ( a+b)		<u>511973</u>	<u>510564</u>
Current liabilities			
(a) Other current liabilities	4	8400	14543
Total ( a)		<u>8400</u>	<u>14543</u>
<b>TOTAL</b>		<u><b>520373</b></u>	<u><b>525107</b></u>
<b>ASSETS</b>			
Non-current assets			
Other non-current assets	5	425000	425000
TOTAL		<u>425000</u>	<u>425000</u>
Current Assets			
(a) Cash and bank balances	6	71741	80346
(b) Short-term loans and advances	7	22539	18669
(c) Other current assets	8	1093	1092
Total ( a+b+c)		<u>95373</u>	<u>100107</u>
<b>TOTAL</b>		<u><b>520373</b></u>	<u><b>525107</b></u>
Significant Accounting Policies	1		
Notes to Financial Statements	2-13		

The notes referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to our report of even date

On behalf of the Board

A. Bhattacharya  
Director

A. Chakrabarti  
Director

S.K. Sanyal  
Partner ( Mem no : 50631)

For and on behalf of  
K. C. Roy & Co

Chartered Accountants  
Firm Regn No 301161E

Kolkata  
12th May, 2015

**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	Note No.	Amount in ₹	
		Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from operations			
Other income	9	42237	39313
<b>Total Revenue</b>		<u>42237</u>	<u>39313</u>
<b>Expenses :</b>			
Other Expenses	10	40197	27784
<b>Total expenses</b>		<u>40197</u>	<u>27784</u>
Profit before tax		2040	11529
Tax expenses			
- Current tax		(631)	(3562)
<b>Profit/(Loss) for the year</b>		<u>1409</u>	<u>7967</u>
Significant Accounting Policies	1		
Notes to Financial Statements	2-13		

The notes referred to above form an integral part of the Statement of Profit and Loss  
This is the Statement of Profit and Loss referred to our report of even date

On behalf of the Board

A. Bhattacharya  
Director

A. Chakrabarti  
Director

S.K. Sanyal  
Partner ( Mem no : 50631)

For and on behalf of  
K. C. Roy & Co

Chartered Accountants  
Firm Regn No 301161E

Kolkata  
12th May, 2015

**GKW (OVERSEAS TRADING) LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015****1 SIGNIFICANT ACCOUNTING POLICIES****(i) 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, 2013 and Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies, unless specifically stated to be otherwise are consistent and in consonance with generally accepted accounting principles.

**(ii) TAXES ON INCOME**

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws.

	<b>As at 31.03.15</b>	<i>Amount in ₹</i> As at 31.03.14
<b>2 Share Capital</b>		
Authorised		
50000 (2013/2014 - 50000) Ordinary Shares of ₹ 10/- each	<b>500000</b>	<u>500000</u>
Issued, Subscribed and Paid-up		
50000 (2013/2014 - 50000 ) Ordinary shares of ₹10/- each fully paid up at par in cash	<b>500000</b>	<u>500000</u>
( The whole of the subscribed capital is held by GKW Limited and its nominees )		
	<b>No of shares</b>	
Reconciliation of the number of Ordinary shares outstanding		
Opening number of shares at the beginning of the year	<b>50000</b>	500000
Add : Issued during the year	-	-
Less : Reduction /buy back for redemption during the year	-	-
Balance number of shares outstanding at the end of the year	<b>50000</b>	<u>500000</u>
<b>3 Reserves and surplus</b>		
Surplus		
At the beginning of the year	<b>10564</b>	2597
Add: Transferred from Statement of Profit and Loss	<b>1409</b>	7967
	<b>11973</b>	<u>10564</u>
<b>4 Other current liabilities</b>		
Other payables :		
Liability for expenses	<b>8400</b>	<u>14543</u>
<b>5 Other Non- Current Assets</b>		
- Deposits with Bank with more than 12 months' maturity	<b>425000</b>	<u>425000</u>
<b>6 Cash and Bank balances</b>		
Balances with banks	<b>69591</b>	80346
Cash on hand	<b>2150</b>	-
	<b>71741</b>	<u>80346</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

		<i>Amount in ₹</i>	
		<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>7 Short - term loans and advances</b>			
Other Loans & advances :			
- Advance payment of tax / TDS receivable (net)		<u>22539</u>	<u>18669</u>
<b>8 Other current assets</b>			
Interest receivables		<u>1093</u>	<u>1092</u>
		<u>Year ended 31st March, 2015</u>	<u>Year ended 31st March, 2014</u>
<b>9 Other Income</b>			
Interest Income		<u>39312</u>	39314
Liability no longer required written back		<u>2925</u>	-
		<u>42237</u>	<u>39314</u>
<b>10 Other expenses</b>			
Loss on scrapping of Fixed assets		-	12
Professional charges		<u>14285</u>	13773
Rates and taxes		<u>11950</u>	5425
Bank Charges		<u>432</u>	124
Auditors' Remuneration		<u>10000</u>	6000
Licence / Filing fees		<u>3200</u>	2450
General Expenses		<u>330</u>	-
		<u>40197</u>	<u>27784</u>
<b>11 PAYMENT TO AUDITORS</b>			
As:			
- Auditor		<u>8000</u>	6000
- For reimbursement of expenses		<u>2000</u>	-
		<u>10000</u>	<u>6000</u>

**12 "Related party Disclosures" as per Accounting Standard 18 as ascertained from available information**  
Debit (Credit)

<u>Name of the Related Party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>Value of transaction</u>		<u>Outstanding balance as on</u>	
			<u>31.03.15</u>	<u>31.03.14</u>	<u>31.03.15</u>	<u>31.03.14</u>
GKW Limited	Holding Company	Receiving services	(8543)	8543	-	(8543)
		Advance refund to holding company	-	(23180)	-	-

**13 General**

Previous years' figures have been rearranged and regrouped wherever considered necessary.

On behalf of the Board

A. Bhattacharya  
Director

A. Chakrabarti  
Director

S.K. Sanyal  
Partner ( Mem no : 50631)  
For and on behalf of  
K. C. Roy & Co  
Chartered Accountants  
Firm Regn No 301161E

Kolkata  
12th May, 2015

# **GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBER OF GKW LIMITED**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of GKW Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of the subsidiary company whose financial statements reflect total assets of ₹ 5.20 Lacs as at 31st March 2015, total revenue of ₹ Nil Lacs and Net cash outflows of ₹ 0.09 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. Pending litigations (other than those already recognised in the financial statements) having material impact on the financial position of the Group have been disclosed in the financial statements as required in terms of relevant accounting standards and provisions of the Act;

## **GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

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- ii. The Group does not have any long-term contracts, including derivative contracts; for which there were any material foreseeable losses.
- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For Lodha & Co.

Chartered Accountants

Firm's ICAI Registration No.:301051E

R.P. Singh

Partner

Place: Kolkata

Dated : 13th May 2015

Membership No. 052438

### **Annexure referred to in our report of even date**

- i) (a) The Group 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 Group and nature of its assets. As informed, no material discrepancies in respect of assets verified were noticed with respect to the book records.
- 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 Group and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Group 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) According to the information and explanations given to us, the Group has not granted any loans, secured and unsecured to any company, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause 3 (iii) of the Order are not applicable to the Group.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Group and the nature of its business with regard to purchases of inventory, fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct the major weaknesses in internal controls.
- v) The Group has not accepted any deposits from the public and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- vi) On the basis of the records produced, we are of the opinion that prima facie the cost records and accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we have not carried out any detailed examination of such records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us, the Group is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues for a period of more than six months from the date they become payable.

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

- (b) According to the information and explanations given to us, amounts of Sales Tax and Excise Duty which have not been deposited on account of dispute are as given below:

Statute	Nature of Tax	Forum where Dispute is pending	Amount (Rs. in Lacs)	Period to which amount relates
The Central Sales Tax Act, 1956	Central Sales Tax	Appellate and Revisional Board CTO	17.57 35.70	1992-95, 1996-00 1994-95
Bengal Finance (Sales Tax) Act, 1941	Sales tax	Appellate and Revisional Board CTO	115.86 21.34	1992-94 1994-95
The West Bengal Sales Tax Act, 1994	Sales Tax	Appellate and Revisional Board	60.81	1998-2000, 2003-2004
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals) Appellate Tribunal	111.39 23.99	1994-1996 1997, 1998, 1999 1995-1996
Customs Act, 1962	Customs Duty	High Court	9.37	1981 and 1990
Howrah Municipal Corporation Act, 1980	Municipal Tax	High Court	215.81	2014-15

- (c) According to the information and explanations given to us, there are no amounts due to be transferred to Investor Education and Protection Fund.

- viii) The Group has no accumulated losses as on 31st March 2015 and it has not incurred cash losses in the current and immediately preceding financial year.
- ix) According to the information and explanations given to us, the Group has not taken any loans from banks and financial institutions. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Group.
- x) According to the information and explanations given to us the Group has not given any guarantee for loans taken by others from banks or financial institutions and as such the provisions of clause 3 (x) of the Order is not applicable to the Group.
- xi) The Group has not taken any term loan and as such the provisions of clause 3 (xi) of the Order is not applicable to the Group.
- xii) During the course of our examinations of the books of accounts carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Group, nor have we been informed of any such case by the management.

For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

Place: Kolkata

Dated : 13th May 2015

R.P. Singh  
Partner  
Membership No. 052438

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2015

₹ in Lakhs

Particulars	Note No.	As at 31.03.15	As at 31.03.14
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	2	596.65	596.65
(b) Reserves and Surplus	3	8464.40	8453.22
Total ( a+b)		<u>9061.05</u>	<u>9049.87</u>
<b>Non - current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	49.03	46.53
(b) Other Long - term liabilities	5	194.88	92.08
(c ) Long - term provisions	6	21.59	25.57
Total ( a+b+c)		<u>265.50</u>	<u>164.18</u>
<b>Current liabilities</b>			
(a) Trade payables	7	35.69	114.57
(b) Other current liabilities	8	681.94	696.54
(c ) Short - term provisions	9	194.92	151.77
Total ( a+b+c)		<u>912.55</u>	<u>962.88</u>
<b>TOTAL</b>		<u><b>10239.10</b></u>	<u><b>10176.93</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
- Tangible Assets	10	573.49	663.12
- Intangible assets		4.60	4.97
- Capital Work in Progress		73.13	-
(b) Non-current investments	11	1398.71	1398.71
(c) Long -term loans and advances	12	1333.73	1370.99
(d) Other non-current assets	13	1925.38	1379.93
Total ( a+b+c+d)		<u>5309.04</u>	<u>4817.72</u>
<b>Current Assets</b>			
(a) Current investments	14	1647.93	1076.48
(b) Inventories	15	69.13	80.90
(c) Trade receivables	16	201.02	128.18
(d) Cash and bank balances	17	2909.97	3896.16
(e) Short -term loans and advances	18	41.63	69.62
(f) Other current assets	19	60.38	107.87
Total ( a+b+c+d+e+f)		<u>4930.06</u>	<u>5359.21</u>
<b>TOTAL</b>		<u><b>10239.10</b></u>	<u><b>10176.93</b></u>
Significant Accounting Policies	1		
Notes to Financial Statements	2-36		

On behalf of the Board

As per our Report annexed

J D Curravala  
Managing Director

G Srinivasan  
Director

J N Ghosh  
Company Secretary

A Chakrabarti  
Chief Financial Officer

R.P.Singh  
Partner  
for and on behalf of  
LODHA & Co .  
Chartered Accountants

Kolkata  
13th May , 2015

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from operations :	20		
Sale of Products ( Gross )		871.29	903.16
Sale of Services ( Net of service tax )		395.57	389.36
Other operating Revenue ( Gross )		403.77	553.19
Less : Excise Duty		128.05	139.23
		<u>1542.58</u>	<u>1706.48</u>
Other income	21	789.89	695.86
<b>TOTAL REVENUE</b>		<u>2332.47</u>	<u>2402.34</u>
<b>EXPENSES :</b>			
Cost of materials consumed	22	881.87	953.68
Changes in inventories of finished goods, work in progress and stock in trade	23	14.89	(23.22)
Employee benefits expense	24	511.84	209.10
Depreciation and amortization expense	10	28.70	81.42
Other Expenses	25	727.21	748.36
<b>TOTAL EXPENSES</b>		<u>2164.51</u>	<u>1969.34</u>
<b>PROFIT BEFORE TAX</b>		167.96	433.00
<b>TAX EXPENSES :</b>			
– Current tax		(7.93)	(107.94)
– Tax for earlier year		(5.43)	–
– Deferred tax credit/(charge)		(13.36)	(107.94)
<b>Profit/(loss) for the period from continuing operations</b>		<u>106.37</u>	<u>370.45</u>
Profit/(loss) from discontinuing operations		–	0.42
Tax expenses from discontinuing operations		–	–
<b>Profit/(loss) from discontinuing operations after tax</b>	35	<u>–</u>	<u>0.42</u>
<b>PROFIT FOR THE YEAR</b>		<u>106.37</u>	<u>370.87</u>
Earnings per equity share ( Note 31)			
– Basic & Diluted ( from Continuing operation )		1.78	6.21
– Basic & Diluted		1.78	6.22
Significant Accounting Policies	1		
Notes to Financial Statements	2-36		

On behalf of the Board

As per our Report annexed

J D Curavala  
Managing Director

G Srinivasan  
Director

J N Ghosh  
Company Secretary

A Chakrabarti  
Chief Financial Officer

R.P.Singh  
Partner  
for and on behalf of  
LODHA & Co  
Chartered Accountants

Kolkata  
13th May, 2015

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT)**

₹ in Lakhs

	<b>For the year ended 31st March, 2015</b>	<b>For the year ended 31st March, 2014</b>
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) before taxation	<b>167.96</b>	433.42
Adjustments for:		
Depreciation - Fixed Assets	<b>28.70</b>	81.65
Provision for diminution in value of Current investments	<b>(51.49)</b>	23.94
(Profit) / Loss on disposal of fixed assets ( net )	-	(43.45)
(Profit) / Loss on sale of Current investment ( net )	<b>(24.34)</b>	-
Dividend and Income on investment	<b>(74.26)</b>	(95.13)
Interest income	<b>(513.08)</b>	(526.28)
Provision for doubtful debts and advances	<b>2.65</b>	55.96
Doubtful debts and advances written off	<b>(65.24)</b>	16.47
Provision for doubtful advances no longer required written back	<b>(55.96)</b>	(4.90)
Liability no longer required written back	<b>(82.96)</b>	(37.96)
	<b><u>(835.98)</u></b>	<b><u>(529.70)</u></b>
Operating Profit/(Loss) before Working Capital changes	<b>(668.02)</b>	(96.28)
Adjustments for:		
Trade and Other receivables	<b>199.66</b>	(46.74)
Inventories	<b>11.77</b>	47.72
Trade Payables	<b>131.42</b>	(72.95)
	<b><u>342.85</u></b>	<b><u>(71.97)</u></b>
Cash generation from operation	<b>(325.17)</b>	(168.25)
Direct taxes (paid)/refund (net)	<b>(102.04)</b>	(99.46)
Net Cash inflow/ (outflow) from operating activities	<b>(427.21)</b>	(267.71)
<b>B. Cash Flow from investing activities</b>		
Purchase of fixed assets	<b>(79.61)</b>	(134.20)
Purchase of investment	<b>(700.00)</b>	(23.57)
Capital WIP	<b>(73.13)</b>	-
Sale of Fixed Assets	-	53.96
Sale of Investment	<b>204.38</b>	-
Bank deposits with maturity more than 3 months	<b>551.25</b>	(1171.95)
Dividend and Income on investment	<b>74.26</b>	95.13
Interest income	<b>560.57</b>	524.23
Net cash inflow/ (outflow) from investing activity	<b>537.72</b>	(656.40)

**CONSOLIDATED CASH FLOW STATEMENT (PURSUANT TO LISTING AGREEMENT)**

₹ in Lakhs

	<b>For the year ended 31st March, 2015</b>	For the year ended 31st March, 2014
<b>C. Cash Flow from Financing activities</b>		
Net cash flow from financing activities	-	-
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)	<u>110.51</u>	<u>(924.11)</u>
<b>Opening Cash and Cash Equivalents as on 01.04.14</b>	<b>876.35</b>	1800.46
<b>Closing Cash and Cash Equivalents as on 31.03.15</b>	<b><u>986.86</u></b>	<u>876.35</u>
Cash flow from discontinued operations included above	<u>-</u>	<u>0.65</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 bank amounting to ₹ 835.00 lakhs ( 2013-14 - ₹ 693.99 Lakhs ) 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  
*Company Secretary*

A. Chakrabarti  
*Chief Financial Officer*

Kolkata  
13th May, 2015

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

14, Government East Place  
Kolkata  
13th May, 2015

R.P.Singh  
*Partner*  
for and on behalf of  
LODHA & Co .  
*Chartered Accountants*

## **GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

#### **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 items 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, 2013 and Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 .
- (c) Depreciation has been provided on straight line method based on useful life specified in Schedule II of the Companies Act, 2013 after retaining residual value of 5% of the Original cost of the assets.
- (d) 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

**(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) 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 .

**(vi) SALES**

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

**(vii) LEASE**

Rental income in respect of properties given on operating lease for warehousing purpose is accounted for on fixed monthly basis as per agreement . Initial direct revenue cost is recognised as expenses in the Statement of Profit and Loss.

**(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 are not recognised unless there is sufficient assurance with respect to reversal thereof in future years.

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

	<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>2 SHARE CAPITAL</b>		
Authorised:		
49250000 Cumulative redeemable Preference Shares of ₹10/- each	<b>4925.00</b>	4925.00
59665008 Ordinary shares of ₹10/- each	<b>5966.50</b>	5966.50
	<u><b>10891.50</b></u>	<u>10891.50</u>
<b>2.1 Issued, Subscribed and Paid-up:</b>		
3669653 Ordinary shares of ₹10/- each fully paid up at par in cash	<b>366.97</b>	366.97
659749 Ordinary shares for consideration other than cash pursuant to contracts / scheme of arrangements.	<b>65.97</b>	65.97
1637098 Bonus shares by way of capitalisation of reserves and share premium	<b>163.71</b>	163.71
	<u><b>596.65</b></u>	<u>596.65</u>
<b>2.2 Shareholders holding Ordinary shares in the company for more than 5% :</b>		
	<b>Number of Shares</b>	<b>Number of Shares</b>
<b>Name of Shareholder</b>		
Matrix Commercial Pvt Ltd (Holding Company)	<b>3580375</b> <b>(60.01%)</b>	2759599 (46.25%)
Kiwi Investments Ltd	<b>894500</b> <b>(14.99%)</b>	894500 (14.99%)
Bellona Finvest Ltd	<b>524534</b> <b>(8.79%)</b>	524534 (8.79%)
Rosemery Commercial Pvt Ltd	–	820776 (13.76%)
	–	

### 2.3 Terms and Rights attached to Ordinary shares :

The Company has one class of Ordinary shares having par value of ₹ 10/- per share . Each shareholder is eligible for one vote per share held and dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the Ordinary shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company in proportion to their shareholding.

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

	<i>₹ in Lakhs</i>	
	<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>3 RESERVES AND SURPLUS</b>		
General Reserve		
At the beginning of the year	<b>6300.00</b>	6000.00
Add: Transfer from Surplus	<b>50.00</b>	300.00
	<b>6350.00</b>	6300.00
Surplus		
At the beginning of the year	<b>2153.22</b>	2082.48
Less : Adjustment on account of depreciation as per Schedule II of Companies Act, 2013 (Note 34) (net off deferred tax liability - Rs 45.72 Lakhs )	<b>(95.19)</b>	-
Add: Transferred from Statement of Profit and Loss	<b>106.37</b>	370.88
Less : Adjustments	-	(0.14)
Appropriations :		
Transfer to General Reserve	<b>(50.00)</b>	(300.00)
	<b>2114.40</b>	2153.22
	<b>8464.40</b>	8453.22
<b>4 DEFERRED TAX LIABILITIES ( NET )</b>		
Deferred Tax Liabilities		
Depreciation	<b>142.02</b>	140.67
Less : Adjustment on account of depreciation as per Schedule II of Companies Act, 2013 (Note 34)	<b>(45.72)</b>	-
Less : Deferred Tax Assets		
Provision for assets	<b>1.85</b>	35.95
Expenses allowed on payment basis	<b>45.42</b>	58.19
	<b>49.03</b>	46.53
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposit received from dealers, lessee etc	<b>194.88</b>	92.08
<b>6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits	<b>21.59</b>	25.57
<b>7 TRADE PAYABLES</b>		
Trade Payables for goods and services	<b>35.69</b>	114.57
(a) To the extent information available, the Company does not have any amount payable to vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006		
<b>8 OTHER CURRENT LIABILITIES</b>		
Security Deposits/advance from customers	<b>6.75</b>	41.97
Capital Vendor	<b>23.24</b>	23.29
Claims payable	<b>371.22</b>	360.45
Employee benefits payable	<b>126.20</b>	128.69
Dues payable to Government authorities	<b>21.74</b>	35.91
Liability for expenses	<b>67.70</b>	47.43
Liability for fractional share payment ( Note 17 )	<b>58.11</b>	58.15
Others	<b>6.98</b>	0.65
	<b>681.94</b>	696.54

(a) Advance from customers include ₹ 5.08 lakhs ( 2013-14 - ₹ 0.53 Lakhs) received as advance against scrap and other sales

(b) Claims payable relate to provision against demands in respect of rented premises and annual guaranteed minimum consumption of power

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

**As at  
31.03.15**

**As at  
31.03.14**

### 9 SHORT-TERM PROVISIONS

Provision for employee benefits

**194.92**

**151.77**

### 10 FIXED ASSETS

#### 10.1 Reconciliation of gross and net carrying of each class of assets

₹ in Lakhs

Description	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK		
	As at 1st April 2014		Withdrawals/ Transfer/ Adjustment	As at 31st March 2015	As at 1st April, 2014	Recognised in Statement of Profit & loss	Transferred to Retained Earnings	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
	2014	Additions		2015	2014	Profit & loss	Earnings	Adjustment	2015	2015	2014
	(note1)										
<b>Tangible assets</b>											
Land (including Leasehold Land)	87.00	-	-	<b>87.00</b>	4.10	0.11	-	-	<b>4.21</b>	<b>82.79</b>	82.90
Buildings	1,042.89	66.94	-	<b>1,109.83</b>	686.45	16.64	18.63	-	<b>721.72</b>	<b>388.11</b>	356.44
Plant & Machinery:	1,259.85	-	-	<b>1,259.85</b>	1,069.72	2.56	117.94	-	<b>1,190.22</b>	<b>69.63</b>	190.13
Motor Vehicles	26.94	-	-	<b>26.94</b>	17.83	2.43	0.08	-	<b>20.34</b>	<b>6.60</b>	9.11
Furniture and Fittings	5.14	6.37	-	<b>11.51</b>	1.34	1.19	-	-	<b>2.53</b>	<b>8.98</b>	3.80
Railway Sidings	0.34	-	-	<b>0.34</b>	0.33	-	-	-	<b>0.33</b>	<b>0.01</b>	0.01
Office Equipment	6.93	0.20	-	<b>7.13</b>	2.16	1.06	2.23	-	<b>5.45</b>	<b>1.68</b>	4.77
Computers and data processing units	16.92	-	-	<b>16.92</b>	11.39	2.17	2.03	-	<b>15.59</b>	<b>1.33</b>	5.53
Electrical Installations and Equipment	10.63	5.48	-	<b>16.11</b>	0.20	1.55	-	-	<b>1.75</b>	<b>14.36</b>	10.43
<b>Total Tangible assets</b>	<b>2456.64</b>	<b>78.99</b>	<b>-</b>	<b>2535.63</b>	<b>1793.52</b>	<b>27.71</b>	<b>140.91</b>	<b>-</b>	<b>1962.13</b>	<b>573.49</b>	663.12
<b>Previous year</b>	<b>2426.70</b>	<b>134.20</b>	<b>104.26</b>	<b>2456.64</b>	<b>1806.80</b>	<b>80.46</b>	<b>-</b>	<b>93.74</b>	<b>1793.52</b>	<b>663.12</b>	
<b>Intangible assets</b>											
Computer software acquired	7.35	0.62	-	<b>7.97</b>	2.38	0.99	-	-	<b>3.37</b>	<b>4.60</b>	4.97
<b>Total Intangible assets</b>	<b>7.35</b>	<b>0.62</b>	<b>-</b>	<b>7.97</b>	<b>2.38</b>	<b>0.99</b>	<b>-</b>	<b>-</b>	<b>3.37</b>	<b>4.60</b>	4.97
<b>Previous year</b>	<b>7.35</b>	<b>-</b>	<b>-</b>	<b>7.35</b>	<b>1.19</b>	<b>1.19</b>	<b>-</b>	<b>-</b>	<b>2.38</b>	<b>4.97</b>	
<b>Grand Total</b>	<b>2463.99</b>	<b>79.61</b>	<b>-</b>	<b>2543.60</b>	<b>1795.90</b>	<b>28.70</b>	<b>140.91</b>	<b>-</b>	<b>1965.51</b>	<b>578.09</b>	668.09
<b>Previous year</b>	<b>2434.05</b>	<b>134.20</b>	<b>104.26</b>	<b>2463.99</b>	<b>1807.99</b>	<b>81.65</b>	<b>-</b>	<b>93.74</b>	<b>1795.90</b>	<b>668.09</b>	-

#### Note 1 :

Depreciation for the year includes ₹ 140.91 Lakhs being the carrying amount of the assets whose useful life has already expired as on 1st April, 2014 and the same has been adjusted against retained earnings ( Note 34 )

The above amount include assets given on operating lease as under; ( Note 30)

Land - cost ₹ 20.06 lakhs ( 2013-14 - ₹ 20.06 Lakhs ), depreciation - Nil ( 2013-14 - Nil ) and accumulated depreciation - Nil ( 2013-14 - Nil)

Buildings - cost ₹ 170.46 Lakhs ( 2013-14 - ₹ 103.51 lakhs), depreciation - ₹ 5.41 Lakhs ( 2013-14 ₹ 0.39 Lakh) and accumulated depreciation - ₹ 5.80 Lakhs (2013-14 - ₹ 0.39 Lakh)

Electrical Installation and Equipment - cost ₹ 16.11 lakhs ( 2013-14 - ₹ 10.63 lakhs), depreciation - ₹ 1.54 lakhs (2013-14 - ₹ 0.19 lakh) and accumulated depreciation ₹ 1.73 lakhs (2013-14 - ₹ 0.19 lakh)

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<u>As at 31.03.15</u>	<u>As at 31.03.14</u>
<b>11 NON-CURRENT INVESTMENTS</b>		
<b>Long Term ( At cost less provision )</b>		
Investments in Equity Instruments :		
Quoted		
IDBI Bank Ltd, 10720 shares of ₹10 each- fully paid at cost	8.71	8.71
Graphite India Limited, 2000000 shares of ₹ 2 each- fully paid at cost	1390.00	1390.00
	<u>1398.71</u>	<u>1398.71</u>
Aggregate book value of quoted investments	1398.71	1398.71
Market value of quoted investments	1666.58	1788.00
<b>12 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured :		
– Considered good :	–	–
– Capital Advances	0.94	2.61
– Security Deposits	26.42	27.51
– Other Loans and advances :		
– Balances with Government authorities	7.02	14.97
– Loan to Employee	-	2.36
– Prepaid Expenses	-	0.21
– Pension Fund	135.71	260.17
– Gratuity Fund	37.09	25.30
– MAT Credit Entitlement	896.97	910.32
– Advance payment of Income tax (net of provisions)	229.58	127.54
– Considered Doubtful :		
– Balances with Government authorities	-	55.96
	<u>1333.73</u>	<u>1426.95</u>
Less : Provision for bad and doubtful loans and advances	-	55.96
	<u>1333.73</u>	<u>1370.99</u>
<b>13 OTHER NON-CURRENT ASSETS</b>		
Unsecured - Considered good :		
Deposits with Bank with more than 12 months' maturity	1925.38	1379.93

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

	<i>₹ in Lakhs</i>	
	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
<b>14 CURRENT INVESTMENTS</b>		
<i>( At lower of Cost and market value )</i>		
Investments in Government or trust securities :		
Quoted		
12 Bonds of ₹ 1000000/- each of 8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost	<b>120.00</b>	120.00
40 Bonds of ₹ 1000000/- each of 9.05% IDBI Bond, 2020 fully paid at cost	<b>407.20</b>	407.20
10 Bonds of ₹ 1000000/- each of 8.85% PFC Bond, 2030 fully paid at cost	<b>100.14</b>	100.14
10 Bonds of ₹ 1000000/- each of 9.65% YES Bond, 2020 fully paid at cost	<b>100.38</b>	100.38
10 Bonds of ₹ 1000000/- each of 8.90% HDFC Bond, 2020 fully paid at cost	<b>100.00</b>	100.00
Investments in Mutual Funds:		
Quoted		
78521.671 units of ₹ 10/- each of TATA Equity P/E Fund Div Trigger Option A ( 5 percentage )	<b>30.04</b>	30.04
Less: Sold during the year	<b><u>(30.04)</u></b>	-
2735650 units of ₹ 10/- each of ICICI - Prudential FMP series 73-366 Days Plan A Regular Plan - Cumulative	<b>273.57</b>	273.57
1000000 units of ₹ 10/- each of SBI DEBT FUND SERIES "A" 17 - 366 days REGULAR (Growth)	<b>100.00</b>	-
1400000 units of ₹ 10/- each of ICICI Prudential FMP Series 74-368 days Plan J	<b>140.00</b>	-
501556.497 units of ₹ 10/- each of HDFC MIP - Long Term - Growth	<b>150.00</b>	-
Less : Sold during the year	<b><u>(150.00)</u></b>	-
1251973.959 units of ₹ 10/- each of IDFC Arbitrage Fund Plus - Plan A ( Regular ) - Dividend	<b>150.00</b>	-
502467.114 units of ₹ 10/- each of Kotak Equity Arbitrage Fund - Growth	<b>100.00</b>	-
511352.015 units of ₹ 10/- each of Kotak Equity Arbitrage Fund - Dividend	<b>55.00</b>	-
46478.336 units of ₹ 10/- each of Kotak Equity Arbitrage Fund - Dividend	<b>5.00</b>	-
Less : Provision for diminution in value of investments	<b>(3.36)</b>	(54.85)
	<b><u>1647.93</u></b>	<b><u>1076.48</u></b>
The aggregate book value of quoted investments	<b>1647.93</b>	1076.48
Market value of quoted investments	<b>1710.07</b>	1080.31
<b>15 INVENTORIES</b>		
At or under cost (being cost or net realisable value whichever is lower)		
Raw materials	<b>30.86</b>	27.78
Work in progress	<b>9.75</b>	11.82
Finished products	<b>23.38</b>	38.48
Assets held for disposal	-	0.14
Stores and spare parts	<b>2.72</b>	2.68
Product Scrap	<b>2.42</b>	-
	<b><u>69.13</u></b>	<b><u>80.90</u></b>
<b>16 TRADE RECEIVABLES</b>		
Other debts		
Unsecured - Considered good	<b>201.02</b>	128.18
Unsecured - Considered Doubtful	<b>2.65</b>	-
	<b><u>203.67</u></b>	<b><u>128.18</u></b>
Less : Provision for doubtful debts	<b>(2.65)</b>	-
	<b><u>201.02</u></b>	<b><u>128.18</u></b>

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

	₹ in Lakhs	
	As at <u>31.03.15</u>	As at <u>31.03.14</u>
<b>17 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents:		
Cash on hand	1.89	8.09
Cheques on hand	47.35	0.33
Balances with Banks :		
– in current accounts	102.62	173.94
– in deposit account (with maturity of less than 3 months)	835.00	693.99
	<u>986.86</u>	<u>876.35</u>
Other Bank Balances:		
– in deposit account (with maturity of less than 12 months)	1865.00	2961.66
– in fractional share payment accounts @	58.11	58.15
	<u>2909.97</u>	<u>3896.16</u>
@ Earmarked for Fractional share payment ( Note 8)		
<b>18 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured		
– Considered good :		
– Security Deposits	-	0.78
– Other Loans and advances :		
– Balances with Government authorities	13.84	26.65
– Loan to Employee *	2.36	3.54
– Advance to Subsidiary Company ( Note 29)	-	0.08
– Advance to staff	0.43	2.18
– Advance to suppliers	4.26	14.89
– Recoverable claims	20.01	20.33
– Prepaid Expenses	0.73	1.17
	<u>41.63</u>	<u>69.62</u>
* Amount due from an employee of the Company ( outstanding ₹ 2.36 Lakhs ( 2013-14 - ₹ 5.90 Lakhs), maximum outstanding - ₹ 2.36 Lakhs ( 2013-14 - ₹ 3.54 Lakhs )		
<b>19 OTHER CURRENT ASSETS</b>		
Unsecured - Considered good :		
– Interest receivables	60.38	107.87
	<u>60.38</u>	<u>107.87</u>
<b>20 REVENUE FROM OPERATIONS</b>		
(a) Sale of products		
Mild steel pressed components	871.29	903.16
Less : Excise duty	92.95	96.97
Net sales	<u>778.34</u>	<u>806.19</u>
(b) Sale of services		
Conversion charges recovered	0.10	0.10
Income from Warehousing facilities		
Lease Rental	443.89	160.78
Less : Service tax	48.42	17.52
Net Lease Rental	395.47	143.26
Income from Business services Centre	-	276.41
Less : Service tax	-	30.41
Net Service income	<u>-</u>	<u>246.00</u>
	<u>395.57</u>	<u>389.36</u>

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<b>Year ended 31st March, 2015</b>	<b>Year ended 31st March, 2014</b>
<b>(c ) Other operating revenues</b>		
Sale of assets held for Disposal	<b>119.05</b>	193.96
Product scrap	<b>284.72</b>	359.23
	<b>403.77</b>	553.19
Less : Excise duty	<b>35.10</b>	42.26
	<b>368.67</b>	510.93
	<b>1542.58</b>	1706.48
<b>21 OTHER INCOME</b>		
Interest Income		
- On Loans and Deposits	<b>0.93</b>	0.93
- On Fixed Deposits	<b>438.47</b>	451.67
- On Current Investment	<b>73.68</b>	73.68
Dividend Income		
- On Current Investment	<b>4.26</b>	25.13
- On Non- Current Investment	<b>70.00</b>	70.00
Provision for diminution in value of Current Investments written back	<b>52.45</b>	-
Net profit on sale of fixed assets	-	3.25
Net Profit on disposal of Current Investments	<b>24.34</b>	-
Miscellaneous Income	<b>125.76</b>	71.20
	<b>789.89</b>	695.86
Miscellaneous Income includes Profit on sale of scrap materials - ₹ 32.94 Lakhs (2013-14 - ₹ 28.70 Lakhs), liabilities no longer required - ₹ 82.96 Lakhs ( 2013-14 - ₹ 37.96 Lakhs).		
<b>22 COST OF MATERIALS CONSUMED</b>		
Steel Sheets	<b>881.87</b>	953.68
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stocks :		
Finished products	<b>38.48</b>	14.80
Work in progress	<b>11.82</b>	8.89
Assets held for disposal	<b>0.14</b>	3.53
	<b>50.44</b>	27.22
Closing Stocks :		
Finished products	<b>23.38</b>	38.48
Work in progress	<b>9.75</b>	11.82
Product scrap	<b>2.42</b>	-
Assets held for disposal	-	0.14
	<b>35.55</b>	50.44
(Increase)/decrease (including shortages, provisions & write off etc)	<b>14.89</b>	(23.22)
<b>Details of inventory :</b>		
<b>Finished products:</b>		
Mild Steel pressed components	<b>23.38</b>	38.48
	<b>23.38</b>	38.48
<b>Work-in-progress:</b>		
Mild Steel pressed components	<b>9.75</b>	11.82
Product scrap	<b>2.42</b>	-
	<b>12.17</b>	11.82

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<u>Year ended 31st March, 2015</u>	<u>Year ended 31st March, 2014</u>
<b>24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	285.00	244.54
Contribution to provident and other funds ( net ) ( Note 27(b) )	196.15	(62.59)
Staff welfare expenses	30.69	27.15
	<u>511.84</u>	<u>209.10</u>
<b>25 OTHER EXPENSES</b>		
Consumption of stores and spares	4.08	15.33
Power and Fuel	58.87	55.05
Repairs to Buildings	25.78	8.57
Repairs to Machinery	3.49	11.13
Repairs to Others	19.26	19.51
Directors' sitting fees	5.78	3.00
Insurance	6.54	7.61
Rent	61.37	82.29
Rates and taxes	92.09	70.98
Printing and stationery	7.17	5.90
Postage, telephone and telex	27.30	19.77
Data processing expenses	3.93	6.84
Travelling expenses	9.06	13.13
Advertisement expenses	15.27	7.42
Security charges	84.28	57.61
Freight, packing and delivery charges	7.33	7.67
Selling commission / Brokerage	11.26	17.85
Legal and Professional Charges	149.81	111.74
Consultants' fees	41.95	35.84
Provision for diminution in value of Current Investments	0.96	23.94
Provision for doubtful debts and advances	2.65	55.96
Provision for doubtful advances no longer required written back	(55.96)	(4.90)
Doubtful advances written off	65.24	9.87
Miscellaneous expenses	79.70	106.25
	<u>727.21</u>	<u>748.36</u>
(a) Payment to auditors (included in Miscellaneous expenses)		
– For Statutory Audit	2.25	2.25
– For other services	2.97	2.82
– For re-imburement of expenses	0.13	0.16
	<u>5.35</u>	<u>5.23</u>

(b) Miscellaneous expenses include provision of ₹10.77 Lakhs ( 2013-14 - ₹ 32.41 Lakhs) on account of claims made against the Company.

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<b>As at 31.03.15</b>	<b>As at 31.03.14</b>
<b>26 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>Contingent Liabilities:</b>		
a) Excise duty under Appeal ( to the extent ascertainable )	<b>135.38</b>	164.66
b) Disputed sales tax under Appeal	<b>251.28</b>	507.29
c) Municipal demand against Company's premises at Andul Road Works stayed by Hon'ble High Court at Calcutta	<b>215.81</b>	-
d) Demand of enhancement of rental against rented premises pending disposal of matters by relevant High Court	<b>78.14</b>	-
e) Various labour related matters pending finalisation by appropriate authorities , amount of liability etc if any, is presently not ascertainable	-	-
f) Demand for shortfall in annual guaranteed minimum consumption of power pending disposal of matter by High Court	<b>80.00</b>	80.00
g) Other claims not acknowledged as debts (to the extent ascertainable and not provided for)	<b>9.37</b>	21.14
Future cash outflows in respect of above contingent liabilities is dependant upon the outcome of judgements / decisions.		
<b>Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances )	<b>121.24</b>	5.44
<b>27 EMPLOYEE BENEFITS</b>		
<b>a. Defined Contribution Scheme</b>		
Employer's Contribution to Provident Fund	<b>24.23</b>	20.05
Note :		
As per Accounting Standard ( AS-15), the difference between the interest credited to the member's account and the interest earned by the Fund which is met by the employer should be treated as " Defined Benefit Plan " pending actuarial valuation .		
<b>b. Defined Benefit Scheme :</b>		
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.		

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
<b>I) Expenses recognised in the Income Statement</b>								
Current service cost	2.10	2.07	3.21	3.05	25.09	38.56	3.26	4.46
Interest cost	7.60	8.00	5.48	6.10	102.69	99.55	7.00	8.04
Expected return on plan assets	-	-	(7.32)	(7.65)	(130.88)	(129.84)	-	-
Actuarial (gain)/loss	18.87	(12.02)	(8.17)	(8.28)	127.56	(85.86)	15.43	(8.82)
Total Expenses @	28.57	(1.95)	(6.80)	(6.78)	124.46	(77.59)	25.69	3.68
@ Recognised under " Contribution to Provident and Other Funds " in Note 24								
<b>II Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>								
Present value of Defined benefit obligation at the beginning of the year	88.37	112.32	71.24	84.98	1225.83	1363.16	88.96	118.23
Current service cost	2.10	2.07	3.21	3.05	25.09	38.56	3.26	4.46
Interest Cost	7.60	8.00	5.48	6.10	102.69	99.55	7.00	8.04
Benefit payments	-	(22.00)	(15.11)	(15.64)	(63.45)	(206.13)	(15.09)	(32.95)
Actuarial (gain)/loss	18.87	(12.02)	1.62	(7.25)	121.13	(69.31)	15.43	(8.82)
Present value of Defined benefit obligation at the end of the year	116.94	88.37	66.44	71.24	1411.29	1225.83	99.56	88.96
<b>III Changes in the fair value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows:</b>								
Fair value of plan assets at the beginning of the year	-	-	96.53	103.49	1486.00	1545.74	-	-
Employer contribution	-	22.00	5.00	-	-	-	15.09	32.95
Expected Return on plan assets	-	-	7.32	7.65	130.88	129.84	-	-
Benefit payments	-	(22.00)	(15.11)	(15.64)	(63.45)	(206.13)	(15.09)	(32.95)
Actuarial gain / (Loss)	-	-	9.79	1.03	(6.43)	16.55	-	-
Fair value of plan assets at the end of the year	-	-	103.53	96.53	1547.00	1486.00	-	-
<b>IV Reconciliation of Net Asset / ( Liability ) recognised in the Balance Sheet during the year ended 31st March, 2015</b>								
Net Asset ( Liability ) at the beginning of the year	(88.37)	(112.32)	25.29	18.51	260.17	182.58	(88.96)	(118.23)
Employer (Expenses)/credit	(28.57)	1.95	6.80	6.78	(124.46)	77.59	(25.69)	(3.68)
Employer Contribution	-	22.00	5.00	-	-	-	15.09	32.95
Net Asset/ ( Liability ) at the end of the year	(116.94)	(88.37)	37.09	25.29	135.71	260.17	(99.56)	(88.96)
<b>V Actuarial assumptions :</b>								
Discount rate ( per annum )	7.90%	8.60%	7.90%	8.60%	7.90%	8.60%	7.90%	8.60%
Salary Escalation ( per annum )	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected return on plan assets ( per annum )	NA	NA	8.00%	8.00%	8.75%	9.00%	NA	NA

**Notes:**

- i) 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.

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ii) Disclosure in terms of Para 120(n) of AS 15 ( revised 2005)

₹ in Lakhs

	Gratuity					Pension Fund				
	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Present Value of Defined										
Benefit Obligation at the year end	<b>(183.38)</b>	(159.61)	(197.30)	(181.78)	(157.55)	<b>(1411.29)</b>	(1225.83)	(1363.16)	(1219.59)	(1003.32)
Fair Value of Plan Assets at the year end	<b>103.53</b>	96.53	103.49	106.17	99.25	<b>1547.00</b>	1486.00	1545.74	1439.00	1316.34
Surplus/(Defecit)	<b>(79.85)</b>	(63.08)	(93.81)	(75.61)	(58.30)	<b>135.71</b>	260.17	182.58	219.41	313.02
Experience Adjustments on Plan Liabilities	<b>(18.35)</b>	16.69	4.41	(13.31)	3.73	<b>(109.06)</b>	112.31	(2.83)	(108.43)	(1.46)
Experience Adjustments on Plan Assets	<b>9.72</b>	1.03	1.80	5.26	8.86	<b>(6.43)</b>	16.55	20.21	18.40	9.86

	Gratuity (Funded)		Pension Fund (Funded)	
	2014/2015	2013/2014	2014/2015	2013/2014
iii) Category of Plan Assets :				
– Special Deposit	<b>24.38%</b>	26.15%	-	-
– Savings account with nationalised banks	<b>8.78%</b>	6.20%	-	-
– Fixed Deposit with nationalised banks	<b>33.29%</b>	27.88%	-	-
– High quality corporate bonds ( including Public sector bonds )	<b>28.98%</b>	31.07%	-	-
– Accrued interest	<b>4.57%</b>	8.70%	-	-
– Others (including assets under Schemes of Insurance)	-	-	<b>100%</b>	100%
iv) Actual Return on Plan Assets ( ₹ in Lakhs )	<b>8.09</b>	8.68	<b>127.92</b>	123.89

	2014/2015		2013/2014	
	Amount	%	Amount	%
<b>28 CONSUMPTION OF :</b>				
Raw materials				
- Indigenous	<b>881.87</b>	<b>100.00</b>	<b>953.68</b>	<b>100.00</b>
Spare Parts and Components / Stores and Spares				
- Indigenous	<b>4.08</b>	<b>100.00</b>	<b>15.33</b>	<b>100.00</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

**29 RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD 18**

(i) Related Party disclosures

(a) Where control exists:

Matrix Commercial Private Limited	- Holding Company
GKW (Overseas Trading ) Limited	- Subsidiary Company
Mr K K Bangur	- Individual having control over the Company through the voting power in the Holding Company.

(b) Key Management Personnel

Mr J. D. Curravala	- Managing Director
Mr G Srinivasan	- Whole time Director

(c) Others with whom transactions have taken place during the year

Graphite India Limited	- Enterprise over which Mr K K Bangur is able to exercise significant control
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(ii) Particulars of transactions during the year ended 31st March, 2015

₹ in Lakhs

	Transaction during the year		Outstanding Balance as on	
	2014/15	2013/14	31.03.15	31.03.14
<b>(a) Subsidiary Company</b>				
GKW (Overseas Trading) Ltd				
Advance repaid by subsidiary	<b>(0.08)</b>	0.08	-	0.08
- do -	-	(0.23)	-	-
<b>(b) Key Management Personnel</b>				
Mr. J. D. Curravala	Remuneration	72.30	55.09	(6.30)
Mr. G. Srinivasan	Remuneration	-	*5.45	-
		<u>72.30</u>	<u>60.45</u>	<u>(6.30)</u>
<b>(c) Enterprise over which Mr. K. K. Bangur is able to exercise significant control</b>				
Graphite India Limited				
Dividend received for 2013-14	70.00	-	-	-

\* Part of the year

Figures in brackets indicate amount paid /payable

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

**30 "Lease" as per Accounting Standard - 19**

All the lease agreements entered into by the Company have a termination clause for cancelling the lease agreement by serving notice on either of the parties

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

- 31 The Earnings per share has been calculated on the basis of number of equity shares outstanding during the year ended 31st March, 2015 in accordance with the provisions of Accounting Standard-20 ( Earnings per share) :

	As at 31-Mar-15	As at 31-Mar-14
Profit attributable to Equity Shares ( ₹ in Lakhs )	106.37	370.87
Weighted average Number of Equity Shares	5966500	5966500
Earnings per Share (₹)	1.78	6.22
Profit from continuing operation attributable to equity share ( ₹ in lakhs)	106.37	370.45
Earning per Share (continuing operation) (₹)	1.78	6.21

- 32 The Disclosure requirement under “Segment Reporting” as per Accounting Standard 17 issued by The Institute of Chartered Accountants of India is given below:

#### A PRIMARY SEGMENT (BUSINESS SEGMENT)

	Year ended 31.03.15	Year ended 31.03.14
<b>1 Segment Revenue (net sales/ income from each segment)</b>		
Auto Components	1028.05	1,102.74
Warehousing	395.47	143.26
Others	119.06	531.60
Net Sales/Income from operation	1542.58	1777.60
<b>2 Segment Results (Profit/Loss)before tax and interest from each segment</b>		
Auto Components	(34.20)	(43.28)
Warehousing	324.27	114.86
Others	(122.11)	361.84
	167.96	433.42

₹ in Lakhs

#### 3 Segment Assets and Liabilities

	As on 31.03.15		As on 31.03.14	
	Assets	Liabilities	Assets	Liabilities
Auto Components	543.59	43.23	617.65	48.02
Warehousing	647.52	208.40	219.90	105.30
Others	9047.99	926.42	9339.38	973.74
	10239.10	1178.05	10176.93	1127.06

#### 4 Segment Capital Employed:

Auto Components	500.36	569.63
Warehousing	439.12	114.60
Others	8121.57	8365.64
Total	9061.05	9049.87

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in Lakhs

	<u>As on 31.03.15</u>	<u>As on 31.03.14</u>
<b>5 Capital Expenditure:</b>		
Warehousing	145.55	131.86
Others	7.19	2.34
Total	<u>152.74</u>	<u>134.20</u>
<b>6 Depreciation:</b>		
Auto Components	14.32	70.68
Warehousing	6.96	0.59
Others	7.42	10.38
Total	<u>28.70</u>	<u>81.65</u>
<b>7 Other Non-Cash Expenditure:</b>		
Others	11.93	67.53
Total	<u>11.93</u>	<u>67.53</u>

**B SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)**

	<u>Year ended 31.03.15</u>		<u>Year ended 31.03.14</u>	
	<u>Within India</u>	<u>Outside India</u>	<u>Within India</u>	<u>Outside India</u>
1 Segment Revenue	1542.58	-	1777.60	-
2 Segment Capital Employed	9061.05	-	9049.87	-
3 Capital Expenditure	152.74	-	134.20	-

**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>
Auto components	Mild Steel Pressed components
Warehousing	Lease Rental

- (d) 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.

**33** The subsidiary (incorporated in India), which is included in this Consolidated Financial Statements alongwith the Companys' holding therein are as under;

SI No	Name of the Company	Ownership Interest		Net Assets		Share in Profit	
		2014-15	2013-14	As % of consolidated net assets	Amount	As % of consolidated Profit	Amount
1	GKW ( Overseas Trading ) Limited	100	100	0.06%	5.12	0%	0.01

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 34 (a) Depreciation for the year has been calculated based on the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 made effective from 1st April, 2014 . Accordingly, net book value of the Fixed assets existing as on date has been depreciated over the remaining useful life of the asset computed as aforesaid, Consequently, charge on account depreciation is lower and profit for the year is higher by ₹ 56 Lakhs.
- (b) Further, ₹ 95.19 Lakhs ( net of deferred tax of ₹ 45.72 Lakhs ) being the carrying amount of the assets whose useful life has already expired as on 1st April, 2014 has been adjusted against opening balance of retained earnings during the year .
- 35 The Company has discontinued its operations for Screws & Fasteners Division with effect from 1st April, 2014. The disclosures as required under Accounting Standard - 24 are given below:

	<u>2014-15</u>	<u>2013-14</u>
Revenue	-	115.89
Expenses	-	115.47
Profit / (Loss)	-	0.42
Total Assets	-	2.97
Total Liabilities	-	11.55
Net Cash flow from operating activities	-	0.65

- 36 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  
*Company Secretary*

A Chakrabarti  
*Chief Financial Officer*

Kolkata  
13th May, 2015

R.P.Singh  
*Partner*  
for and on behalf of  
LODHA & Co .  
*Chartered Accountants*