

REPORT AND ACCOUNTS 2015-2016



GKW Limited

MANAGING DIRECTOR

J D Curravala

DIRECTORS

G Srinivasan

M L Lahoti

N K Navalakha

P S Lodha

Ms S Singhi

VICE PRESIDENT & SECRETARY

J N Ghosh

AUDITORS

Lodha & Co

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

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, 2016.
- The results for the year under review are given below :

	₹ lakhs	
	2015-2016	2014-2015
Total Revenue from continuing operations	1226.19	1296.55
Profit before depreciation	288.42	216.52
Depreciation	22.55	14.38
Profit from operations	265.87	202.14
Profit from discontinued activity	1244.74	(34.20)
Profit before Tax	1510.61	167.94
Taxation	(398.94)	(61.58)
Profit after taxation	1111.67	106.36

During the year under review, profit from operations before tax at ₹265.87 lakhs was higher than in the previous year at ₹202.14 lakhs, mainly due to higher income from warehousing activity. Profit before tax at ₹1510.61 lakhs was higher than the previous year's figure of ₹167.94 lakhs mainly due to higher profit on sale of assets of the Metal Pressings Division, (discontinued operation) as reduced by provisions against certain contingent demands and claims pending final resolution.

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 steady progress. Lease rentals increased by 56% to ₹616.82 lakhs during the year under review as compared to ₹395.47 lakhs in the previous year. Negotiations for leasing out additional warehousing space are in progress, and it is expected that revenues from this segment will continue to improve during 2016-17. Your Company has decided to pursue this business segment for future growth and towards this end it is continually upgrading facilities to establish itself as a provider of quality space and service in a niche market.

(b) Investment and Treasury

Your Company has identified investment and treasury operations as an important segment which will enable it to take advantage of a resurgent economy and generate revenues from dividends, interest and capital gains in a tax efficient manner.

With a view to broadbase the investment portfolio, a judicious mix of short, medium and long term assets is envisaged, which should maximize returns on the one hand and spread the risk on the other. Towards this end, your Company has, during the year, made an investment of ₹1432.89 lakhs in 20,00,000 equity shares of Graphite India Ltd. with a view to earn tax free dividend as also future capital appreciation.

(c) Metal Pressings Division:

As reported last year, the Metal Pressing Division of the

Company was incurring losses, and was operating in an environment where neither profitability nor sustainability of its business model could be maintained. Hence, as planned, the assets and liabilities of this division were divested during the year under review which yielded a net profit of ₹1696.06 lakhs. The cash flows generated have been invested to generate future returns which would surpass the returns if any that this division could have generated.

4.2 Discussions on Financial Performance with Respect to Operational Performance

Total revenue was marginally lower than the previous year mainly due to decrease in other income.

It is proposed to transfer a sum of ₹ 1100 lakhs (2014-15 - ₹50 lakhs) to General Reserve during the year.

As in the previous year, there were no borrowings during the year ended 31st March 2016.

During the year under review, your Company has invested a sum of ₹ 3455.97 lakhs in mutual funds.

Capital Expenditure for the year amounted to ₹1422.86 lakhs (2014-15 - ₹151.07 lakhs) and value of assets put into use during the year amounted to ₹355.08 lakhs (2014-15 - ₹79.61 lakhs).

Capital work in progress includes a sum of ₹1034.76 lakhs being payment made towards allotment of residential apartments in a prestigious real estate project in Kolkata.

4.3 Opportunities and Threats

The company is ceasing the opportunities to grow the warehousing and Investment & Treasury segments.

However future growth and profitability will also depend on the performance of the economy in general and the financial sectors in particular.

4.4 Outlook

Yet again there has been a considerable improvement in the net worth and shareholders funds in your Company. With GDP growth estimated at 7.4% in 2015-2016, the outlook for the Indian economy looks promising. This should translate into increased domestic demand for goods and services, with downstream effect on most businesses, including that of your Company.

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 equipment 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.

Each business segment has 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.

All aspects of the warehousing and treasury operations are being closely monitored to identify potential risks at an early stage, in order to ensure that appropriate risk mitigation measures are put in place.

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 17 as on 31st March, 2016.

5. SUBSIDIARY COMPANY

GKW (Overseas Trading) Limited had made a profit of ₹0.01 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, 2016 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 13th May, 2015, 12th August, 2015, 9th November, 2015 and 28th January, 2016.

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 judgements 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 safeguarding 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. Surbhi Singhi all Independent Directors have submitted a statement under Sub-section (6) of Section 149 of the Companies Act, 2013 on 1st April, 2016.

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, 2016 are appended hereto as Annexure III.

6.8 The Company had contracts or arrangements with related parties during the year under review and are appended hereto as Annexure III(a). Please also refer to Note no 28(c) 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 equipments and production machinery was undertaken as an ongoing activity to ensure optimum utilization of energy. This continued partly upto first quarter of the year under review, when the Metal Pressing Division was operational. The conservation of energy is not applicable for the company as the said division was closed and the assets were disposed off.

6.10 Research & Development and Technology Absorption and Innovation

The nature of business activity viz. warehousing business and investment & treasury operations carried on by the Company does not have any scope for any Research, Development, Technology Absorption and Innovation. However latest developments in materials and processes pertaining to warehousing activity are constantly monitored.

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 for mitigating the risk factors both internal and external. The company has already adopted the procedures for the same including identification thereof.

6.13 Evaluation of Board and Directors' Performance

Formal annual evaluation has been made by the Board of its own performance and that of its Committee and individual directors 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 had resigned as Director of the company on 10th September, 2015.

b) Ms. Surbhi Singhi was appointed as Additional Director on the Board of the Company on 30th September, 2015 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. Surbhi Singhi as Independent Director on the Board of Directors upto a consecutive period of 5 (five) years from 30th September, 2015 is included in the Notice convening the 86th AGM for approval of the members of the Company.

c) Mr. J. D. Curavala who is liable to retire by rotation and being eligible offers himself for re-appointment.

d) 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, 2016 subject to the approval of the Shareholders at the 86th 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 Annual General Meeting held on 12th August, 2014. The Auditors being eligible, have expressed their willingness to be re-appointed as Auditors of the Company for the third year, beginning on 1st April, 2016 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 Company's (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 2016-17.

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

The Company's policy on director's remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters in terms of 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. However, due to carried forward losses as computed under Section 198 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 Director

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 Redressal) Act, 2013.

ACKNOWLEDGEMENT

The Board of Directors would like to thank the Company's customers, employees, shareholders, bankers, financial advisors, 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
11th May, 2016	<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 subsidiary company.

Part "A": Subsidiary

1. Sl. No.	1
2. Name of the subsidiary	GKW(Overseas Trading) Limited
3. Reporting period for the subsidiary concern, 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	5.00
6. Reserves & surplus	0.13
7. Total assets	5.21
8. Total liabilities	0.08
9. Investments	Nil
10. Other income	0.39
11. Profit before taxation	0.01
12. Provision for taxation	—
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, 2016

[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	-
2	Warehousing Services	5210	50.30%
3	Investment & Treasury	-	47.37 %

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	75%	Section 2 (87)(ii)
2	GKW (Overseas Trading) Ltd	U90390 WB1967 PLC 027207	Subsidiary	100%	Section 2 (87)(ii)

Category of Shareholder	No. of Share Held at the Beginning of the year 01.04.2015				No. of Share Held at the End of the Year 31.03.2016				% Change during the year
	Demat	Physical	Total	% Total of Shares	Demat	Physical	Total	% Total of Shares	
A. Promoter									
1) Indian									
(a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Government(s)	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	3580375	0	3580375	60.01	4474875	0	4474875	75	14.99
(e) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(1):	3580375	0	3580375	60.01	4474875	0	4474875	75	14.19
2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	894500	0	894500	14.99	0	0	0	0	-14.99
d) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(2):	894500	0	894500	14.99	0	0	0	0	-14.99
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4474875	0	4474875	75.00	4474875	0	4474875	75.00	0.00
B. Public Shareholding									
1) Institutions									
(a) Mutual Funds	356	2575	2931	0.05	340	2575	2915	0.05	0.00
(b) Bank/Financial Institutions	108040	4514	112554	1.89	108040	4514	112554	1.89	0.00
(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	0.00
(g) Foreign Institutional Investors (FII)	0	1489	1489	0.02	0	1489	1489	0.02	0.00
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Other (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	108430	8578	117008	1.96	108414	8578	116992	1.96	0.00
B2) Non-Institutions									
(a) Bodies Corporate									
i) Indian	878977	2262	881239	14.77	873989	2254	876243	14.69	-0.08
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	277673	125357	403030	6.76	279498	121561	401059	6.72	-0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	44993	0	44993	0.75	47548	0	47548	0.80	0.05
(c) Others (specify)									
1 NRI	2754	1187	3941	0.07	2766	1143	3909	0.06	-0.01
2 Clearing Member	1176	0	1176	0.02	6407	0	6407	0.11	0.09
3 OCB	-	-	-	-	-	-	-	-	-
4 Trust	75	9	84	0.00	75	9	84	0.00	0.00
5 Unclaimed Suspense A/c.	40146	0	40146	0.67	39375	0	39375	0.66	-0.01
6 The Custodian of Benami shares	0	8	8	0	8	0	8	0.00	0.00
SUB TOTAL (B)(2):	1245794	128823	1374617	23.04	1249666	124967	1374633	23.04	0.00
B. Total Public Shareholding (B)=(B)(1)+ (B)(2)	1354224	137401	1491625	25.00	1358080	133545	1491625	25.00	0.00
TOTAL (A)+(B):	5829099	137401	5966500	100	5832955	133545	5966500	100.00	0.00
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	5829099	137401	5966500	100.00	5832955	133545	5966500	100.00	0.00

GKW LIMITED

(ii) Shareholding of Promoters

Shareholding at the beginning of the year 01.04.2015					Shareholding at the end of the year 31.03.2016		
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						
		Reason					
		Disposal by way of Interse transfer					
		Date					
		03.03.2016	-894500	-14.99	0	0	
	c) At the end of the Year				0	0	
2	MATRIX COMMERCIAL PRIVATE LTD IN30302853938346/IN30022210058479						
	a) At the Beginning of the Year	3580375	60.01	NIL	3580375	60.01	NIL
	b) Change during the Year						
		Reason					
		Acquisition by way of interse transfer					
		Date					
		03.03.2016	894500	14.99	4474875	75.00	NIL
	c) At the end of the Year				4474875	75.00	NIL

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

		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
Sl. No.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	a) At the beginning of the year	4474875	75.00	4474875	75.00
	b) 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			
	c) 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 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		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	0	0	0	0
	b) Change during the Year				
		Date	Reason		
		26.06.2015	Buy	19500	0.32
		07.08.2015	Buy	96000	1.61
		30.10.2015	Buy	7000	0.12
	c) At the end of the Year			122500	2.05
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	72799	1.22	72799	1.22
	b) Change during the Year		No Change		
	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
7	DAU LAL KOTHARI 1) IN30210510020969 2) IN30210510020993				
	a) At the Beginning of the Year	23445	0.39	23445	0.39
	b) Change during the Year				
		Date	Reason		
		06.11.2015	Buy	545	0.01
		13.11.2015	Buy	483	0.01
		04.12.2015	Buy	447	0.01
		11.12.2015	Buy	80	0
	c) At the end of the Year			25000	0.42
8	JANARDAN KUMAR KOTHARI IN30210510020951				
	a) At the Beginning of the Year	21000	0.35	21000	0.35
	b) Change during the Year				
		Date	Reason		
		16.10.2015	Buy	520	0.01
		23.10.2015	Buy	198	0
		30.10.2015	Buy	44	0
		06.11.2015	Buy	238	0.01
	c) At the end of the Year			22000	0.37

GKW LIMITED

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016		
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
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	Corum Securities Pvt Ltd IN30009511588139					
	a) At the Beginning of the Year	122500	2.05	122500	2.05	
	b) Change during the Year					
		Date	Reason			
		26.06.2015	Sale -19500	-0.32	103000	1.73
		07.08.2015	Sale -96000	-1.61	7000	0.12
		21.08.2015	Buy 115500	1.93	122500	2.05
		23.10.2015	Sale -122500	-2.05	0	0.00
	c) At the end of the Year			0	0	
11	ELCO CONSULTANTS LTD IN30068510348127					
	a) At the Beginning of the Year	9125	0.15	0.00	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 01.04.2015		Cumulative Shareholding during the year 31.03.2016				
		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. Curavala – M. D. (Jt. Holder)	100	0.00		0	Nil movement during the year	100	0.00
2	Mr. G. Srinivasan - Director (Jt. Holder)	50	0.00		0		50	0.00
3	Mr. M. L. Lahoti - Director	NIL			0	-do-	NIL	0.00
4	Mr. N. K. Navalakha - Director	NIL			0	-do-	NIL	0.00
5	Mr. P. S. Lodha - Director	NIL			0	-do-	NIL	0.00
6	Ms. Sucharita Basu De - Director (Upto 10th September, 2015)	NIL			0	-do-	NIL	0.00
7	Ms. Surbhi Singhi (w.e.f. 30th September, 2015)	NIL			0	-do-	NIL	0.00
8	Mr. A. Chakrabarti – CFO	1	0.00		0	-do-	1	0.00
9	Mr. J. N. Ghosh – Company Secretary	NIL	0.00		0	-do-	NIL	0.00

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				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition				
• Reduction				

VI. INDEBTEDNESS (Continued)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	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				
Total (i+ii+iii)	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	7560000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		450000
	(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		
	Total (A)		8010000
	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	190000		190000
		Mr. N.K.Navlakha	190000		190000
	➤ Others, please specify	Mr. P.S.Lodha	190000		190000
		Ms. S. Basu De	60000		60000
		(upto 10 th September, 2015)			
		Ms. S. Singhi	10000		10000
		(w.e.f, 30th September, 2015)			
2.	Total (1)		640000		640000
3.	Other Non-Executive Directors				
	➤ Fee for attending Board / Committee Meetings/Commission	Mr. G. Srinivasan	40000		40000
	➤ Others, please specify	- Non-Executive Director			
4.	Total (2)		40000		40000
5.	Total (B)=(1+2)		680000		680000
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. 965280 (a) 64700 (b) 2144640 (a) 82010 (b)	Rs. 965280 (a) 64700 (b) 2144640 (a) 82010 (b)
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify			
5.	Others, please specify			
	Total		3256630	3256630

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)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTOR					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICER IN DEFAULT					
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) & (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;	Managing Director		
	Mr. J.D. Curralava	24.28:1	
	Directors Fees		
	Mr. G. Srinivasan	0.12:1	
	Mr. M.L. Lahoti	0.58:1	
	Mr. N.K. Navalakha	0.58:1	
	Mr. P.S. Lodha	0.58:1	
(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;	Managing Director		
	Mr. J. D. Curralava	10.79%	
	Directors		
	Mr. G. Srinivasan	(5.88)%	
	Mr. M. L. Lahoti	15.15%	
	Mr. N. K. Navalakha	15.15%	
	Mr. P. S. Lodha	15.15%	
(iii) The percentage increase in the median remuneration of employees in the financial year;	CFO		
	Mr. A.Chakrabarti	-	
(iv) The number of permanent employees on the rolls of company;	Company Secretary		
	Mr. J. N. Ghosh	-	
(v) The explanation on the relationship between average increase in remuneration and company performance	-		
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	17		
(vii) Variations in the market capitalisation of the company, price earnings ratio as at the close of the current and previous financial year	The average increase in the remuneration of the employees are commensurate with the size and performance of the Company.		
Market Capitalisation (Rs. lakhs)	31.03.2015	31.03.2016	Variation
Market price	30467.93	34775.75	4307.82
Price earnings ratio	510.65	582.85	72.20
	286.88	31.29	
(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;	The remuneration of the Chief Financial Officer and Company Secretary are commensurate with the size & performance of the Company.		
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	There are no exceptional circumstances in increase in managerial remuneration.		
(x) The Key Parameters for any variable component of remuneration availed by the directors:	The remuneration of the Key Managerial Personnel of the Company are commensurate with the size & performance of the Company.		
(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	The employees including the Managing Director are not entitled to variable remuneration. Hence the key parameters for such remuneration does not arise.		
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	No employee has received any remuneration during the year higher than the highest paid Director.		
	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	5	6	7	8	9	10
Curavala J D	76	100	Managing Director	80,10,000	54,60,162	B.Com., A.C.A., LL.B	49	01.04.70	Stewart & Lloyds Ltd. (U.K.) -Financial Accountant

Notes:

- Gross remuneration comprises of salary, house rent allowances and leave travel assistance but excluding contribution to provident fund, pension fund and gratuity.
- Net remuneration comprises cash income less income tax as applicable.

Annexure III

Particulars of Investments under section 186 of the Companies Act 2013

in Lakhs

Particulars	Relationship	As at	As at
		31.03.16	31.03.15
Investments in Equity Instruments :			
(Quoted)			
IDBI Bank Ltd			
10720 (2014-15 - 10720) shares of ₹10/- each- fully paid at cost		8.71	8.71
Graphite India Limited			
4000000 (2014-15 - 2000000) shares of ₹ 2/- each- fully paid at cost		2822.89	1390.00
(Unquoted)			
Subsidiary			
GKW (Overseas Trading) Limited -			
50000 (2014-15 - 50000) Ordinary shares of ₹10/- each- fully paid, at cost		5.00	5.00
		2836.60	1403.71

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. (Not Applicable)

SL. No.	Particulars	Details
	Name(s) of the related party & nature of relationship	
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/ arrangements/ transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
	Name(s) of the related party & nature of relationship	B. D. Bangur Endowment (Charitable Trust)
	Nature of contracts/arrangements/transaction	Annual lease rent of Rs.0.24 lakhs. Security Deposit received Rs.0.24 lakhs. Property Tax paid Rs.0.03 lakhs.
	Duration of the contracts/arrangements/transaction	The duration of the lease is for 20 years w.e.f. 1st January, 2011
	Salient terms of the contracts or arrangements or transaction including the value, if any	In terms of the Lease Deed dated 24th December, 2010
	Date of approval by the Board	28th October, 2010 and 28th January, 2016
	Amount paid as advances, if any	-

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[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
Central Plaza
Office Space No. 406, 4th Floor,
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 31st March, 2016 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 31st March, 2016 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, 2015;
 - (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: 11th May, 2016

ARUP KUMAR ROY
PRACTICING COMPANY SECRETARY
ACS : 6784
COP No. : 9597

**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations).

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.

GKW LIMITED

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 lakhs 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 to 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**NOMINATION AND REMUNERATION POLICY****1. PREAMBLE**

The Nomination and Remuneration Policy was formulated by the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting held on 11th November, 2014 in accordance with the requirement of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The said Policy has been revised by the Nomination and Remuneration Committee and approved by the Board at its meeting held on 13th May, 2015 and 28th January, 2016.

2. DEFINITIONS AND INTERPRETATIONS

2.1 Unless the context requires otherwise, capitalized terms used in this Policy shall have the following meanings:

“**Act**” means the Companies Act, 2013 and any modifications thereto or amendments thereof.

“**Board**” means the collective body of the Directors of the Company.

“**Committee**” means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

“**Company**” means GKW Limited.

“**Director**” means a Director of the Company.

“**Independent Director**” means Director appointed in accordance with Section 149(6) of the Companies Act, 2013 and of the Listing Regulations.

“**Key Managerial Personnel**” or “**KMP**” means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed under the applicable law.

“**Listing Agreement**” shall mean the Listing Agreement executed between the Company and the relevant stock exchange(s), as amended from time to time; the Listing Regulations, shall mean the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

“**Other Employees**” means all the employees other than the Directors, KMPs and the Senior Management Personnel.

“**Senior Management Personnel**” or “**Senior Management**” means the personnel of the Company who are members of its core management team excluding Board comprising of all members of management one level below the Managing Director, including the functional heads.

2.2 Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act or the Rules made thereunder (as may be amended from time to time or the Listing Regulations, shall have the meaning respectively assigned to them in the Act, the Rules made thereunder, or the Listing Regulations.

2.3 All requirements under all applicable laws (including, but not limited to the Act and the Rules made thereunder, the Listing Regulations and the directions issued by the Securities Exchange Board of India) with respect to the Nomination and Remuneration Committee are deemed to have been incorporated herein.

3. PURPOSE, FUNCTION AND OBJECTIVE

The key objective of this policy is to provide a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations.

3.1 The objectives of the Policy include the following:

- 3.1.1 To identify and/or evaluate persons who are qualified to become directors, KMP and Senior Management personnel after taking into account the qualifications, positive attributes and independence and recommend to the Board their appointment/removal.
- 3.1.2 To determine that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully and recommend to the Board a policy, relating to the remuneration of the directors, KMP and other employees;
- 3.1.3 That co-relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 3.1.4 That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. GENERAL

This policy shall be applicable to all Directors, KMP, Senior Management personnel and other Employees of the Company.

- 4.1 The key features of this policy shall be included in Board's Report.
- 4.2 The Policy relating to remuneration and the evaluation criteria shall be disclosed in the Annual Report of the Company.

5. MATTERS TO BE DEALT WITH PERSUED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

5.1 The Committee shall inter alia:

- 5.1.1 make recommendations to the Board with respect to remuneration for Managing Director(s) and remuneration to non-executive Director(s)/Independent Directors.
- 5.1.2 identify persons who are qualified to become Director(s) and KMP.
- 5.1.3 recommend to the Board, appointment / removal of Director(s) and KMP of the Company and carry out evaluation of every Director's performance.
- 5.1.4 formulate criteria for determining qualification, positive attributes and independence of Directors.
- 5.1.5 review the performance of Managing Director at the time of re-appointment.
- 5.1.6 annually review the duties and performance of the chairman of the Board and recommend the process to the Board for his election.
- 5.1.7 assist the Board in the establishment and implementation of an appropriate performance evaluation/self-assessment process for the members of the Board and its committees.
- 5.1.8 perform review and evaluation, of the performance of the member of the Board and the committee members, at least annually.
- 5.1.9 periodically review the composition and duties of the Company's permanent committees and recommend any changes in these committees to the Board.
- 5.1.10 formulate a criteria for evaluation of independent Director(s) and the Board.
- 5.1.11 devise a policy on Board diversity.
- 5.1.12 carry out any other responsibilities and duties delegated to it by the Board from time to time.
- 5.1.12.1 carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions.

6. POLICY AND CRITERIA FOR IDENTIFICATION, APPOINTMENT, TENURE, EVALUATION, RETIREMENT AND REMOVAL OF DIRECTORS AND KMP

6.1 **Identification and Appointment criteria and qualifications of Directors/KMPs**

6.1.1 **Directors**

- 6.1.1.2 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.
- 6.1.1.3 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.
- 6.1.1.4 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.
- 6.1.1.5 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.

6.1.2 **Independent Directors**

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 (B) the Listing Regulations.

7. Term / Tenure:

7.1 **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.

7.2 **Independent Director:**

7.3 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.

7.4 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.

7.5 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.

8. Evaluation:

8.1 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.

8.2 Whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors.

8.3 **Evaluation of Directors:**

In terms of Section 149 of the Act read with Schedule IV of the said Act and the Listing Regulations 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.

8.4 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.

8.5 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.

9. 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).

10. Retirement

10.1 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.

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

10.3 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).

11. POLICY RELATING TO THE REMUNERATION FOR THE DIRECTOR AND KMP

11.1 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.

11.2 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.

- 11.3 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.
- 11.4 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.
- 11.5 Remuneration to Directors (other than Independent Directors):
- 11.5.1 **Fixed pay:**
- 11.5.1.1 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.
- 11.5.1.2 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.
- 11.5.1.3 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.
- 11.5.1.4 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.
- 12 **REMUNERATION TO INDEPENDENT DIRECTORS:**
- 12.1 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.
- 12.2 Sitting Fees:
- 12.3 The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or its committee.
- 12.4 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.
- 12.5 **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.
- 12.6 Provisions for excess remuneration:
- 12.7 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.
- 12.8 The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- 12.9 Remuneration to Senior Management Personnel:
- 12.10 The remuneration payable to Senior Management Personnel shall be determined in accordance with internal guidelines of the Company.
- 12.11 Remuneration to Other Employees
- 12.12 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.
13. **POLICY ON BOARD DIVERSITY**
With a view to achieving a sustainable and balanced development, the Company envisages appropriate diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that may be considered by the Board as relevant in its absolute discretion, for the business of the Company etc.
- 13.1 The Board shall have the optimum combination of Directors of different genders, areas, fields, backgrounds and skill sets as maybe deemed necessary.
- 13.2 The Board shall have members who have accounting or related financial management expertise and are financially literate.
14. **DISCLOSURE OF INFORMATION**
Disclosures required under applicable laws and accounting standards regarding the remuneration paid by the Company shall be made in the financial statements of the Company.

15. AMENDMENT

Any change in this Policy shall, on recommendation of the Committee, be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

16. IMPLEMENTATION AND REVIEW

(A) The Committee is responsible for the monitoring, implementation and review of this Policy. The Committee shall provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company. The Board shall review the (i) contents of and (ii) compliance with this Policy at regular interval.

(B) Notwithstanding anything to the contrary contained in this Policy:

The Committee has delegated its powers under this Policy with respect to KMP (other than Directors) to the Managing Director of the Company including removal as referred to in Clause 9.2 and the Managing Director shall also be entitled to take final decisions with respect to remuneration, their extension after attainment of applicable retirement age/employee welfare measure including provision of loans (with or without interest as per statutory provisions) under the Company's rules/regulations or otherwise.

The Chairman of the Nomination and Remuneration committee will be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

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 (B) 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/Wholetime 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.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) 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".

"Audit Committee" means a Committee constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Listing Regulations.

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

"Company" means GKW Limited and all its offices.

"Employee" means all permanent employees – on the roll 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 "SCOPE 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.

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		No of shares held in the Company
			As Chairman	As Member	
Mr. J. D. Curavala	Executive	Graphite India Limited	-	1**	100 Jointly
Mr. G. Srinivasan	Non-Executive	Dignity Lifestyle Private Limited	-	-	50
Mr. M.L. Lahoti	Non-Executive*	GKW (Overseas Trading) Limited Saroj Traders Private Limited	-	-	-
Mr. N.K. Navalakha	Non-Executive*	-	-	-	-
Mr. P.S. Lodha	Non-Executive*	-	-	-	-
Ms. S. Basu De (Upto 10.09.2015)	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**	-
Ms Surbhi Singhi (w.e.f. 30.09.2015)	Non-Executive*	P. K Infrastructure Private Ltd., Rainbow Investments Limited Quest Properties India Ltd., Pilani Investment and Industries Corporation Limited Harrisons Malayalam Limited STEL Holdings Limited	-	-	-

*also independent

** Only Audit Committee and Stakeholder Relationship Committee considered.

No interse relationship between the Directors has taken place during the year under review. Familiarization programmes for Independent Directors is on the Website of the Company at www.gkw ltd.com

Board, Annual General Meeting and Attendance

Board Meetings were held on 13th May'15, 12th August'15, 9th November'15 and 28th January'16. The Annual General Meeting was held on 12th August, 2015.

Director	No. of Board Meetings		Attended last AGM
	Held	Attended	
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 (Till 10th September, 2015)	4	1	No
Ms. S. Singhi (w.e.f. 30th September, 2015)	4	1	No*

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 Regulation, 26(3) of SEBI (Listing Obligations and Disclosure Requirements), the Company has received the necessary declarations affirming compliance with it during the year ended 31st March, 2016. 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 conforms to those specified in Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as also 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) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 3) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 4) examination of the financial statement and the auditors' report thereon;
- 5) approval or any subsequent modification of transactions of the company with related parties;
- 6) scrutiny of inter-corporate loans and investments;
- 7) valuation of undertakings or assets of the company, wherever it is necessary;
- 8) evaluation of internal financial controls and risk management systems;
- 9) monitoring the end use of funds raised through public offers and related matters;
- 10) 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;
- 11) 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;
- 12) 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;
- 13) reviewing, with the management, the annual financial statements and the auditor's report thereon 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 in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
 - 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) modified opinion(s) in the Draft Audit Report;
- 14) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 16) 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;
- 17) discussion with internal auditors of any significant findings and follow up thereon;
- 18) 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;
- 19) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 20) 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;
- 21) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 22) to review the functioning of the whistle blower mechanism;

- 23) to adequately 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 or exceptional cases;
- 24) carrying out any other function as is mentioned in the terms of the reference of the Audit Committee.

Compositions, Name of Members and Chairperson

Audit Committee meetings were held on 13th May'15, 12th August'15, 9th November'15 and 28th January, 2016.

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

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

5. Nomination and Remuneration Committee

(a) 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 (upto 10th September, 2015) as its members.

The Nomination and Remuneration Committee as constituted met on 8th May, 2015, 28th September, 2015 and 18th January 2016.

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 (upto 10th September, 2015)	-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 Listing SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the National Stock Exchange and Section 178 of the Companies Act, 2013. The broad 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. It has been annexed as Annexure VI.

(b) Performance Evaluation of Independent Directors

The Performance evaluation criteria for independent Directors has been annexed to the Directors' Report as Annexure IX.

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 and Non-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 2016.

Sl. No.	Name	Salary	Commission	Perquisites/ Allowances, Others	Sitting fees	Total
		₹	₹	₹	₹	₹
1.	Mr. J.D. Curavala	5400000	-	2610000	-	8010000
2.	Mr. G. Srinivasan	-	-	-	40000	40000
3.	Mr. M.L. Lahoti	-	-	-	190000	190000
4.	Mr.N.K.Navalakha	-	-	-	190000	190000
5.	Mr. P.S. Lodha	-	-	-	190000	190000
6.	Ms. S. Basu De (upto 10th September, 2015)	-	-	-	60000	60000
7.	Ms. S. Singhi (w.e.f. 30th September 2015)	-	-	-	10000	10000

Note : Total remuneration comprises of salary, house rent allowance and leave travel assistance.

GKW LIMITED

1. The Non-Executive Directors have been paid only the sitting fees for their attendance at the Board and Committee Meetings. There is no other pecuniary relationship or transactions of the Non-Executive directors with the company.
2. The Non-Executive Directors are paid sitting fees within the prescribed limits. The criteria for payment of remuneration of Non-Executive Directors has been specified in the Nomination and Remuneration policy and is put on the Website of the Company at www.gkw ltd.com
3. There is no performance linked with the incentives and stock option provided to any director of the company.

6. Service Contracts, Severance Fees and Notice Period

Period of contract of Managing Director : 1 year from 11-08-2015. 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 (Non-Executive Director)
3. Mr. M. L. Lahoti
4. Mr. P. S. Lodha
5. Ms. S. Basu De (upto 10th September, 2015)

The Committee is headed by Mr. N. K. Navalakha and Mr. J.N. Ghosh, Company Secretary is the Compliance Officer. The Committee met on 12th May'15, 10th August'15, 7th November'15 and 27th January, 2016.

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	- do -	4	4
Mr. P. S. Lodha	- do -	4	4
Ms. S. Basu De (upto 10th September, 2015)	- do -	4	2

8. Stakeholder Relationship Committee

The Committee deals with the mechanism for redressal of grievances (transfer of shares, non receipt of annual report etc.) of stakeholders. The following are the Members of the Committee:

1. Mr. M. L. Lahoti - Chairman (Non-Executive Director)
2. Mr. N. K. Navalakha
3. Mr. P. S. Lodha
4. Ms. S. Basu De (upto 10th September, 2015)

The Committee met on 12th May, 2015, 10th August, 2015, 7th November, 2015 and 27th January, 2016.

Member	Category	Meetings Held	Meetings Attended
Mr. M.L. Lahoti Chairman	Non-Executive/ Independent	4	4
Mr. N.K. Navalakha	- do -	4	4
Mr. P. S. Lodha	- do -	4	4
Ms. S. Basu De (upto 10th September, 2015)	- do -	4	2

There was no shareholder's complaint at the end of the year. The number of complaints received were 6 during the year and the same were resolved.

The details of complaint position during the year ended 31st March, 2016:

1. No. of Complaints remaining unresolved as on 1st April, 2015 NIL
2. No. of Complaints received during the year 6
3. No. of complaints resolved during the year 6
4. No. of complaints unresolved as on 31st March, 2016 NIL

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 policy is annexed to the Directors' Report as per Annexure VIII.

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

The committee did not meet during the year.

11. General Body Meetings

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

<u>Financial Year</u>	<u>Date of A.G.M.</u>	<u>Venue</u>	<u>Time</u>
31st March, 2015	12th August, 2015	Kala Kunj, Kolkata	11.00 a.m.
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.

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

- i) 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.
- ii) 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.
- iii) At the Eightyfifth Annual General Meeting held on 12th August, 2015.
 - Re-appointment of Managing Director for a period of one year from 11th August 2015.

C. No Special Resolution was passed in the year 2014-15 through Postal Ballot.

12. Means of Communications

- Quarterly Results : The quarterly results published in the proforma prescribed under the Listing Agreement SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are approved and taken on record within 45 days of the close of the relevant quarter. The approved results are notified forthwith to the National 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 Regulations, 2015.
- Which Newspaper normally published in : Business Standard (English newspaper – Kolkata & Mumbai)
Aajkal (Bengali newspaper – local edition)
- Any website, where displayed : The Financial Results are being displayed on the Company's website at www.gkwltd.com and at www.nseindia.com.
- Whether it displays official news releases : No
- Presentation made to Institutional investors or to analyst. : No

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13. General Shareholders Information

	<u>Date</u>	<u>Time</u>	<u>Venue</u>
AGM:	9th August, 2016	11.00 a.m.	Kala Kunj
Financial Calendar (tentative) 2016-2017			
i) Financial Year	: April-March		
ii) Dividend payment date	: Not applicable		
iii) Date of Book Closure	: 3rd August, 2016 to 9th August, 2016 (both days inclusive)		
iv) Cut-off date	: 02.08.2016		
v) Electronic Voting	: In terms of Section 108 and other applicable provisions of Companies Act read with the Companies (Management and Administration) Rules, 2014, the voting at the 86th Annual General Meeting of the Members of the Company shall be conducted through electronic voting. The electronic voting will commence from 6th August, 2016 from 9 a.m. to 8th August, 2016 upto 5 p.m.		
Name & Address of Stock Exchange at which the shares of the Company are listed and confirmation about payment of Annual Listing Fee to Stock Exchange	: National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051. Annual Listing Fee for the year 2016-17 has been paid to the aforesaid Stock Exchange		
<u>Stock Code</u>	<u>Physical & Demat</u>		
National Stock Exchange	GKWLIMITED		
Demat ISIN Number	INE 528A 01020		

14. Stock Market Data

<u>Market price of Company's shares traded during the year</u>	<u>N S E</u>		<u>NSE NIFTY</u>	
	<u>High(₹)</u>	<u>Low(₹)</u>	<u>High(₹)</u>	<u>Low(₹)</u>
April 2015	700.00	485.25	8844.80	8144.75
May 2015	638.95	500.00	8489.55	7997.15
June 2015	580.00	406.00	8467.15	7940.30
July 2015	889.80	456.00	8654.75	8315.40
August 2015	689.95	505.05	8621.55	7667.25
September 2015	575.00	460.20	8055.00	7539.50
October 2015	688.40	470.00	8336.30	7930.65
November 2015	650.00	517.10	8116.10	7714.15
December 2015	675.05	535.10	7979.30	7551.05
January 2016	885.00	481.70	7972.55	7241.50
February 2016	820.00	502.00	7600.45	6825.80
March 2016	630.00	486.00	7777.60	7035.10

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 lodgement thereof, if the documents are clear in all respects.

15. Distribution of shareholding

Distribution of shareholding as on 31.03.2016

<u>No. of Shares held</u>	<u>No. of Share holders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 to 500	26985	99.57	291831	4.89
501 to 1000	47	0.17	36513	0.61
1001 to 2000	31	0.12	46663	0.78
2001 to 3000	14	0.05	37779	0.63
3001 to 4000	5	0.02	17315	0.29
4001 to 5000	3	0.01	13414	0.23
5001 to 10000	5	0.02	38546	0.65
10001 & above	11	0.04	5484439	91.92
TOTAL	27101	100.00	5966500	100.00

16. Shareholding Pattern

Shareholding Pattern as on 31.03.2016

Category	No.of Shares Held	% of share- holding of issued share capital
I PROMOTERS HOLDING		
Promoters – a. Indian Promoters	4474875	75.00
b. Foreign Promoters	NIL	NIL
Sub Total	4474875	75.00
II NON PROMOTERS HOLDING		
Institutional Investors		
a. Mutual Fund & Unit Trust of India	2915	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	117000	1.96
III Others -		
a. Private Corporate Bodies/Trust	876327	14.69
b. Indian Public	448607	7.52
c. NRIS/OCBs/Foreign Nationals	3909	0.06
d. Any other (specify) Clearing members	6407	0.11
e. Unclaimed Suspense Account	39375	0.66
Sub Total	1374625	23.04
GRAND TOTAL	5966500	100.00
NOTE:TOTAL FOREIGN SHARE HOLDING	No. of Shares	% of Share Holding
NRIS/OCBS/Foreign Nationals	3909	0.06
FII	1489	0.02
TOTAL	5398	0.08

17. 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 31.03.2016, a total of Ordinary shares 5832955 of the Company which forms 97.76% 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

18. 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. 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 : 5906 and no of outstanding Shares : 40146
- Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year : 21
- Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year : 21
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year : No of Shareholders : 5885 and no of outstanding Shares : 39375

GKW LIMITED

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

19. Other 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. The proper disclosure has been made for related party transactions as per Accounting Standard 18 which has been set out in the Note No.28 of the financial statement. The transaction have no potential conflict with the interest of the company.
- ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s), or the board or any Statutory Authority, on any matter related to the Capital markets, during the last three years. There is no such non compliance by the company as above.
- iii) Details of establishment of vigil mechanism, whistle blower, and affirmation that no personnel has been denied access to the audit committee.
The company has made out a policy for vigil mechanism / whistle blower and no personnel have been denied access to the Audit Committee.
- iv) Details of compliance with mandatory requirements and adoption of non mandatory requirements.
All mandatory requirements with respect to the Corporate Governance Report have been duly complied with and the non mandatory requirements are being reviewed from time to time.
- v) Web link where policy for determining "material" subsidiaries is disclosed.
The company has no material subsidiary company hence this is not applicable.
- vi) Web link where policy on dealing with related party transactions.
The company's policy on dealing with related party transactions is put on the web link of the Company at www.gkw ltd.com.
- vii) Disclosures of commodity price risks and commodity hedging activities. This is not applicable.
- viii) The requirements in respect of obligations with respect to Independent Directors and Directors and Senior Management have been complied with.
- ix) Familiarization programmes of all Independents Directors were held during the year.
- x) Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.
- xi) The disclosures in respect of other Corporate Governance as specified in Schedule V C(13) of the SEBI (LODR) Regulations, 2015 have been complied with.

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 Listing Regulations. 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 Directors 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,
11th May, 2016

J D Curavala
Managing Director

G Srinivasan
Director

DECLARATION

In terms of Regulation 26(3) read with Schedule V D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the Board members and Senior management personnel of the Company have as on 31st March, 2016 affirmed their compliance of the Code of Conduct of the Company dated 7th March, 2016.

Kolkata,
11th May, 2016

J D Curavala
Managing Director
GKW Limited

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, 2016, as stipulated in
 - a) Clause 49 (excluding Clause 49(VII)(E) of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchange in India for the period from 1st April, 2015 to 30th November, 2015;
 - b) Clause 49(VII)(E) of the Listing Agreement of the Company with the Stock Exchange in India for the period from 1st April, 2015 to 1st September, 2015;
 - c) Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from 2nd September, 2015 to 31st March, 2016;
 - d) Regulations 17 to 27 (excluding Regulation 23(4)), clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India to the extent relevant, 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 according to the 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 and Listing Regulations, for the respective period, as applicable.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No. : 301051E
R P Singh
Partner
Membership No. 052438

Place: Kolkata
Dated: 11th May, 2016

Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**Certification by Managing Director and Chief Financial Officer**

We hereby certify, for the financial year ended 31st March, 2016 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls pertaining to financial reporting.
5. We have evaluated the effectiveness of the internal control system of the Company.
6. We have disclosed to the auditor and the Audit Committee deficiencies, of which we are aware, in the design or operation of the internal control systems.
7. We have taken the required steps to rectify these internal control deficiencies.
8. We further certify that to the best of our knowledge and belief :
 - (a) There have been no significant changes in internal control during this year.
 - (b) There have been no significant changes in accounting policies during the year.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

CHIEF FINANCIAL OFFICER

MANAGING DIRECTOR

GKW LIMITED**BALANCE SHEET**

AS AT 31ST MARCH, 2016

Particulars	Note No.	₹ in Lakhs	
		As at <u>31.03.16</u>	As at <u>31.03.15</u>
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	2	596.65	596.65
(b) Reserves and Surplus	3	<u>9575.95</u>	<u>8464.28</u>
Total (a+b)		<u>10172.60</u>	<u>9060.93</u>
Non - current liabilities			
(a) Deferred tax liabilities (net)	4	31.74	49.03
(b) Other Long - term liabilities	5	272.15	194.88
(c) Long - term provisions	6	<u>27.50</u>	<u>21.59</u>
Total (a+b+c)		<u>331.39</u>	<u>265.50</u>
Current liabilities			
(a) Trade payables	7		
(i) Dues to Micro and Small Enterprises		--	--
(ii) Dues to others		20.22	35.69
(b) Other current liabilities	8	636.32	602.19
(c) Short - term provisions	9	<u>667.42</u>	<u>274.59</u>
Total (a+b+c)		<u>1323.96</u>	<u>912.47</u>
TOTAL		<u>11827.95</u>	<u>10238.90</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
- Tangible Assets	10	662.10	573.49
- Intangible assets		0.18	4.60
- Capital Work-in-progress		1140.40	73.13
(b) Non-current investments	11	2836.60	1403.71
(c) Long -term loans and advances	12	1266.09	1333.51
(d) Other non-current assets	13	<u>831.58</u>	<u>1921.13</u>
Total (a+b+c+d)		<u>6736.95</u>	<u>5309.57</u>
Current Assets			
(a) Current investments	14	2722.43	1647.93
(b) Inventories	15	-	69.13
(c) Trade receivables	16	35.88	201.62
(d) Cash and bank balances	17	2266.19	2909.25
(e) Short -term loans and advances	18	35.84	41.03
(f) Other current assets	19	<u>30.66</u>	<u>60.37</u>
Total (a+b+c+d+e+f)		<u>5091.00</u>	<u>4929.33</u>
TOTAL		<u>11827.95</u>	<u>10238.90</u>

Significant Accounting Policies

1

Notes to Financial Statements

2-33

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 OfficerR P Singh
PartnerKolkata
11th May , 2016for and on behalf of
LODHA & Co .
Chartered Accountants

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

Particulars	Note No.	Year ended	Year ended
		31st March, 2016	31st March, 2015
Revenue from operations :	20		
Sale of Services (Net of service tax)		616.82	395.47
Income from Investment and Treasury		580.76	-
Other operating Revenue		-	119.05
		<u>1197.58</u>	514.52
Other income	21	28.61	782.03
TOTAL REVENUE		<u>1226.19</u>	<u>1296.55</u>
EXPENSES :			
Changes in inventories of finished goods, work in progress and stock in trade	22	-	0.14
Employee benefits expense	23	271.29	441.76
Depreciation and amortization expense	10	22.55	14.38
Other Expenses	24	666.48	638.13
TOTAL EXPENSES		<u>960.32</u>	<u>1094.41</u>
Profit before tax from continuing operations		265.87	202.14
TAX EXPENSES :			
- Current tax		(22.28)	(7.92)
- Tax for earlier years		(43.18)	(5.43)
- Deferred tax credit/(charge)		3.04	(48.23)
Profit after Tax from continuing operations		<u>203.45</u>	<u>140.56</u>
Profit/(loss) before tax from discontinuing operations	31	1244.74	(34.20)
Tax expenses of discontinuing operations		(336.52)	-
Profit/(loss) after tax from discontinuing operations		<u>908.22</u>	<u>(34.20)</u>
PROFIT FOR THE YEAR		<u>1111.67</u>	<u>106.36</u>
Earnings per equity share (Note 30)			
- Basic & Diluted (from Continuing operations)		3.41	2.36
- Basic & Diluted (Total)		18.63	1.78
Significant Accounting Policies	1		
Notes to Financial Statements	2-33		

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
A Chakrabarti
Chief Financial Officer

J N Ghosh
Company Secretary

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

Kolkata
11th May, 2016

GKW LIMITED**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
A. Cash flow from Operating Activities				
Net Profit/(Loss) before taxation :				
- from continuing operations	265.87		202.14	
- from discontinuing operations	<u>1244.74</u>	1510.61	<u>(34.20)</u>	167.94
Adjustments for:				
Depreciation - Fixed Assets :				
- from continuing operations	22.55		14.38	
- from discontinuing operations	4.04		14.32	
Provision for diminution in value of current investments	38.15		(51.49)	
Provision for claims	352.89		10.77	
(Profit) / Loss on disposal / scrapping of fixed assets (net)	(1779.33)		-	
(Profit)/Loss on sale of investment (net)	-		(24.34)	
Dividend income	(80.08)		(74.26)	
Interest income	-		(512.69)	
Provision for doubtful debts and advances	-		2.65	
Doubtful debts and advances written off	-		(65.24)	
Provision for doubtful advances no longer required written back	-		(55.96)	
Interest on Income Tax Refund	(4.29)		-	
Trade Receivables written off	0.93		-	
Liability no longer required written back	<u>(11.95)</u>		<u>(82.93)</u>	
		(1457.09)		(824.79)
Operating Profit/(Loss) before Working Capital changes		53.52		(656.85)
Adjustments for:				
Trade & Other receivables	118.29		199.66	
Inventories	69.13		11.77	
Trade Payables	<u>103.86</u>	291.28	<u>120.69</u>	332.12
		344.80		(324.73)
Purchase of current investment		(3455.97)		-
Sale of current investment		2343.33		-
Bank deposits with more than 3 months' maturity		1627.09		-
Interest receivable		29.72		-
Cash generation from operation		<u>888.97</u>		(324.73)
Direct taxes (paid)/refund (net)		(292.31)		(102.01)
Net Cash inflow/ (outflow) from operating activities		596.66		(426.74)
- including cash inflow/(outflow) from discontinuing operations	(290.03)		(14.44)	
B. Cash Flow from Investing activities				
Purchase of fixed assets and CWIP	(1373.00)		(79.61)	
Purchase of investment	(1432.89)		(700.00)	
Capital WIP	-		(73.13)	
Sale of Fixed Assets	2023.62		-	
Sale of investment	-		204.38	
Bank Deposits with more than 3 months' maturity and other bank balances	0.09		551.25	
Dividend income	80.08		74.26	
Interest income	-		560.18	
Net cash inflow/ (outflow) from investing activity		(702.10)		537.33
- including cash inflow/(outflow) from discontinuing operations	2023.62		-	

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

	<u>For the year ended 31st March, 2016</u>	<u>For the year ended 31st March, 2015</u>
C. Cash Flow from Financing activities		
Net cash flow from financing activities	-	-
- including cash inflow/(outflow) from discontinuing operations	-	-
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)	<u>(105.44)</u>	<u>110.59</u>
Opening Cash and Cash Equivalents as on 01.04.15	<u>986.14</u>	<u>875.55</u>
Closing Cash and Cash Equivalents as on 31.03.16	<u>880.70</u>	<u>986.14</u>
Cash flow from discontinuing operations included above	<u>1733.59</u>	<u>(14.44)</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 ₹ 700 Lakhs (2014-15 - ₹ 835 Lakhs) as on the Balance Sheet date.
- 3) Cash flow from movement in current investment and other assets pertaining to Investment and Treasury Division has been considered as Cash Flow from operating activities during the year .
- 4) In view of Note 31 and 32, corresponding figures of previous year are not comparable. 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
11th May, 2016

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

14, Government Place East
Kolkata
11th May, 2016

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016****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) Intangible assets are carried at cost less accumulated amortisation and impairment.

(c) Capital work-in-progress is stated at cost incurred during installation period .

(d) 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. Intangible assets (Computer software) are amortised on a straight line basis over a period of five years.

(e) The amounts at which fixed assets are carried in the Company's books are reviewed at the Balance Sheet date for any indication of impairment. In case of impairment, an impairment loss is recognised when the carrying amount of assets belonging to a cash generating unit (CGU) or otherwise exceeds the recoverable amount of the assets i.e. the higher of assets' net selling price or its value in use. Subsequent reversal of such impairment loss if any, is allocated to the respective assets .

(iii) INVESTMENTS

Investments are classified into long term and current investments based on the intent of the management at the time of making the investments . Investments are classified as long term investments if the intention of the management is to hold the investments for more than one year .

Long-term investments are valued at cost unless there is diminution, other than temporary, in their value . Current investments are valued at lower of cost or market value.

(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, 2016

(vi) REVENUE

(a) SALES

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

(b) LEASE

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

(c) INVESTMENT INCOME

Dividend from investments is recognised in the statement of profit and loss when the right to receive payment is established. Interest income is accounted for on an accrual basis.

(vii) 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</u>	<u>As at</u>
		<u>31.03.16</u>	<u>31.03.15</u>
2	SHARE CAPITAL		
	Authorised :		
	49250000 (2014-15 - 49250000) Cumulative redeemable preference shares of ₹ 10/- each	4925.00	4925.00
	59665008 (2014-15 - 59665008) Ordinary shares of ₹ 10/- each	5966.50	5966.50
		<u>10891.50</u>	<u>10891.50</u>
2.1	Issued, Subscribed and Paid-up :		
	3669653 (2014-15 - 3669653) Ordinary shares of ₹10/- each fully paid up	366.97	366.97
	659749 (2014-15 - 659749) Ordinary shares for consideration other than cash pursuant to contracts / scheme of arrangements.	65.97	65.97
	1637098 (2014-15 - 1637098) Bonus shares by way of capitalisation of reserves and share premium	163.71	163.71
		<u>596.65</u>	<u>596.65</u>
2.2	Shareholders holding Ordinary shares in the company for more than 5% :		
	Name of Shareholder	Number of Shares	Number of Shares
	Matrix Commercial Pvt Ltd	4474875	3580375
	(Holding Company)	(75.00%)	(60.01%)
	Kiwi Investments Ltd	-	894500
		-	(14.99%)
	Bellona Finvest Ltd	524534	524534
		(8.79%)	(8.79%)

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, 2016**

	As at 31.03.16	<i>₹ in Lakhs</i>	As at 31.03.15
3 RESERVES AND SURPLUS			
General Reserve			
At the beginning of the year	6350.00	6300.00	
Add: Transfer from Surplus	<u>1100.00</u>	<u>50.00</u>	
	7450.00		6350.00
Surplus			
At the beginning of the year	2114.28	2153.11	
Less : Transfer on transitional provision as per Schedule II of Companies Act, 2013	-	(95.19)	
Add: Transferred from Statement of Profit and Loss	1111.67	106.36	
Appropriations :			
- Transfer to General Reserve	<u>(1100.00)</u>	<u>(50.00)</u>	
	<u>2125.95</u>		2114.28
	<u>9575.95</u>		<u>8464.28</u>
4 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities :			
Depreciation	125.71		142.02
Less : Adjustment on account of depreciation as per Schedule II of Companies Act, 2013	-		(45.72)
Less : Deferred Tax Assets :			
Provision for assets	15.28		1.85
Expenses allowed on payment basis	<u>78.69</u>		<u>45.42</u>
	<u>31.74</u>		<u>49.03</u>
5 OTHER LONG-TERM LIABILITIES			
Security Deposit received from dealers, lessee etc	<u>272.15</u>		<u>194.88</u>
6 LONG-TERM PROVISIONS			
Provision for employee benefits	<u>27.50</u>		<u>21.59</u>
7 Trade Payables			
(a) Dues to Micro and Small Enterprises	-		-
(b) Dues to Others	<u>20.22</u>		<u>35.69</u>
	<u>20.22</u>		<u>35.69</u>
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 and accordingly, no further disclosure has been given.			
8 OTHER CURRENT LIABILITIES			
Security Deposits / Advance from customers	2.42		6.75
Capital Vendor	73.09		23.24
Claims payable	291.55		291.55
Employee benefits payable	120.68		133.18
Dues payable to Government authorities	13.67		21.74
Liability for expenses	76.89		67.62
Liability for fractional share payment (Note 17)	<u>58.02</u>		<u>58.11</u>
	<u>636.32</u>		<u>602.19</u>

- (a) Advance from customers include ₹ 0.85 lakhs (2014-15 - ₹ 5.08 Lakh) received as advance against scrap and other sales.
- (b) Claims payable relate to provision against demands in respect of rented premises.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

9 SHORT-TERM PROVISIONS

	As at 31.03.16	As at 31.03.15
Provision for employee benefits	234.86	194.92
Provision for claims	432.56	79.67
	667.42	274.59

Provision for claims relate to provision against disputed demands in respect of annual guaranteed minimum consumption of power, excise, sales tax and other statutory dues pending final resolution thereof (Note 26).

10 FIXED ASSETS

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

₹ in Lakhs

Description	GROSS BLOCK - AT COST			DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April 2015	Withdrawals/ Transfer/ Adjustment	As at 31st March 2016	As at 1st April, 2015	Recognised in Statement of Profit & loss	Transferred to Retained Earnings	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
					Continuing operations	Discontinuing operations				
(i) Tangible assets										
Land (including Leasehold Land)	87.00	- (33.38)	53.62	4.21	0.01	-	-	4.22	49.40	82.79
Buildings	1109.83	268.17 (306.38)	1071.62	721.72	12.27	3.03	- (167.96)	569.06	502.56	388.11
Plant & Machinery:	1259.85	26.91 (1259.84)	26.92	1190.22	0.29	0.65	- (1190.76)	0.40	26.52	69.63
Motor Vehicles	26.94	38.08 (7.98)	57.04	20.34	4.28	-	- (7.97)	16.65	40.39	6.60
Furniture and Fittings	11.51	- (0.47)	11.04	2.53	1.17	0.01	- (0.29)	3.42	7.62	8.99
Railway Sidings	0.34	- (0.34)	-	0.33	-	-	- (0.33)	-	-	0.01
Office Equipment	7.13	0.34	7.47	5.45	0.66	-	-	6.11	1.36	1.67
Computers and data processing units	16.92	- (3.52)	13.40	15.59	0.08	0.03	- (3.43)	12.27	1.13	1.33
Electrical Installations and Equipment	16.11	21.58	37.69	1.75	2.82	-	-	4.57	33.12	14.36
Total Tangible assets	2535.63	355.08 (1611.91)	1278.80	1962.14	21.58	3.72	(1370.74)	616.70	662.10	573.49
Previous year	2456.64	78.99	2535.63	1793.52	14.32	13.39	140.91	1962.14	573.49	-
(ii) Intangible assets										
Computer software acquired	7.97	- (7.35)	0.62	3.37	0.97	0.32	- (4.22)	0.44	0.18	4.60
Total Intangible assets	7.97	(7.35)	0.62	3.37	0.97	0.32	(4.22)	0.44	0.18	4.60
Previous year	7.35	0.62	7.97	2.38	0.06	0.93	-	3.37	4.60	-
(iii) Add: Capital work-in-progress- at cost	-	-	-	-	-	-	-	-	1140.40	73.13
Previous Year	-	-	-	-	-	-	-	-	73.13	-
Grand Total	2543.60	355.08 (1619.26)	1279.42	1965.51	22.55	4.04	(1374.96)	617.14	1802.68	651.22
Previous year	2463.99	79.61	2543.60	1795.90	14.38	14.32	140.91	1965.51	651.22	-

The above amount include assets given on operating lease as under; (Note 29)

Land - cost ₹ 20.06 lakhs (2014-15 - ₹ 20.06 Lakhs), depreciation - Nil (2014-15 - Nil) and accumulated depreciation - Nil (2014-15 - Nil)

Buildings - cost ₹ 438.62 Lakhs (2014-15 - ₹ 170.46 lakhs), depreciation - ₹ 10.10 Lakhs (2014-15 - ₹ 5.41 Lakh) and accumulated depreciation - ₹ 16.09 Lakhs (2014-15 - ₹ 5.80 Lakhs)

Electrical Installation and Equipment - cost ₹ 37.68.lakhs (2014-15 - ₹ 16.11 lakhs), depreciation - ₹ 2.82 lakhs (2014-15 - ₹ 1.75 lakhs) and accumulated depreciation ₹ 4.57 lakhs (2014-15 - ₹ 1.75 lakhs)

Capital Work-in-progress includes amount of ₹1034.76 (2014-15 - Nil) being payment made for purchase and allotment of residential flats awaiting completion .

GKW LIMITED**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

	<u>As at 31.03.16</u>	<u>As at 31.03.15</u>
11 NON-CURRENT INVESTMENTS		
Long Term (Other than Trade)		
Investments in Equity Instruments :		
(Quoted)		
IDBI Bank Ltd		
10720 (2014-15 - 10720) shares of ₹10/- each- fully paid at cost	8.71	8.71
Graphite India Limited		
4000000 (2014-15 - 2000000) shares of ₹ 2/- each- fully paid at cost	2822.89	1390.00
Investments in Equity Instrument in Subsidiary Company		
(Unquoted)		
GKW (Overseas Trading) Limited -		
50000 (2014-15 - 50000) Ordinary shares of ₹10/- each- fully paid at cost	5.00	5.00
	<u>2836.60</u>	<u>1403.71</u>
Aggregate book value of quoted investments	2831.60	1398.71
Market value of quoted investments	2881.44	1666.58
Aggregate book value of unquoted investments	5.00	5.00
12 LONG-TERM LOANS AND ADVANCES		
Unsecured :		
Considered good :		
Capital Advances	1.45	0.94
Security Deposits	23.82	26.42
Other Loans and advances :		
– Balances with Government authorities	-	7.02
– Pension Fund	234.12	135.71
– Gratuity Fund	-	37.09
– MAT Credit Entitlement	903.03	896.97
– Advance payment of Income tax (net of provisions)	103.67	229.36
	<u>1266.09</u>	<u>1333.51</u>
13 OTHER NON-CURRENT ASSETS		
Deposits with Bank with more than 12 months' maturity	831.58	1921.13

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

14 CURRENT INVESTMENTS*(At lower of Cost and market value)***Other than Trade investments****Investments in Government or trust securities :****(Quoted)**

	Unit Face value (₹)	Number	As at 31.03.16	Number	As at 31.03.15
8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost	1000000	12	120.00	12	120.00
9.05% IDBI Bond, 2020 fully paid at cost	1000000		-	40	407.20
8.85% PFC Bond, 2030 fully paid at cost	1000000		-	10	100.14
9.65% YES Bond, 2020 fully paid at cost	1000000	10	100.38	10	100.38
8.90% HDFC Bond, 2020 fully paid at cost	1000000		-	10	100.00

Investments in Mutual Funds:**(Unquoted)**

ICICI - Prudential FMP series 73-366 Days Plan A Regular Plan - Cumulative	10	2735650.000	273.57	2735650.000	273.57
SBI DEBT FUND SERIES "A" 17 - 366 days REGULAR (Growth)	10		-	1000000.000	100.00
ICICI Prudential FMP Series 74-368 days Plan J	10		-	1400000.000	140.00
IDFC Arbitrage Fund Plus - Plan A (Regular) - Dividend	10		-	1251973.959	150.00
Kotak Equity Arbitrage Fund - Growth	10		-	502467.114	100.00
Kotak Equity Arbitrage Fund - Dividend	10		-	511352.015	55.00
Kotak Equity Arbitrage Fund - Dividend	10		-	46478.336	5.00
Birla Sun life Balanced 95 Fund - Growth	10	8884.782	50.00	-	-
HDFC Balanced Fund - Growth	10	189048.771	200.00	-	-
HDFC Prudence Fund - Growth	10	10962.264	40.00	-	-
ICICI Prudential Balanced Fund - Monthly Dividend	10	171743.237	40.00	-	-
SBI Magnum Balanced Fund - Dividend	10	139763.305	40.00	-	-
SBI - Magnum Balanced Fund - Growth	10	133541.089	125.00	-	-
Reliance Regular savings Fund - Balanced option Growth	10	319520.562	125.00	-	-
Axis Equity Fund - Growth	10	1085770.901	200.00	-	-
Birla Sun Life Equity Fund - Growth	10	19518.409	95.00	-	-
Canara Robeco Infrastructure Regular Plan - Growth	10	74404.762	25.00	-	-
Franklin India Prima Plus - Growth	10	23333.140	100.00	-	-
ICICI Prudential Balanced advantage Fund - Regular - Growth	10	393077.830	100.00	-	-
ICICI Prudential Focused Bluechip equity Fund - Retail Growth	10	1067213.998	300.00	-	-
ICICI Prudential Value Discovery Fund - Growth	10	43759.846	50.00	-	-
Kotak Opportunities Fund - Regular Plan - Growth	10	60393.767	50.00	-	-
Kotak Select Focus Fund - Regular Plan - Growth	10	1332793.315	300.00	-	-
L&T India Prudence Fund - Growth	10	254777.070	50.00	-	-
SBI Magnum Multicap Fund - Growth	10	627394.606	199.99	-	-
Reliance Equity Savings Fund - Dividend	10	800975.199	80.00	-	-
SBI Blue chip Fund - Growth	10	350934.020	100.00	-	-

Less : Provision for diminution in value of investments

(41.51)

(3.36)

	2722.43	1647.93
Aggregate book value of quoted investments	214.38	825.32
Aggregate book value of Un-quoted investments	2508.04	822.61
Market value of quoted investments	214.38	835.45
Net Asset value of units of Mutual Funds	2575.03	874.62

GKW LIMITED**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	₹ in Lakhs	
	As at 31.03.16	As at 31.03.15
15 INVENTORIES		
At or under cost (being cost or net realisable value whichever is lower)		
Raw materials	-	30.86
Work-in-progress	-	9.75
Finished products	-	23.38
Stores and spare parts	-	2.72
Product Scrap	-	2.42
	<u>-</u>	<u>69.13</u>
16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
Unsecured - considered good	2.78	-
Other debts		
Unsecured - considered good	33.10	201.62
Unsecured - considered Doubtful	-	2.65
	<u>35.88</u>	<u>204.27</u>
Less : Provision for doubtful debts	-	(2.65)
	<u>35.88</u>	<u>201.62</u>
17 CASH AND BANK BALANCES		
Cash and Cash Equivalents:		
Cash on hand	2.04	1.87
Cheques on hand	-	47.35
Balances with Banks :		
- in current accounts	178.66	101.92
- in deposit account (with maturity of less than 3 months)	700.00	835.00
	<u>880.70</u>	<u>986.14</u>
Other Bank Balances:		
- in deposit account (with maturity of less than 12 months)	1127.47	1865.00
- in deposit account in lien (with maturity of less than 12 months) (*)	200.00	-
- in fractional share payment accounts @	58.02	58.11
	<u>2266.19</u>	<u>2909.25</u>
(*) Bank guarantee issued against fixed deposits		
@ Earmarked for Fractional share payment (Note 8)		
18 SHORT-TERM LOANS AND ADVANCES		
Unsecured		
- Considered good :		
- Other Loans and advances :		
- Balances with Government authorities	9.68	13.84
- Loan to Employee	-	2.36
- Advance to staff	1.20	0.43
- Advance to suppliers	1.95	4.26
- Recoverable claims	14.74	19.41
- Prepaid Expenses	8.27	0.73
	<u>35.84</u>	<u>41.03</u>
19 OTHER CURRENT ASSETS		
Unsecured - Considered good :		
Interest receivables	30.66	60.37

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	<i>₹ in Lakhs</i>	
	Year ended <u>31st March, 2016</u>	Year ended <u>31st March, 2015</u>
20 REVENUE FROM OPERATIONS		
(a) Sale of services		
Income from Warehousing facilities		
Lease Rental	702.26	443.90
Less : Service tax	<u>85.44</u>	<u>48.43</u>
Net Lease Rental	<u>616.82</u>	395.47
	<u>616.82</u>	<u>395.47</u>
(b) Income from Investment and Treasury (Note 32)		
Interest Income:		
On Loans and Deposits	0.62	
On Fixed Deposits	369.90	
On Current Investments	<u>54.08</u>	424.60
Dividend Income:		
On Current Investments	45.11	
On Non-Current Investments	<u>80.08</u>	125.19
Net Profit on disposal of current Investments	<u>30.97</u>	-
	<u>580.76</u>	-
(c) Other operating revenues		
Sale of assets held for disposal	-	119.05
	<u>1197.58</u>	<u>514.52</u>
21 OTHER INCOME (Note 32)		
Interest Income		
On Loans and Deposits	-	0.62
On Fixed Deposits	-	438.08
On Current Investments	-	73.68
On Others (refund of Income Tax)	4.29	-
Dividend Income		
On Current Investments	-	4.23
On Non-Current Investments	-	70.03
Provision for diminution in value of current investments written back (net)	-	51.49
Net Profit on disposal of current Investments	-	24.35
Miscellaneous Income	<u>24.32</u>	119.55
	<u>28.61</u>	<u>782.03</u>
Miscellaneous Income includes profit on sale of scrap materials - ₹ 11.12 Lakhs (2014-15 - ₹ 32.94 Lakhs), liabilities no longer required - ₹ 11.95 Lakhs (2014-15 - ₹ 82.93 Lakhs).		
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening 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>
Less : Adjustments	<u>(3.78)</u>	-
Less : Transferred to discontinuing operation	<u>(31.77)</u>	<u>(50.30)</u>
	<u>-</u>	<u>0.14</u>

GKW LIMITED**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	₹ in Lakhs	
	Year ended <u>31st March, 2016</u>	Year ended <u>31st March, 2015</u>
Closing Stocks :		
Finished products	-	23.38
Work-in-progress (including scrap)	-	9.75
Product scrap	-	2.42
	<u>-</u>	<u>35.55</u>
Less : Transferred to discontinuing operation	-	(35.55)
	<u>-</u>	<u>-</u>
(Increase)/decrease	<u>-</u>	<u>0.14</u>
(Increase)/decrease pertaining to discontinuing operation (Note 31(a))	<u>31.77</u>	<u>14.75</u>
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	241.56	225.90
Contribution to provident and other funds (net) (Note 27)	11.23	193.06
Staff welfare expenses	<u>18.50</u>	<u>22.80</u>
	<u>271.29</u>	<u>441.76</u>
24 OTHER EXPENSES		
Power and fuel	17.78	15.97
Repairs to Buildings	35.78	25.78
Repairs to Machinery	0.19	0.19
Repairs to Others	18.99	6.53
Directors' sitting fees	6.80	5.78
Insurance	2.98	4.93
Rent	47.82	61.01
Rates and taxes	57.67	86.00
Printing and stationery	5.78	6.64
Postage, telephone & telex	18.27	25.86
Data processing expenses	2.72	2.88
Travelling expenses	13.46	8.94
Advertisement expenses	2.72	15.27
Security charges	74.80	76.91
Selling commission / Brokerage	10.63	11.26
Legal and Professional Charges	203.66	147.11
Consultants' fees	34.10	41.95
Provision for diminution in value of current investments	38.15	-
Provision for doubtful advances no longer required written back	-	(55.96)
Doubtful advances written off	-	65.24
Miscellaneous expenses	<u>74.18</u>	<u>85.84</u>
	<u>666.48</u>	<u>638.13</u>
(a) Payment to Auditor (included in Miscellaneous expenses)		
- For Statutory Audit	2.25	2.25
- For other services	3.03	2.97
- For re-imburement of expenses	<u>0.03</u>	<u>0.13</u>
	<u>5.31</u>	<u>5.35</u>

(b) Miscellaneous expenses include ₹ Nil Lakhs (2014-15 - ₹ 10.77 Lakhs) on account of claims made against the Company.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at	₹ in Lakhs
	31.03.16	As at 31.03.15
25 CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent Liabilities:		
a) Excise duty under Appeal (to the extent ascertainable)	-	135.38
b) Disputed sales tax under Appeal	-	251.28
c) Municipal demand against Company's premises at Andul Road Works stayed by Hon'ble High Court at Calcutta	215.81	215.81
d) Demand of enhancement of rental against rented premises pending disposal of matters by relevant High Courts	-	78.14
e) Various labour related matters pending finalisation by appropriate authorities , amount of liability etc if any, is presently not ascertainable. Bank guarantee of ₹177 lakhs has been issued against certain labour matters.	-	-
f) Demand for shortfall in annual guaranteed minimum consumption of power pending disposal of matter by High Court	-	80.00
g) Other claims not acknowledged as debts (to the extent ascertainable and not provided for)	-	9.37
Future cash outflows in respect of above contingent liabilities is dependant upon the outcome of judgments / decisions.		
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances)	8.17	121.24

26 Details of provision in terms of AS-29 (Provisions , Contingent Liabilities , Contingent Assets) pertaining to certain claims (Note 9) :

	As at	₹ in Lakhs
	31.03.2016	As at 31.03.2015
Carrying amount at the beginning of the year	79.67	68.90
Additional provisions made in the year	352.89	10.77
Less : amounts charged against the provision during the year	-	-
Less : unused amounts reversed during the year	-	-
Carrying amount at the end of the year	432.56	79.67

27 EMPLOYEE BENEFITS

a. Defined Contribution Scheme

Employer's Contribution to Provident Fund	1.62	3.78
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b. Defined Benefit Scheme :

(1) Employer's Contribution to Provident Fund	16.96	20.45
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The Company has set up Provident Fund Trusts in respect of certain categories of employees which are administered by Trustees . The Trusts invest Funds following a pattern of investments .

The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act , 1952 .

In terms of Guidance on Implementing Accounting Standard 15 (Revised 2005) on " Employee Benefits", Provident Fund Trusts set up by the Company are treated as defined benefit plans in view of the Company's obligation to meet shortfall, if any, on account of interest . Accordingly, the Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit method . Based on such valuation , an amount of ₹ 1.11 Lakhs (2014-15 - ₹ 1.70 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company .

GKW LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

Actuarial assumptions :	2015-16	2014-15
Discount Rate	7.20%	7.90%
Expected Return on Fund	8.50%	8.50%
Return on EPFO	8.75%/8.60%	8.75%/8.60%

- (2) 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 method, 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)	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	Current service cost	2.68	2.10	2.36	3.21	29.69	25.09	1.60
Interest cost	9.24	7.60	4.54	5.48	111.13	102.69	7.55	7.00
Expected return on plan assets	-	-	(7.57)	(7.32)	(134.96)	(130.88)	-	-
Actuarial (gain)/loss	(8.56)	18.87	43.80	(8.17)	(104.27)	127.56	35.42	15.43
Total Expenses @	3.36	28.57	43.13	(6.80)	(98.41)	124.46	44.57	25.69

@ Recognised under "Contribution to Provident and Other Funds" in Note 23.

II Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	thereof are as follows:							
Present value of Defined benefit obligation at the beginning of the year	116.94	88.37	66.44	71.24	1411.29	1225.83	99.56	88.96
Current service cost	2.68	2.10	2.36	3.21	29.69	25.09	1.60	3.26
Interest Cost	9.24	7.60	4.54	5.48	111.13	102.69	7.55	7.00
Benefit payments	-	-	(17.84)	(15.11)	(9.09)	(63.45)	(8.11)	(15.09)
Actuarial (gain)/loss	(8.56)	18.87	33.36	1.62	(122.15)	121.13	35.42	15.43
Present value of Defined benefit obligation at the end of the year	120.30	116.94	88.86	66.44	1420.87	1411.29	136.02	99.56

III Changes in the fair value of Plan Asset representing reconciliation of opening and closing balances	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	thereof are as follows:							
Fair value of plan assets at the beginning of the year	-	-	103.53	96.53	1547.00	1486.00	-	-
Employer contribution	-	-	-	5.00	-	-	8.11	15.09
Expected Return on plan assets	-	-	7.57	7.32	134.96	130.88	-	-
Benefit payments	-	-	(17.84)	(15.11)	(9.09)	(63.45)	(8.11)	(15.09)
Actuarial gain / (Loss)	-	-	(10.44)	9.79	(17.88)	(6.43)	-	-
Fair value of plan assets at the end of the year	-	-	82.82	103.53	1654.99	1547.00	-	-

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

IV Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended 31st March, 2016	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	Net Asset / (Liability) at the beginning of the year	(116.94)	(88.37)	37.09	25.29	135.71	260.17	(99.56)
Employer (Expenses)/credit	(3.36)	(28.57)	(43.13)	6.80	98.41	(124.46)	(44.57)	(25.69)
Employer Contribution	-	-	-	5.00	-	-	8.11	15.09
Net Asset/ (Liability) at the end of the year	(120.30)	(116.94)	(6.04)	37.09	234.12	135.71	(136.02)	(99.56)
V Actuarial assumptions :	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	Discount rate (per annum)	7.20%	7.90%	7.20%	7.90%	7.20%	7.90%	7.20%
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%	8.00%	8.75%	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				
	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Present Value of Defined										
Benefit Obligation at the year end	(209.16)	(183.38)	(159.61)	(197.30)	(181.78)	(1420.88)	(1411.29)	(1225.83)	(1363.16)	(1219.59)
Fair Value of Plan Assets at the year end	82.82	103.53	96.53	103.49	106.17	1654.99	1547.00	1486.00	1545.74	1439.00
Surplus/(Defecit)	(126.34)	(79.85)	(63.08)	(93.81)	(75.61)	234.11	135.71	260.17	182.58	219.41
Experience Adjustments on Plan Liabilities	(23.21)	(18.35)	16.69	4.41	(13.31)	66.10	(109.06)	112.31	(2.83)	(108.43)
Experience Adjustments on Plan Assets	(10.44)	9.72	1.03	1.80	5.26	(17.88)	(6.43)	16.55	20.21	18.40

iii) Category of Plan Assets :	Gratuity (Funded)		Pension Fund (Funded)	
	2015/2016	2014/2015	2015/2016	2014/2015
- Special Deposit	30.48%	24.38%	-	-
- Savings account with nationalised banks	0.71%	8.78%	-	-
- Fixed Deposit with nationalised banks	29.71%	33.29%	-	-
- High quality corporate bonds (incl Public sector bonds)	36.23%	28.98%	-	-
- Accrued interest	2.87%	4.57%	-	-
- Others (incl assets under Schemes of Insurance)	-	-	100%	100%
iv) Actual Return on Plan Assets (₹ in Lakhs)	8.62	8.09	126.80	127.92

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

28 “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	- Promoter and the person having control over the Company through the voting power in the Holding Company.

(b) Key Management Personnel

Mr. J. D. Curavala	- Managing Director
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(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.
- B D Bangur Endowment (A Charitable Trust)	- Trust over which Mr. K.K. Bangur is able to exercise significant control.

(ii) Particulars of transactions during the year ended 31st March, 2016 :

	Transaction during		Outstanding		
	the year		Balance as on		
	2015/16	2014/15	31.03.16	31.03.15	
(a) Subsidiary Company					
GKW (Overseas Trading) Ltd					
Advance repaid by subsidiary	-	(0.08)	-	-	
(b) Key Management Personnel					
Mr. J. D. Curavala	Remuneration	80.10	72.30	(6.30)	(6.30)
(c) Enterprise over which Mr. K. K. Bangur is able to exercise significant control					
Graphite India Limited					
- Final Dividend received	40.00	70.00	-	-	
- Interm Dividend received for 2015-16	40.00	-	-	-	
B D Bangur Endowment (A Charitable Trust)					
- Rent Received	0.24	0.24	(0.04)	-	
- Re-imbursment of property tax	0.03	0.03	-	-	
- Security Deposit	-	-	0.24	0.24	

Figures in brackets indicate amount paid /payable

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

29 “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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

30 The Earnings per share has been calculated on the basis of number of equity shares outstanding during the year ended 31st March, 2016 in accordance with the provisions of Accounting Standard- 20 (Earnings per share) :

₹ in Lakhs

	As at 31-Mar-16	As at 31-Mar-15
Profit attributable to Equity Shares (₹ in Lakhs)	1111.67	106.36
Weighted average Number of Equity Shares	5966500	5966500
Earnings per Share (Total) (₹)	18.63	1.78
Profit from continuing operations attributable to Equity Shares (₹ in Lakhs)	203.45	140.56
Earnings per Share (continuing operations) (₹)	3.41	2.36

31 The Company has sold land, buildings and plant and machinery of Metal Pressings Division (MPD) at Pune and thereby “ Auto Component “ Business has been discontinued with effect from 24th July, 2015 . Consequently , all business segments other than Warehousing facilities and Investment & Treasury have been discontinued . The disclosures as required under Accounting Standard - 24 are given below:

₹ in Lakhs

	2015-16	2014-15
(a) Metal Pressings Division (MPD)		
Revenue :		
- Sale of Products	127.66	778.34
- Sale of services	-	0.10
- Other operating Revenues	39.60	249.62
	<u>167.26</u>	<u>1028.06</u>
Other income	7.40	0.96
Total Revenue	<u>174.66</u>	<u>1029.02</u>
Expenses :		
Cost of materials consumed (Indigenous)	114.58	881.87
Changes in inventories of Finished goods , work-in-progress	31.77	14.75
Employee Benefits Expenses	20.85	70.08
Depreciation and amortisation expenses	4.04	14.32
Other Expenses (*)	27.43	82.20
Total Expenses	<u>198.67</u>	<u>1063.22</u>
Loss from Ordinary activities	(24.01)	(34.20)
Profit on sale of fixed assets net off expenses and settlement of liabilities.(**)	1696.06	-
Profit before tax (a)	<u>1672.05</u>	<u>(34.20)</u>
Total Assets	3.60	543.59
Total Liabilities	2.38	43.23
(*) Other expenses include stores consumption of ₹ 2.95 lakhs (2014-15 - ₹ 4.08 Lakhs) (Indigenous).		
(**) Includes profit on sale of fixed assets on discontinuation of Metal Pressing Division (MPD) of ₹ 1779.33 lakhs as reduced by voluntary compensation paid to workmen of MPD of ₹ 45.31 lakhs and other expenses of ₹ 37.96 lakhs incurred in relation to sale of fixed assets .		
(b) Other discontinued operations		
Settlement of disputed sales tax cases pertaining to earlier years under West Bengal sales Tax (Settlement of Dispute) Act, 1999.	74.42	-
Provision made against certain disputed demands and claims pending final resolution thereof .	352.89	-
Sub-total (b)	<u>427.31</u>	-
Profit before tax from discontinuing operation (a) - (b)	<u>1244.74</u>	<u>(34.20)</u>
Total Liabilities	352.89	-

GKW LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

32 Keeping in view the future business operations and prospects thereof , deployment of Company's funds and income arising therefrom have been considered to be separate business segment as " Investment and Treasury" operation during the year . Income arising thereof has been included under " Revenue from operations " .

33 In view of Note 31 and 32 above , corresponding figures of previous year are not comparable. Previous years' figures have been rearranged and regrouped wherever considered necessary .

On behalf of the Board

J D Curravala
Managing Director

G Srinivasan
Director

J N Ghosh
Company Secretary

A Chakrabarti
Chief Financial Officer

R P Singh
Partner

Kolkata
11th May, 2016

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, 2016, 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 circumstances. 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, 2016, 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, 2016 ("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" 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;

GKW LIMITED

- 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) 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. As per the representation received from the management, 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 (Note 25 of the financial statements);
 - 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 : 11th May 2016

Annexure "A" 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.
- (c) According to the information, explanations and representations provided to us and based on the documents produced to us for our verification, in our opinion, the title deeds of immovable property are held in the name of the company. For the aforesaid purpose land deed/lease deed has been taken as the basis for verification of self constructed building thereupon.
- ii) The company has no inventory as at the year end and accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to any company, firms, limited liability partnership 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) According to the information and explanations given to us, the Company has not granted any loans or provided any

guarantees or security to the parties covered under section 185 of the Act. The company has complied with the provisions of section 186 of the Act in respect of investments made.

- 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.
- vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been specified and accordingly, the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- 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, Employee's State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, 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, there are no amounts of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited on account of dispute expect 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	CTO	35.70	1994-95
Bengal Finance (Sales Tax) Act, 1941	Sales tax	CTO	21.34	1994-95
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	111.39	1994-1999
		Appellate Tribunal	23.99	1995-1996
Customs Act, 1962	Customs Duty	High Court	9.37	1981 and 1990

- viii) According to the information and explanations given to us, the company has not taken any loans or borrowing from financial institutions, banks, government or debenture holders during the year and accordingly, the provisions of Clause 3 (viii) of the Order are not applicable to the Company.
- ix) The Company has not raised monies by way of public offer or term loans during the year and accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x) During the course of our examination of the books of account 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 such case by the management.
- xi) According to the information and explanations given to us, the managerial remuneration paid or provided during the year was in accordance with provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provisions of Clause 3(xii) of the Order are not applicable.
- xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in Note 28 to the financial statements in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any

non-cash transactions with directors/persons connected with the directors and accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Place: Kolkata
Dated : 11th May 2016

R P Singh
Partner
Membership No. 052438

‘Annexure B’ referred to in our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of GKW Limited (“the Company”) as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (“the Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Lodha & Co.

Chartered Accountants

Firm's ICAI Registration No.:301051E

R P Singh

Partner

Membership No. 052438

Place: Kolkata

Dated : 11th May, 2016

GKW LIMITED**10 YEARS' PROFILE**

₹ in Lakhs

	2006-'07	2007-'08	2008-'09	2009-'10	2010-'11	2011-'12	2012-'13	2013-'14	2014-'15	2015-'16
OPERATING RESULTS										
Sales	13006	13263	9497	2326	4075	3302	3660	1778	1543	1198
Profit/ (Loss) before depreciation & finance charges	1448	1451	1827	1436	2260	1507	1652	515	197	288*
Finance Charges	(545)	(556)	(222)	-	-	-	-	-	-	-
Gross Profit/Loss	903	895	1605	1436	2260	1507	1652	515	197	288
Depreciation	(831)	(778)	(656)	(86)	(85)	(102)	(88)	(82)	(29)	(23)
Profit/(Loss) before tax	72	25703	524	1350	2175	1405	1564	433	168	265*
Profit/(Loss) after tax	337	25694	341	1117	2368	1374	1227	371	106	203
Dividend	-	-	-	-	-	-	-	-	-	-

OTHER STATISTICS										
Net Assets Employed	9733	22070	2593	3710	6078	7452	8679	9050	9061	10173
Shareholders' Fund	7189	22070	2593	3710	6078	7452	8679	9050	9061	10173
PBT to Sales (%)	-	194	6	58	53	43	43	24	11	22
PBT to Net Assets Employed (%)	1	116	20	36	36	19	18	5	2	3
Dividend (%)	-	-	-	-	-	-	-	-	-	-
No. of Employees	1646	537	102	71	82	75	74	56	36	17
No. of shareholders ('000 nos)	96	92	91	38	36	36	29	28	27	27

Note :

Brackets represent deductions/losses.

*exclude figures of discontinuing operations.

DIRECTORS' REPORT

1. Your Directors submit the Annual Report together with the Audited Accounts for the year ended 31st March, 2016.

2. ACCOUNTS:

Revenue from income during the year was ₹ 39312 /- (2014-2015 - ₹ 42237/-) . Profit after tax for the year was ₹ 703/- (2014-2015– ₹ 1409/-). There is no foreign currency transaction during the year.

3. OPERATIONS:

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

4. INFORMATION PURSUANT TO SECTION 134

4.1 The extract of annual return as provided under sub-section(3) of Section 92 of the Companies Act,2013 is annexed hereto.

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

4.3 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 explanation 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 period.
- 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.

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

4.5 OTHER PROVISIONS:

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

5. PARTICULARS OF EMPLOYEES:

The Company had no employees during the year.

6. DIRECTORS:

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

7. 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.

On behalf of the Board

Place : Kolkata
Date : 7th May, 2016

A. Bhattacharya
Director

A.Chakrabarti
Director

GKW (OVERSEAS TRADING) LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31.03.2016**

[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.		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016				
		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**

**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, 2016 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 stated 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, 2016 and its profit for the year ended on that date.

GKW (OVERSEAS TRADING) LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order 2016 ("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 I** on 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls , refer to our separate Report in **Annexure II**
 - g) 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 explanation 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 material 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

Place: Kolkata
Dated : 7th May, 2016

S K SANYAL
Partner
Membership No. 50631

THE ANNEXURE I 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 2016

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 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, limited liability partnership or other parties listed in the register maintained under section 189 of the Companies Act 2013, consequently Clauses 3(iii) (a), (b) and (c) of the Order are not applicable.

- 4) According to the information and explanations given to us and on the basis of our examination of the books of account the company, we have not come across of any loans, investments, guarantees and securities covered by Section 185 and 186 of the Companies Act, 2013, hence Clause 3(iv) of the Order are not applicable
- 5) The company has not accepted any deposits from the public, hence Clause 3(v) of the Order are not applicable.
- 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. [Clause 3(vi)]
- 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, Service Tax, Customs Duty, Excise 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 2016 for a period of more than six months from the date they become payable. [Clause 3(vii)(a)]
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. [Clause 3(viii)(b)]
- 8) 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, government or debenture holders. [Clause 3(viii)]
- 9) Based on our audit procedures and on the information given by the management, we report that Clause 3(ix) of the Order is not applicable.
- 10) 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. [Clause 3(x)]
- 11) Based on our audit procedures and on the information given by the management, we report that Clauses 3(xi), (xii), (xiii), (xiv), (xv) and (xvi) of the Order are not applicable.

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

S K SANYAL
Partner
Membership No. 50631

Place: Kolkata
7th May, 2016

Annexure II to the Independent Auditor's Report of even date on the Financial Statements of GKW (Overseas Trading) Limited

Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act')

We have audited the internal financial controls over financial reporting of GKW (Overseas Trading) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting include those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March, 31, 2016, based on essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S K SANYAL
(PARTNER)
(Membership No. 050631)

Place: Kolkata
Date: 7th May, 2016

GKW (OVERSEAS TRADING) LIMITED

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note No.	Amount in ₹	
		As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	2	500000	500000
(b) Reserves and Surplus	3	12676	11973
Total (a+b)		<u>512676</u>	<u>511973</u>
Current liabilities			
(a) Other current liabilities	4	8000	8400
Total (a)		<u>8000</u>	<u>8400</u>
TOTAL		<u>520676</u>	<u>520373</u>
ASSETS			
Non-current assets			
(a) Long term loans and advances	5	26134	22539
(b) Other non-current assets	6	-	425000
Total (a+b)		<u>26134</u>	<u>447539</u>
Current Assets			
(a) Cash and bank balances	7	493449	71741
(b) Other current assets	8	1093	1093
Total (a+b)		<u>494542</u>	<u>72834</u>
TOTAL		<u>520676</u>	<u>520373</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
7th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note No.	Amount in ₹	
		Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from operations			
Other income	9	39312	42237
Total Revenue		<u>39312</u>	<u>42237</u>
Expenses :			
Other Expenses	10	38272	40197
Total expenses		<u>38272</u>	<u>40197</u>
Profit before tax		1040	2040
Tax expenses			
- Current tax		(337)	(631)
Profit/(Loss) for the year		<u>703</u>	<u>1409</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
7th May, 2016

GKW (OVERSEAS TRADING) LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016

1 SIGNIFICANT ACCOUNTING POLICIES

(i) ACCOUNTING CONVENTION AND REVENUE RECOGNITION

a) 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) INVESTMENTS

Investments are stated at cost less write downs where applicable.

(iii) TAXES ON INCOME

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

	As at 31.03.16	<i>Amount in ₹</i> As at 31.03.15
2 Share Capital		
Authorised		
50000 (2014/2015 - 50000) Ordinary Shares of ₹ 10/- each	<u>500000</u>	<u>500000</u>
Issued, Subscribed and Paid-up		
50000 (2014/2015 - 50000) Ordinary shares of ₹10/- each fully paid up at par in cash	<u>500000</u>	<u>500000</u>
(The whole of the subscribed capital is held by GKW Limited and its nominees)		
3 Reserves and surplus		
Surplus		
At the beginning of the year	11973	10564
Add: Transferred from Statement of Profit and Loss	<u>703</u>	<u>1409</u>
	<u>12676</u>	<u>11973</u>
4 Other current liabilities		
Other payables :		
Liability for expenses	<u>8000</u>	<u>8400</u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	<i>Amount in ₹</i>	
	<u>As at 31.03.16</u>	<u>As at 31.03.15</u>
5 Long term loans and advances		
Other loans & advances :		
- Advance payment of tax/TDS receivable (net)	<u>26134</u>	<u>22539</u>
6 Other Non- Current Assets		
- Deposits with Bank with more than 12 months' maturity	<u>-</u>	<u>425000</u>
7 Cash and Bank balances		
Cash on hand	-	2150
Balances with banks		
- in current account	<u>68449</u>	69591
- in deposit account (with maturity of less than 3 months)	<u>425000</u>	-
	<u>493449</u>	<u>71741</u>
8 Other current assets		
Interest receivables	<u>1093</u>	<u>1093</u>
	<u>Year ended</u>	<u>Year ended</u>
	<u>31st March, 2016</u>	<u>31st March, 2015</u>
9 Other Income		
Interest Income	<u>39312</u>	39312
Liability no longer required written back	<u>-</u>	<u>2925</u>
	<u>39312</u>	<u>42237</u>
10 Other expenses		
Professional charges	<u>13400</u>	14285
Rates and taxes	<u>7773</u>	11950
Bank Charges	<u>299</u>	432
Auditors' Remuneration	<u>10000</u>	10000
Licence / Filing fees	<u>6400</u>	3200
General Expenses	<u>400</u>	<u>330</u>
	<u>38272</u>	<u>40197</u>
11 PAYMENT TO AUDITORS		
As auditor:		
- fees	<u>8000</u>	8000
- out of pocket expenses	<u>2000</u>	<u>2000</u>
	<u>10000</u>	<u>10000</u>

12 "Related party Disclosures" as per Accounting Standard 18 as ascertained from available information

<u>Name of the Related Party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>Debit (Credit)</u>		<u>Outstanding balance as on</u>	
			<u>Value of transaction</u>		<u>31.03.16</u> <u>31.03.15</u>	
			<u>31.03.16</u>	<u>31.03.15</u>	<u>31.03.16</u>	<u>31.03.15</u>
GKW Limited	Holding Company	Advance repaid to holding company	-	(8543)	-	-

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
7th May, 2016

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

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, 2016, 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. 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 auditor in terms of their report referred to 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 and based on the

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

consideration of report of other auditor on the financial statements of the subsidiary, 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, 2016, 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 2016, total revenue of ₹ 0.39 Lacs and Net cash outflows of ₹ 4.22 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another 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 modified 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 Section 143(3) of the Act based on our audit and on the consideration of report of the other auditor on the financial statements of the subsidiary as noted in the Other Matter paragraph, 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, 2016, taken on record by the Board of Directors of the Holding Company and the reports of the other auditor of its subsidiary company, none of the directors of the Group is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the Other Matters to be included in the Auditors' 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 and based on the report of the other auditor on the financial statements of the subsidiary.
 - i. As per the representation received from the management, 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; (Note 25 of the consolidated financial statements).
 - ii. The Group does not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses;

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

- 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

Membership No. 052438

Place: Kolkata

Dated : 11th May, 2016

“Annexure A” referred to in our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting 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”), which are companies incorporated in India, as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and the subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and the subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (“the Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group having companies incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company and the subsidiary Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

R P Singh
Partner
Membership No. 052438

Place: Kolkata
Dated : 11th May, 2016

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

₹ in Lakhs

Particulars	Note No.	As at 31.03.16	As at 31.03.15
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	2	596.65	596.65
(b) Reserves and Surplus	3	9576.08	8464.40
Total (a+b)		<u>10172.73</u>	<u>9061.05</u>
Non - current liabilities			
(a) Deferred tax liabilities (Net)	4	31.74	49.03
(b) Other Long - term liabilities	5	272.15	194.88
(c) Long - term provisions	6	27.50	21.59
Total (a+b+c)		<u>331.39</u>	<u>265.50</u>
Current liabilities			
(a) Trade payables			
(i) Dues to Micro and Small Enterprises		-	-
(ii) Dues to Others	7	20.22	35.69
(b) Other current liabilities	8	636.40	602.27
(c) Short - term provisions	9	667.42	274.59
Total (a+b+c)		<u>1324.04</u>	<u>912.55</u>
TOTAL ASSETS		<u>11828.16</u>	<u>10239.10</u>
Non-current assets			
(a) Fixed assets			
- Tangible Assets	10	662.10	573.49
- Intangible assets		0.18	4.60
- Capital Work in Progress		1140.40	73.13
(b) Non-current investments	11	2831.60	1398.71
(c) Long -term loans and advances	12	1266.35	1333.73
(d) Other non-current assets	13	831.58	1925.38
Total (a+b+c+d)		<u>6732.21</u>	<u>5309.04</u>
Current Assets			
(a) Current investments	14	2722.43	1647.93
(b) Inventories	15	-	69.13
(c) Trade receivables	16	35.88	201.62
(d) Cash and bank balances	17	2271.13	2909.97
(e) Short -term loans and advances	18	35.84	41.03
(f) Other current assets	19	30.67	60.38
Total (a+b+c+d+e+f)		<u>5095.95</u>	<u>4930.06</u>
TOTAL		<u>11828.16</u>	<u>10239.10</u>

Significant Accounting Policies 1

Notes to Consolidated Financial Statements 2-35

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

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

On behalf of the Board

J D Curavala

Managing Director

J N Ghosh

Company Secretary

G Srinivasan

Director

A Chakrabarti

Chief Financial Officer

R P Singh

Partner

for and on behalf of

LODHA & Co .

Chartered Accountants

Kolkata

11th May , 2016

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from operations :	20		
Sale of Services (Net of service tax)		616.82	395.47
Income from Investment and Treasury		580.76	--
Other operating Revenue		--	119.05
		<u>1197.58</u>	<u>514.52</u>
Other income	21	29.00	782.45
TOTAL REVENUE		<u>1226.58</u>	<u>1296.97</u>
EXPENSES :			
Changes in inventories of finished goods, work in progress and stock in trade	22	--	0.14
Employee benefits expense	23	271.29	441.76
Depreciation and amortization expense	10	22.55	14.38
Other Expenses	24	666.86	638.53
TOTAL EXPENSES		<u>960.70</u>	<u>1094.81</u>
Profit before tax from continuing operations		265.88	202.16
TAX EXPENSES :			
– Current tax		(22.28)	(7.93)
– Tax for earlier year		(43.18)	(5.43)
– Deferred tax credit/(charge)		3.04	(48.23)
Profit after tax from continuing operations		<u>203.46</u>	<u>140.57</u>
Profit/(loss) before tax from discontinuing operations	33	1244.74	(34.20)
Tax expenses of discontinuing operations		(336.52)	-
Profit/(loss) after tax from discontinuing operations		<u>908.22</u>	<u>(34.20)</u>
PROFIT FOR THE YEAR		<u>1111.68</u>	<u>106.37</u>
Earnings per equity share (Note 30)			
– Basic & Diluted (from continuing operations)		3.41	2.36
– Basic & Diluted (Total)		18.63	1.78
Significant Accounting Policies	1		
Notes to Consolidated Financial Statements	2-35		

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

This is the Consolidated 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
for and on behalf of

Kolkata
11th May, 2016

LODHA & Co
Chartered Accountants

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
A. Cash flow from Operating Activities				
Net Profit/(Loss) before taxation :				
- from continuing operations	265.88		202.16	
- from discontinuing operations	<u>1244.74</u>	1510.62	<u>(34.20)</u>	167.96
Adjustments for:				
Depreciation - Fixed Assets:				
- from continuing operations	22.55		14.38	
- from discontinuing operations	4.04		14.32	
Provision for diminution in value of current investments	38.15		(51.49)	
Provision for claims	352.89		10.77	
(Profit) / Loss on disposal / scrapping of fixed assets (net)	(1779.33)		-	
(Profit)/Loss on sale of investment (net)	-		(24.34)	
Dividend income	(80.08)		(74.26)	
Interest income	(0.39)		(513.08)	
Provision for doubtful debts and advances	-		2.65	
Doubtful debts and advances written off	-		(65.24)	
Provision for doubtful advances no longer required written back	-		(55.96)	
Interest on Income Tax Refund	(4.29)		-	
Trade Receivables written off	0.93		-	
Liability no longer required written back	<u>(11.95)</u>		<u>(82.96)</u>	
		<u>(1457.48)</u>		<u>(825.21)</u>
Operating Profit/(Loss) before Working Capital changes		53.14		(657.25)
Adjustments for:				
Trade & Other receivables	118.29		199.66	
Inventories	69.13		11.77	
Trade Payables	<u>103.86</u>	<u>291.28</u>	<u>120.65</u>	332.08
		<u>344.42</u>		<u>(325.17)</u>
Purchase of current investment		(3455.97)		-
Sale of current investment		2343.33		-
Bank deposits with more than 3 months' maturity		1627.09		-
Interest receivable		29.72		-
Cash generation from operation		<u>888.59</u>		<u>(325.17)</u>
Direct taxes (paid)/refund (net)		<u>(292.35)</u>		<u>(102.04)</u>
Net Cash inflow/ (outflow) from operating activities		<u>596.24</u>		<u>(427.21)</u>
- including cash inflow/(outflow) from discontinuing operations	(290.03)		(14.44)	
B. Cash Flow from Investing activities				
Purchase of fixed assets and CWIP	(1373.00)		(79.61)	
Purchase of investment	(1432.89)		(700.00)	
Capital WIP	-		(73.13)	
Sale of Fixed Assets	2023.62		-	
Sale of investment	-		204.38	
Bank Deposits with more than 3 months' maturity and other bank balances	4.34		551.25	

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT (Cont'd...)

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

	<u>For the year ended 31st March, 2016</u>	<u>For the year ended 31st March, 2015</u>
Dividend income	80.08	74.26
Interest income	<u>0.39</u>	<u>560.57</u>
Net cash inflow/ (outflow) from investing activity	(697.46)	537.72
- including cash inflow/(outflow) from discontinuing operations	2023.62	-

C. Cash Flow from Financing activities

Net cash flow from financing activities	<u>-</u>	<u>-</u>
- including cash inflow/(outflow) from discontinuing operations	-	-
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)	<u>(101.22)</u>	<u>110.51</u>
Opening Cash and Cash Equivalents as on 01.04.15	<u>986.86</u>	<u>876.35</u>
Closing Cash and Cash Equivalents as on 31.03.16	<u>885.64</u>	<u>986.86</u>
Cash flow from discontinuing operations included above	<u>1733.59</u>	<u>(14.44)</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 ₹ 704.25 Lakhs (2014-15 - ₹ 835 Lakhs) as on the Balance Sheet date.
 - 3) Cash flow from movement in current investment and other assets pertaining to Investment and Treasury Division has been considered as Cash Flow from operating activities during the year
 - 4) In view of Note 33 and 34, corresponding figures of previous year are not comparable. 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
11th May, 2016

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

14, Government Place East
Kolkata
11th May, 2016

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, 2016

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) Intangible assets are carried at cost less accumulated amortisation and impairment.
- (c) Capital work-in-progress is stated at cost incurred during installation period .
- (d) 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. Intangible assets (computer software) are amortised on a straight line basis over a period of five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

- (e) The amounts at which fixed assets are carried in the Company's books are reviewed at the Balance Sheet date for any indication of impairment. In case of impairment, an impairment loss is recognised when the carrying amount of assets belonging to a Cash Generating Unit (CGU) or otherwise exceeds the recoverable amount of the assets i.e. the higher of assets' net selling price or its value in use. Subsequent reversal of such impairment loss if any, is allocated to the respective assets.

(iii) INVESTMENTS

Investments are classified into long term and current investments based on the intent of the management at the time of making the investments. Investments are classified as long term investments if the intention of the management is to hold the investments for more than one year.

Long-term investments are valued at cost unless there is diminution, other than temporary, in their value. Current investments are valued at lower of cost or market value.

(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) REVENUE

(a) SALES

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

(b) LEASE

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

(c) INVESTMENT INCOME

Dividend from investments is recognised in the statement of profit and loss when the right to receive payment is established. Interest income is accounted for on an accrual basis .

(vii) 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, 2016

₹ in Lakhs

	<u>As at 31.03.16</u>	<u>As at 31.03.15</u>
2 SHARE CAPITAL		
Authorised:		
49250000 (2014-15 - 49250000) Cumulative redeemable preference shares of ₹10/- each	4925.00	4925.00
59665008 (2014-15 - 59665008) Ordinary shares of ₹10/- each	5966.50	5966.50
	<u>10891.50</u>	<u>10891.50</u>
2.1 Issued, Subscribed and Paid-up:		
3669653 (2014-15 - 3669653) Ordinary shares of ₹10/- each fully paid up	366.97	366.97
659749 (2014-15 - 659749) Ordinary shares for consideration other than cash pursuant to contracts / scheme of arrangements.	65.97	65.97
1637098 (2014-15 - 1637098) Bonus shares by way of capitalisation of reserves and share premium	163.71	163.71
	<u>596.65</u>	<u>596.65</u>
2.2 Shareholders holding Ordinary shares in the company for more than 5% :		
Name of Shareholder	Number of Shares	Number of Shares
Matrix Commercial Pvt Ltd (Holding Company)	4474875 (75.00%)	3580375 (60.01%)
Kiwi Investments Ltd	—	894500 (14.99%)
Bellona Finvest Ltd	524534 (8.79%)	524534 (8.79%)

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, 2016**

	<i>₹ in Lakhs</i>	
	<u>As at 31.03.16</u>	<u>As at 31.03.15</u>
3 RESERVES AND SURPLUS		
General Reserve		
At the beginning of the year	6350.00	6300.00
Add: Transfer from Surplus	1100.00	50.00
	<u>7450.00</u>	<u>6350.00</u>
Surplus		
At the beginning of the year	2114.40	2153.22
Less : Transfer on transitional provision as per Schedule II of Companies Act, 2013	-	(95.19)
Add: Transferred from Statement of Profit and Loss	1111.68	106.37
Appropriations :		
- Transfer to General Reserve	<u>(1100.00)</u>	<u>(50.00)</u>
	<u>2126.08</u>	<u>2114.40</u>
	<u>9576.08</u>	<u>8464.40</u>
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Depreciation	125.71	142.02
Less : Adjustment on account of depreciation as per Schedule II of Companies Act, 2013	-	(45.72)
Less : Deferred Tax Assets		
Provision for assets	15.28	1.85
Expenses allowed on payment basis	<u>78.69</u>	<u>45.42</u>
	<u>31.74</u>	<u>49.03</u>
5 OTHER LONG-TERM LIABILITIES		
Security Deposit received from dealers, lessee etc	<u>272.15</u>	194.88
6 LONG-TERM PROVISIONS		
Provision for employee benefits	<u>27.50</u>	21.59
7 TRADE PAYABLES		
(a) Dues to Micro and Small Enterprises	-	-
(b) Dues to Others	<u>20.22</u>	35.69
	<u>20.22</u>	<u>35.69</u>
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 and accordingly, no further disclosure has been given.		
8 OTHER CURRENT LIABILITIES		
Security Deposits / Advance from customers	2.42	6.75
Capital Vendor	73.09	23.24
Claims payable	291.55	291.55
Employee benefits payable	120.68	133.18
Dues payable to Government authorities	13.67	21.74
Liability for expenses	76.97	67.70
Liability for fractional share payment (Note 17)	58.02	58.11
	<u>636.40</u>	<u>602.27</u>
(a) Advance from customers include ₹ 0.85 lakhs (2014-15 - ₹ 5.08 Lakhs) received as advance against scrap and other sales.		
(b) Claims payable relate to provision against demands in respect of rented premises.		
9 SHORT-TERM PROVISIONS		
Provision for employee benefits	234.86	194.92
Provision for claims	<u>432.56</u>	<u>79.67</u>
	<u>667.42</u>	<u>274.59</u>

Provision for claims relate to provision against disputed demands in respect of annual guaranteed minimum consumption of power and excise, sales tax and other statutory dues pending final resolution thereof (Note 26).

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10 FIXED ASSETS

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

₹ in Lakhs

Description	GROSS BLOCK - AT COST			DEPRECIATION / AMORTISATION					NET BLOCK			
	As at 1st April 2015	Withdrawals/ Transfer/ Adjustment	As at 31st March 2016	As at 1st April, 2015	Recognised in Statement of Profit & loss	Transferred to Retained Earnings	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015		
					Continuing operations	Discontinuing operations						
(i) Tangible assets												
Land (including Leasehold Land)	87.00	-	(33.38)	53.62	4.21	0.01	-	-	-	4.22	49.40	82.79
Buildings	1109.83	268.17	(306.38)	1071.62	721.72	12.27	3.03	-	(167.96)	569.06	502.56	388.11
Plant & Machinery:	1259.85	26.91	(1259.84)	26.92	1190.22	0.29	0.65	-	(1190.76)	0.40	26.52	69.63
Motor Vehicles	26.94	38.08	(7.98)	57.04	20.34	4.28	-	-	(7.97)	16.65	40.39	6.60
Furniture and Fittings	11.51	-	(0.47)	11.04	2.53	1.17	0.01	-	(0.29)	3.42	7.62	8.99
Railway Sidings	0.34	-	(0.34)	-	0.33	-	-	-	(0.33)	-	-	0.01
Office Equipment	7.13	0.34	-	7.47	5.45	0.66	-	-	-	6.11	1.36	1.67
Computers and data processing units	16.92	-	(3.52)	13.40	15.59	0.08	0.03	-	(3.43)	12.27	1.13	1.33
Electrical Installations and Equipment	16.11	21.58	-	37.69	1.75	2.82	-	-	-	4.57	33.12	14.36
Total Tangible assets	2535.63	355.08	(1611.91)	1278.80	1962.14	21.58	3.72	-	(1370.74)	616.70	662.10	573.49
Previous year	2456.64	78.99	-	2535.63	1793.52	14.32	13.39	140.91	-	1962.14	573.49	-
(ii) Intangible assets												
Computer software acquired	7.97	-	(7.35)	0.62	3.37	0.97	0.32	-	(4.22)	0.44	0.18	4.60
Total Intangible assets	7.97	-	(7.35)	0.62	3.37	0.97	0.32	-	(4.22)	0.44	0.18	4.60
Previous year	7.35	0.62	-	7.97	2.38	0.06	0.93	-	-	3.37	4.60	-
(iii) Add: Capital work in progress- at cost	-	-	-	-	-	-	-	-	-	-	1140.40	73.13
Previous Year	-	-	-	-	-	-	-	-	-	-	73.13	-
Grand Total	2543.60	355.08	(1619.26)	1279.42	1965.51	22.55	4.04	-	(1374.96)	617.14	1802.68	651.22
Previous year	2463.99	79.61	-	2543.60	1795.90	14.38	14.32	140.91	-	1965.51	651.22	-

The above amount include assets given on operating lease as under ; (Note 29)

Land - cost ₹ 20.06 lakhs (2014-15 - Rs 20.06 Lakhs), depreciation - Nil (2014-15 - Nil) and accumulated depreciation - Nil (2014-15 - Nil)

Buildings - cost ₹ 438.62 Lakhs (2014-15 - ₹ 170.46 lakhs), depreciation - ₹ 10.10 Lakhs (2014-15 - ₹ 5.41 Lakh) and accumulated depreciation - ₹ 16.09 Lakhs (2014-15 - ₹ 5.80 Lakhs)

Electrical Installation and Equipment - cost ₹ 37.68.lakhs (2014-15 - ₹ 16.11 lakhs), depreciation - ₹ 2.82 lakhs (2014-15 - ₹ 1.75 lakhs) and accumulated depreciation ₹ 4.57 lakhs (2014-15 - ₹ 1.75 lakhs)

Capital Work-in-progress includes amount of ₹ 1034.76 (2014-15 - Nil) being payment made for purchase and allotment of residential flats awaiting completion .

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

	As at 31.03.16	As at 31.03.15
11 NON-CURRENT INVESTMENTS		
Long Term (Other than trade)		
Investments in Equity Instruments :		
(Quoted)		
IDBI Bank Ltd, 10720 (2014-15 - 10720) shares of ₹10/- each- fully paid at cost	8.71	8.71
Graphite India Limited, 4000000 shares (2014-15 - 2000000) of ₹ 2/- each- fully paid at cost	2822.89	1390.00
	<u>2831.60</u>	<u>1398.71</u>
Aggregate book value of quoted investments	2831.60	1398.71
Market value of quoted investments	2881.44	1666.58
 12 LONG-TERM LOANS AND ADVANCES		
Unsecured :		
– Considered good :		
Capital Advances	1.45	0.94
Security Deposits	23.82	26.42
Other Loans and advances :		
– Balances with Government authorities	-	7.02
– Pension Fund	234.12	135.71
– Gratuity Fund	-	37.09
– MAT Credit Entitlement	903.03	896.97
– Advance payment of Income tax (net of provisions)	103.93	229.58
	<u>1266.35</u>	<u>1333.73</u>
 13 OTHER NON-CURRENT ASSETS		
Deposits with Bank with more than 12 months' maturity	<u>831.58</u>	<u>1925.38</u>

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

14 CURRENT INVESTMENTS (At lower of Cost and market value)	Unit		As at	
	Face value (₹)	Number	31.03.16	31.03.15
Other than Trade investments				
Investments in Government or trust securities :				
(Quoted)				
8.40% T.N.E.B. Bond Series 2/2009-10 fully paid at cost	1000000	12	120.00	120.00
9.05% IDBI Bond, 2020 fully paid at cost	1000000	-	-	407.20
8.85% PFC Bond, 2030 fully paid at cost	1000000	-	-	100.14
9.65% YES Bond, 2020 fully paid at cost	1000000	10	100.38	100.38
8.90% HDFC Bond, 2020 fully paid at cost	1000000	-	-	100.00
Investments in Mutual Funds:				
(Unquoted)				
ICICI - Prudential FMP series 73-366 Days Plan A Regular Plan - Cumulative	10	2735650.000	273.57	273.57
SBI DEBT FUND SERIES "A" 17 - 366 days REGULAR (Growth)	10	-	-	100.00
ICICI Prudential FMP Series 74-368 days Plan J	10	-	-	140.00
IDFC Arbitrage Fund Plus - Plan A (Regular) - Dividend	10	-	-	150.00
Kotak Equity Arbitrage Fund - Growth	10	-	-	100.00
Kotak Equity Arbitrage Fund - Dividend	10	-	-	55.00
Kotak Equity Arbitrage Fund - Dividend	10	-	-	5.00
Birla Sun life Balanced 95 Fund - Growth	10	8884.782	50.00	-
HDFC Balanced Fund - Growth	10	189048.771	200.00	-
HDFC Prudence Fund - Growth	10	10962.264	40.00	-
ICICI Prudential Balanced Fund - Monthly Dividend	10	171743.237	40.00	-
SBI Magnum Balanced Fund - Dividend	10	139763.305	40.00	-
SBI - Magnum Balanced Fund - Growth	10	133541.089	125.00	-
Reliance Regular savings Fund - Balanced option Growth	10	319520.562	125.00	-
Axis Equity Fund - Growth	10	1085770.901	200.00	-
Birla Sun Life Equity Fund - Growth	10	19518.409	95.00	-
Canara Robeco Infrastructure Regular Plan - Growth	10	74404.762	25.00	-
Franklin India Prima Plus - Growth	10	23333.140	100.00	-
ICICI Prudential Balanced advantage Fund - Regular - Growth	10	393077.830	100.00	-
ICICI Prudential Focused Bluechip equity Fund - Retail Growth	10	1067213.998	300.00	-
ICICI Prudential Value Discovery Fund - Growth	10	43759.846	50.00	-
Kotak Opportunities Fund - Regular Plan - Growth	10	60393.767	50.00	-
Kotak Select Focus Fund - Regular Plan - Growth	10	1332793.315	300.00	-
L&T India Prudence Fund - Growth	10	254777.070	50.00	-
SBI Magnum Multicap Fund - Growth	10	627394.606	199.99	-
Reliance Equity Savings Fund - Dividend	10	800975.199	80.00	-
SBI Blue chip Fund - Growth	10	350934.020	100.00	-
Less : Provision for diminution in value of investments			(41.51)	(3.36)
			2722.43	1647.93
Aggregate book value of quoted investments			214.38	825.32
Aggregate book value of Un-quoted investments			2508.04	822.61
Market value of quoted investments			214.38	835.45
Net Asset value of units of Mutual Funds			2575.03	874.62

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Lakhs	
	As at <u>31.03.16</u>	As at <u>31.03.15</u>
15 INVENTORIES		
At or under cost (being cost or net realisable value whichever is lower)		
Raw materials	-	30.86
Work-in-progress	-	9.75
Finished products	-	23.38
Stores and spare parts	-	2.72
Product Scrap	-	<u>2.42</u>
	<u>-</u>	<u>69.13</u>
16 TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
Unsecured - considered good	2.78	-
Other debts		
Unsecured - considered good	33.10	201.62
Unsecured - considered Doubtful	-	2.65
	<u>35.88</u>	<u>204.27</u>
Less : Provision for doubtful debts	-	(2.65)
	<u>35.88</u>	<u>201.62</u>
17 CASH AND BANK BALANCES		
Cash and Cash Equivalents:		
Cash on hand	2.04	1.89
Cheques on hand	-	47.35
Balances with Banks :		
– in current accounts	179.35	102.62
– in deposit account (with original maturity of less than 3 months)	<u>704.25</u>	<u>835.00</u>
	<u>885.64</u>	<u>986.86</u>
Other Bank Balances:		
– in deposit account (with maturity of less than 12 months)	1127.47	1865.00
– in deposit account in lien (with maturity of less than 12 months) (*)	200.00	-
– in fractional share payment accounts @	58.02	58.11
	<u>2271.13</u>	<u>2909.97</u>
(*) Bank guarantee issued against fixed deposits		
@ Earmarked for Fractional share payment (Note 8)		
18 SHORT-TERM LOANS AND ADVANCES		
Unsecured		
– Considered good :		
– Other Loans and advances :		
– Balances with Government authorities	9.68	13.84
– Loan to Employee	-	2.36
– Advance to staff	1.20	0.43
– Advance to suppliers	1.95	4.26
– Recoverable claims	14.74	19.41
– Prepaid Expenses	8.27	0.73
	<u>35.84</u>	<u>41.03</u>

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	<i>₹ in Lakhs</i>	
	As at <u>31.03.16</u>	As at <u>31.03.15</u>
19 OTHER CURRENT ASSETS		
Unsecured - Considered good :		
Interest receivables	<u>30.67</u>	<u>60.38</u>
	Year ended	Year ended
	<u>31st March 2016</u>	<u>31st March 2015</u>
20 REVENUE FROM OPERATIONS		
(a) Sale of products		
Income from Warehousing facilities		
Lease Rental	702.26	443.89
Less : Service tax	<u>85.44</u>	<u>48.42</u>
Net Lease Rental	<u>616.82</u>	<u>395.47</u>
	<u>616.82</u>	<u>395.47</u>
(b) Income from Investment and Treasury (Note 34)		
Interest Income:		
On Loans and Deposits	0.62	-
On Fixed Deposits	369.90	-
On Current Investment	54.08	-
Dividend Income:		
On Current Investment	45.11	-
On Non-Current Investment	80.08	-
Net Profit on disposal of current Investments	<u>30.97</u>	-
	<u>580.76</u>	-
(c) Other operating revenues		
Sale of assets held for Disposal	-	119.05
	<u>1197.58</u>	<u>514.52</u>
21 OTHER INCOME (Note 34)		
Interest Income		
On Loans and Deposits	-	0.61
On Fixed Deposits	0.39	438.48
On Current Investment	-	73.68
On Others (refund of income tax)	4.29	-
Dividend Income		
On Current Investment	-	4.23
On Non-Current Investment	-	70.03
Provision for diminution in value of current investments written back (net)	-	51.49
Net Profit on disposal of current Investments	-	24.35
Miscellaneous Income	<u>24.32</u>	<u>119.58</u>
	<u>29.00</u>	<u>782.45</u>

Miscellaneous Income includes profit on sale of scrap materials - ₹ 11.12 Lakhs (2014-15 - ₹ 32.94 Lakhs), liabilities no longer required - ₹ 11.95 Lakhs (2014-15 - ₹ 82.93 Lakhs).

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended <u>31st March 2016</u>	₹ in Lakhs Year ended <u>31st March 2015</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stocks :		
Finished products	23.38	38.48
Work-in-progress (including scrap)	9.75	11.82
Product scrap	2.42	-
	<u>35.55</u>	<u>50.44</u>
Less : Adjustments	(3.78)	-
Less : Transferred to discontinuing operation	<u>(31.77)</u>	<u>(50.30)</u>
	-	0.14
Closing Stocks :		
Finished products	-	23.38
Work-in-progress (including scrap)	-	9.75
Product scrap	-	2.42
	-	<u>35.55</u>
Less : Transferred to discontinuing operation	-	<u>(35.55)</u>
	-	-
(Increase)/decrease	<u>-</u>	<u>0.14</u>
(Increase)/decrease pertaining to discontinuing operation (Note 33(a))	<u>31.77</u>	<u>14.75</u>
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	241.56	225.90
Contribution to provident and other funds (net) (Note 27)	11.23	193.06
Staff welfare expenses	18.50	22.80
	<u>271.29</u>	<u>441.76</u>
24 OTHER EXPENSES		
Power and fuel	17.78	15.97
Repairs to Buildings	35.78	25.78
Repairs to Machinery	0.19	0.19
Repairs to Others	18.99	6.53
Directors' sitting fees	6.80	5.78
Insurance	2.98	4.93
Rent	47.82	61.01
Rates and taxes	57.75	86.12
Printing and stationery	5.78	6.64
Postage, telephone & telex	18.27	25.86
Data processing expenses	2.72	2.88
Travelling expenses	13.46	8.94
Advertisement expenses	2.72	15.27
Security charges	74.80	76.91
Selling commission / Brokerage	10.63	11.26

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

24 OTHER EXPENSES (Cont'd...)

	Year ended <u>31st March 2016</u>	Year ended <u>31st March 2015</u>
Legal and Professional Charges	203.79	147.25
Consultants' fees	34.10	41.95
Provision for diminution in value of current investments	38.15	-
Provision for doubtful advances no longer required written back	-	(55.96)
Doubtful advances written off	-	65.24
Miscellaneous expenses	74.35	85.98
	<u>666.86</u>	<u>638.53</u>
(a) Payment to Auditor (included in Miscellaneous expenses)		
- For Statutory Audit	2.25	2.25
- For other services	3.03	2.97
- For re-imburement of expenses	0.03	0.13
	<u>5.31</u>	<u>5.35</u>

(b) Miscellaneous expenses include Rs Nil Lakhs (2014-15 - ₹ 10.77 Lakhs) on account of claims made against the Company .

25 CONTINGENT LIABILITIES AND COMMITMENTS**Contingent Liabilities:**

a) Excise duty under Appeal (to the extent ascertainable)	-	135.38
b) Disputed sales tax under Appeal	-	251.28
c) Municipal demand against Company's premises at Andul Road Works stayed by Hon'ble High Court at Calcutta	215.81	215.81
d) Demand of enhancement of rental against rented premises pending disposal of matters by relevant High Courts	-	78.14
e) Various labour related matters pending finalisation by appropriate authorities , amount of liability etc if any, is presently not ascertainable. Bank guarantee of ₹177 lakhs has been issued against certain labour matters.	-	-
f) Demand for shortfall in annual guaranteed minimum consumption of power pending disposal of matter by High Court	-	80.00
g) Other claims not acknowledged as debts (to the extent ascertainable and not provided for)	-	9.37

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

Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances)	8.17	121.24
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26 Details of provision in terms of AS-29 (Provisions, Contingent Liabilities, Contingent Assets) pertaining to certain claims (Note 9) :

Carrying amount at the beginning of the year	79.67	68.90
Additional provisions made in the year	352.89	10.77
Less : amounts charged against the provision during the year	-	-
Less : unused amounts reversed during the year	-	-
Carrying amount at the end of the year	<u>432.56</u>	<u>79.67</u>

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lakhs

As at
31.03.16 As at
31.03.15

27 EMPLOYEE BENEFITS

a. Defined Contribution Scheme

Employer's Contribution to Provident Fund 1.62 3.78

b. Defined Benefit Scheme :

(1) Employer's Contribution to Provident Fund 16.96 20.45

The Company has set up Provident Fund Trusts in respect of certain categories of employees which are administered by Trustees. The Trusts invest Funds following a pattern of investments. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

In terms of Guidance on implementing Accounting Standard 15 (Revised 2005) on "Employee Benefits", Provident Fund Trusts set up by the Company are treated as defined benefit plans in view of the Company's obligation to meet shortfall, if any, on account of interest. Accordingly, the Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit method. Based on such valuation, an amount of Rs 1.11 Lakhs (2014-15 - Rs 1.70 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company.

Actuarial assumptions :

	<u>2015-16</u>	<u>2014-15</u>
Discount Rate	7.20%	7.90%
Expected Return on Fund	8.50%	8.50%
Return on EPFO	8.75%/8.60%	8.75%/8.60%

(2) 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)	
	<u>2015/2016</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2014/2015</u>
Current service cost	2.68	2.10	2.36	3.21	29.69	25.09	1.60	3.26
Interest cost	9.24	7.60	4.54	5.48	111.13	102.69	7.55	7.00
Expected return on plan assets	-	-	(7.57)	(7.32)	(134.96)	(130.88)	-	-
Actuarial (gain)/loss	(8.56)	18.87	43.80	(8.17)	(104.27)	127.56	35.42	15.43
Total Expenses @	3.36	28.57	43.13	(6.80)	(98.41)	124.46	44.57	25.69

@ Recognised under "Contribution to Provident and Other Funds" in Note 23

II Change in the present value of the defined

benefit obligation representing reconciliation of opening and closing balances	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	<u>2015/2016</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2014/2015</u>
thereof are as follows:								
Present value of Defined benefit obligation at the beginning of the year	116.94	88.37	66.44	71.24	1411.29	1225.83	99.56	88.96
Current service cost	2.68	2.10	2.36	3.21	29.69	25.09	1.60	3.26
Interest Cost	9.24	7.60	4.54	5.48	111.13	102.69	7.55	7.00
Benefit payments	-	-	(17.84)	(15.11)	(9.09)	(63.45)	(8.11)	(15.09)
Actuarial (gain)/loss	(8.56)	18.87	33.36	1.62	(122.15)	121.13	35.42	15.43
Present value of Defined benefit obligation at the end of the year	120.30	116.94	88.86	66.44	1420.87	1411.29	136.02	99.56

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

		₹ in Lakhs							
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)		
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	
Fair value of plan assets at the beginning of the year	-	-	103.53	96.53	1547.00	1486.00	-	-	
Employer contribution	-	-	-	5.00	-	-	8.11	15.09	
Expected Return on plan assets	-	-	7.57	7.32	134.96	130.88	-	-	
Benefit payments	-	-	(17.84)	(15.11)	(9.09)	(63.45)	(8.11)	(15.09)	
Actuarial gain / (Loss)	-	-	(10.44)	9.79	(17.88)	(6.43)	-	-	
Fair value of plan assets at the end of the year	-	-	82.82	103.53	1654.99	1547.00	-	-	
IV Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended 31st March, 2016	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)		
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	
Net Asset / (Liability) at the beginning of the year	(116.94)	(88.37)	37.09	25.29	135.71	260.17	(99.56)	(88.96)	
Employer (Expenses)/credit	(3.36)	(28.57)	(43.13)	6.80	98.41	(124.46)	(44.57)	(25.69)	
Employer Contribution	-	-	-	5.00	-	-	8.11	15.09	
Net Asset/ (Liability) at the end of the year	(120.30)	(116.94)	(6.04)	37.09	234.12	135.71	(136.02)	(99.56)	
V Actuarial assumptions :	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)		
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	
Discount rate (per annum)	7.20%	7.90%	7.20%	7.90%	7.20%	7.90%	7.20%	7.90%	
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%	8.00%	8.75%	NA	NA	

Notes:

- Assumptions relating to future salary increase, attrition, interest rate for discount and overall expected rate of return on Assets have been considered in the actuarial valuation based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- Disclosure in terms of Para 120(n) of AS 15 (revised 2005)

	Gratuity					Pension Fund				
	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Present Value of Defined										
Benefit Obligation at the year end	(209.16)	(183.38)	(159.61)	(197.30)	(181.78)	(1420.88)	(1411.29)	(1225.83)	(1363.16)	(1219.59)
Fair Value of Plan Assets at the year end	82.82	103.53	96.53	103.49	106.17	1654.99	1547.00	1486.00	1545.74	1439.00
Surplus/(Defecit)	(126.34)	(79.85)	(63.08)	(93.81)	(75.61)	234.11	135.71	260.17	182.58	219.41
Experience Adjustments on Plan Liabilities	(23.21)	(18.35)	16.69	4.41	(13.31)	66.10	(109.06)	112.31	(2.83)	(108.43)
Experience Adjustments on Plan Assets	(10.44)	9.72	1.03	1.80	5.26	(17.88)	(6.43)	16.55	20.21	18.40

iii) Category of Plan Assets :	Gratuity (Funded)		Pension Fund (Funded)	
	2015/2016	2014/2015	2015/2016	2014/2015
- Special Deposit	30.48%	24.38%	-	-
- Savings account with nationalised banks	0.71%	8.78%	-	-
- Fixed Deposit with nationalised banks	29.71%	33.29%	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

- High quality corporate bonds (incl Public sector bonds)	36.23%	28.98%	-	-
- Accrued interest	2.87%	4.57%	-	-
- Others (incl assets under Schemes of Insurance)	-	-	100%	100%
iv) Actual Return on Plan Assets (₹ in Lakhs)	8.62	8.09	126.80	127.92

28 “Related party Disclosures” as per Accounting Standard 18

(i) Related Party disclosures :

(a) Where control exists:

Matrix Commercial Private Limited	-	Holding Company
Mr. K K Bangur	-	Promoter and the person having control over the Company through the voting power in the Holding Company.

(b) Key Management Personnel

Mr. J. D. Curravala	-	Managing Director
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(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.
- B D Bangur Endowment (A Charitable Trust) -	-	Trust over which Mr. K.K. Bangur is able to exercise significant control.

(ii) Particulars of transactions during the year ended 31st March, 2016 :

₹ in Lakhs

	Transaction during the year		Outstanding Balance as on	
	2015/16	2014/15	31.03.16	31.03.15
Advance repaid by subsidiary	-	(0.08)	-	-
(a) Key Management Personnel				
Mr. J. D. Curravala Remuneration	80.10	72.30	(6.30)	(6.30)
(b) Enterprise over which Mr. K. K. Bangur is able to exercise significant control				
Graphite India Limited				
- Final Dividend received	40.00	70.00	-	-
- Interm Dividend received for 2015-16	40.00	-	-	-
B D Bangur Endowment (A Charitable Trust)				
- Rent Received	0.24	0.24	(0.04)	-
- Re-imbusement of property tax	0.03	0.03	-	-
- Security Deposit	-	-	0.24	0.24

Figures in brackets indicate amount paid /payable

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

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

29 "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

30 The Earnings per share has been calculated on the basis of number of equity shares outstanding during the year ended 31st March, 2016 in accordance with the provisions of Accounting Standard- 20 (Earnings per share) :

₹ in Lakhs

	As at 31.03.16	As at 31.03.15
Profit attributable to Equity Shares (₹ in Lakhs)	1111.68	106.37
Weighted average Number of Equity Shares	5966500	5966500
Earnings per Share (Total) (₹)	18.63	1.78
Profit from continuing operations attributable to Equity Shares (₹ in Lakhs)	203.46	140.57
Earnings per Share (continuing operations) (₹)	3.41	2.36

31 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 31.03.16	Year ended 31.03.15
1 Segment Revenue (net sales/ income from each segment)		
(a) From Continuing operations :		
Warehousing	616.82	395.47
Investment and Treasury (**)	580.76	-
Others	-	119.05
Sub-total (a)	<u>1197.58</u>	<u>514.52</u>
(b) From discontinuing operations (Note 33) :		
Auto Components (*)	167.26	1028.06
Sub-total (b)	<u>167.26</u>	<u>1028.06</u>
Net sales/Income from operation (a+b)	<u>1364.84</u>	<u>1542.58</u>
2 Segment Results (Profit/(Loss)) before tax and interest from each segment		
(a) From Continuing operations :		
Warehousing	522.54	324.27
Investment and Treasury (**)	542.61	-
Total	<u>1065.15</u>	<u>324.27</u>
Less : Unallocated Corporate Expenses (net off income)	<u>(799.27)</u>	<u>(122.11)</u>
Sub-total (a)	<u>265.88</u>	<u>202.16</u>
(b) From discontinuing operations (Note 33) :		
Auto Components (*)	1672.05	(34.20)
Others	(427.31)	-
Sub-total (b)	<u>1244.74</u>	<u>(34.20)</u>
Total (a+b)	<u>1510.62</u>	<u>167.96</u>

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

3 Segment Assets and Liabilities	As on 31.03.16		As on 31.03.15	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Auto Components (*)	3.60	2.38	543.59	43.23
Warehousing	612.54	353.24	647.52	208.40
Investment and Treasury (**)	8442.54	-	-	-
Others	2769.48	1299.81	9047.99	926.42
	<u>11828.16</u>	<u>1655.43</u>	<u>10239.10</u>	<u>1178.05</u>

4 Segment Capital Employed

Auto Components (*)	1.22	500.36
Warehousing	259.30	439.12
Investment and Treasury (**)	8442.54	-
Others	1469.67	8121.57
Total	<u>10172.73</u>	<u>9061.05</u>

5 Capital Expenditure:

Warehousing	289.73	145.55
Others	1132.62	7.19
Total	<u>1422.35</u>	<u>152.74</u>

6 Depreciation:

Auto Components (*)	4.04	14.32
Warehousing	12.91	6.96
Others	9.64	7.42
Total	<u>26.59</u>	<u>28.70</u>

7 Other Non-Cash Expenditure:

Auto Components (*)	0.93	2.65
Investment and Treasury (**)	38.15	-
Others	352.89	20.05
Total	<u>391.97</u>	<u>22.70</u>

B SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

	Year ended 31.03.16		Year ended 31.03.15	
	<u>Within India</u>	<u>Outside India</u>	<u>Within India</u>	<u>Outside India</u>
1 Segment Revenue :				
- from continuing operation	1197.58	-	514.53	-
- from discontinuing operation	167.26	-	1028.05	-
	<u>1364.84</u>	-	<u>1542.58</u>	-
2 Segment Capital Employed	10172.73	-	9061.05	-
3 Capital Expenditure	1422.35	-	152.74	-

Segment information:

- 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.
- Company has disclosed Business Segment as the primary segment.
- Composition of business segment.

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

<u>Name of segment</u>	<u>Comprises of</u>
Auto components (*)	Mild Steel Pressed components
Warehousing	Lease Rental
Investment and Treasury (**)	Investment in Equity , Government securities, Bonds , Mutual Funds , Fixed Deposits with banks etc .

(*) Metal Pressing Division has been discontinued with effect from 24th July, 2015 as given in Note 33

(**) Investment and Treasury has been considered as separate business segment during the year .

(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.

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

Sl No	Name of the Company	Ownership Interest		Net Assets		Share of Profit	
		2015-16	2014-15	As % of consolidated Net Assets	As % of consolidated Amount	As % of consolidated Profit	As % of consolidated Amount
1	GKW (Overseas Trading) Limited	100	100	0.05%	5.13	0%	0.01

33 The Company has sold Land, Buildings and plant and machinery of Metal pressings division (MPD) at Pune and thereby " Auto Component " Business has been discontinued with effect from 24th July, 2015. Consequently all business segments other than warehousing facilities and Investment & Treasury have been discontinued. The disclosures as required under Accounting Standard - 24 are given below:

₹ in Lakhs

	<u>2015-16</u>	<u>2014-15</u>
(a) Metal Pressings Division (MPD)		
Revenue :		
- Sale of Products	127.66	778.34
- Sale of services	-	0.10
- Other operating Revenues	39.60	249.62
	<u>167.26</u>	<u>1028.06</u>
Other income	7.40	0.96
Total Revenue	<u>174.66</u>	<u>1029.02</u>
Expenses :		
Cost of materials consumed (Indigenous)	114.58	881.87
Changes in inventories of Finished goods , work-in-progress	31.77	14.75
Employee Benefits Expenses	20.85	70.08
Depreciation and amortisation expenses	4.04	14.32
Other Expenses (*)	27.43	82.20
Total Expenses	<u>198.67</u>	<u>1063.22</u>
Loss from Ordinary activities	(24.01)	(34.20)
Profit on sale of fixed assets net off expenses and settlement of liabilities.(**)	1696.06	-
Profit before tax (a)	<u>1672.05</u>	<u>(34.20)</u>
Total Assets	3.60	543.59
Total Liabilities	2.38	43.23

(*) Other expenses include stores consumption of ₹ 2.95 lakhs (2014-15 - ₹ 4.08 Lakhs) (Indigenous).

(**) Includes profit on sale of fixed assets on discontinuation of Metal Pressing Division (MPD) of ₹ 1779.33 lakhs as reduced by voluntary compensation paid to workmen of MPD of ₹ 45.31 lakhs and other expenses of ₹ 37.96 lakhs incurred in relation to sale of fixed assets .

GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

₹ in Lakhs

	<u>2015-16</u>	<u>2014-15</u>
(b) Other discontinued operations		
Settlement of disputed sales tax cases pertaining to earlier years under West Bengal sales Tax (Settlement of Dispute) Act, 1999.	74.42	-
Provision made against certain disputed demands and claims pending final resolution thereof .	<u>352.89</u>	-
Sub-total (b)	<u>427.31</u>	-
Profit before tax from discontinuing operations (a) - (b)	<u>1244.74</u>	<u>(34.20)</u>
Total Liabilities	352.89	-

34 Keeping in view the future business operations and prospects thereof, deployment of Company's funds and income arising therefrom have been considered to be separate business segment as " Investment and Treasury" operation during the year . Income arising thereof has been included under " Revenue from operations " .

35 In view of Note 33 and 34 above , corresponding figures of previous year are not comparable. 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
for and on behalf of
LODHA & Co.
Chartered Accountants

Kolkata
11th May, 2016



If undelivered, please return to:
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P-22, Bondel Road
Kolkata-700 019