

# REPORT AND ACCOUNTS 2016-2017

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**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 &amp; 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.gkwltd.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 &amp; 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

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CIN: U74140WB1994PTC062959

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

1. Your Directors submit their Annual Report together with the audited accounts for the year ended 31st March, 2017.
2. The results for the year under review are given below :

	2016-2017 ₹ lakhs	2015-2016
Total Revenue from continuing operations	1457.11	1226.19
Profit before depreciation	541.12	288.42
Depreciation	36.91	22.55
Profit from operations	504.21	265.87
Profit from discontinued activity	-	1244.74
Profit before Tax	504.21	1510.61
Taxation	(134.71)	(398.94)
Profit after taxation	369.50	1111.67

During the year under review, revenue from operations at ₹1457.11 lakhs, registered a growth of 19% and profit from operations before tax at ₹ 504.21 lakhs was 90% higher than the previous year's profit of ₹ 265.87 lakhs, mainly due to improvement in profit from warehousing activity and certain segments of treasury operations. Profit after tax at ₹ 369.50 lakhs is strictly not comparable with the previous year's figure which contained an element of profit from discontinued activity of ₹1244.74 lakhs.

### 3 DIVIDEND

The Company being in consolidation mode, 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 experienced accelerated growth. Lease rentals increased by 38.87 % to ₹ 856.55 lakhs as compared to ₹ 616.82 lakhs in the previous year. Negotiations for leasing out additional warehousing space were pursued throughout the year under review. Upgrading of warehousing facilities such as installation of modern transformer capacity and improvement in the civil engineering/design aspects of warehouses, coupled with environmental issues were embraced.

(b) Investment and Treasury

In this segment, income from mutual fund investments showed improvement over the previous year. However, overall the segment recorded flat growth as the interim dividends on equity share investments received in the previous year impacted the current year income. With the general improvement in the stock and bond markets, this segment is displaying fair amount of resilience for the future.

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

Total revenue was higher by ₹ 230.92 lakhs compared to the previous year mainly due to increase in income from warehousing activity.

It is proposed to transfer a sum of ₹ 1000 lakhs (2015-16 - ₹ 1100 lakhs) to General Reserve.

As in the previous year, there were no borrowings during the year ended 31st March, 2017.

During the year under review, your Company invested a sum of ₹ 2242.18 lakhs in mutual funds mainly arising from re-investment of mutual fund sales proceeds, coupled with operating cash flows.

Capital Expenditure for the year amounted to ₹ 194.92 lakhs (2015-16 - ₹1422.35 lakhs) and value of assets put into use during the year amounted to ₹ 294.14 lakhs (2015-16 - ₹ 355.08 lakhs).

#### 4.3 Opportunities and Threats

The company continues to target growth in the warehousing and Investment & Treasury segments. Upon further consolidation the company will explore both organic and inorganic growth in related fields.

#### 4.4 Outlook

The reformist and forward looking policies of the government augur well for the growth of both the industrial and services sector. In particular the proposed introduction of the Goods & Services Tax (GST) w.e.f. 1st July, 2017 will not only improve GDP growth of the country, but will also enhance the country's image overseas, leading to higher foreign capital inflows in the years to come. It is expected that with the introduction of GST, your company's warehousing and treasury segments will experience better opportunities for growth.

#### 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 15 as on 31st March, 2017.

**5. SUBSIDIARY COMPANY**

GKW (Overseas Trading) Limited had made a profit of ₹0.03 lakh 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**.

The Company has not been carrying on any activity over a considerable period of time and no new field of activity is envisaged for it in the future.

Under the circumstances the Board of Directors of your Company feel that no useful purpose would be served in running this subsidiary as a separate entity and hence the Directors are evaluating various options in regard to the future for this subsidiary.

**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, 2017 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 11th May, 2016, 9th August, 2016, 10th November, 2016 and 13th February, 2017.

**6.3** Directors' Responsibility Statement

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

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for 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, 2017.

**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, 2017 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 26(i)(c) of the financial statements.

**6.9** Conservation of Energy

The Company is engaged in warehousing activity and is making judicious use of energy efficient devices wherever possible.

**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 Out go

Earnings in foreign exchange during the year NIL (2015-2016 - NIL) and out-go was ₹1.50 lakhs (2015-16 - NIL).

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

b) Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors revised the remuneration payable to Mr. J.D. Curravala with effect from 1st April, 2017 and re-appointed him as Managing Director from 11th August, 2017 to 31st March, 2018 subject to the approval of the Shareholders at the 87th 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 Person nel.

**10. AUDITORS**

Messrs. Lodha & Co., existing Statutory Auditors, were appointed for a period of three years by the members of the Company in its Annual General Meeting (AGM) held on 13th August, 2014. The term of appointment of the above Statutory Auditors will continue till the conclusion of the AGM. Since M/s. Lodha & Co., have completed their term as auditors stipulated u/s 139(2) of the Companies Act 2013, they are not eligible for re-appointment as Statutory Auditors after conclusion of the said AGM.

The Board of Directors have approved the appointment of Haribhakti & Co. LLP, Chartered Accountants, Bagrodia Niket, 1st Floor, 19C, Sarat Bose Road, Kolkata 700 020 as statutory auditors of the company based on the recommendation of the Audit Committee for a period of 5 (five) years from the conclusion of this 87th Annual General Meeting until the conclusion of 92nd Annual General Meeting of the Company subject to ratification of the appointment by the Shareholders at each Annual General Meeting.

**11. AUDIT COMMITTEE**

The composition and terms of reference of the Audit Committee has been furnished under Clause 4 in the Corporate Governance Report forming a part of the Annual Report. There had been no instances where the Board has not accepted the recommendation of the Audit Committee.

**12. 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**.

**13. 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.

**14. 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.

**15. 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 2017-18.

**16. 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.

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

**17.1 Policy on Related Party Transactions**

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

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

The Company's Nomination and Remuneration 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**.

**17.3 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**.

**17.4 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**.

**17.5 Vigil Mechanism**

The details of vigil mechanism is appended hereto as **Annexure IX**.

**18. TRANSFER OF PROCEEDS OF SALE OF FRACTIONAL SHARES ON MERGER/DE-MERGER AND ON MERGER ISSUE SHARES PAYMENT ACCOUNT ON OPTION TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 125(1) of the Companies Act, 2013, the Company had transferred the proceeds of sale of fractional shares amounting to ₹ 58.02 lakhs arising out of merger of Powmex Steels Limited with the Company, demerger of Powmex Steels Division to Graphite India Ltd. and Guest Keen Williams Limited Merger Issue Shares Payment Account on option on merger of Sankey Wheels Ltd., with the Company, to Punjab National Bank, Brabourne Road Branch, Kolkata for "Investor Education and Protection Fund" on 5th October, 2016.

**19.** 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  
19th May, 2017

J D Curavala  
*Managing Director*

G Srinivasan  
*Director*

(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	0.16
7. Total assets	5.24
8. Total liabilities	0.08
9. Investments	Nil
10. Other income	0.29
11. Profit before taxation	0.04
12. Provision for taxation	—
13. Profit after taxation	0.03
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, 2017**

[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 033-4011 6700 (100 lines)

**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	Warehousing Services	5210	58.80%
2	Investment & Treasury	-	37.74%

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

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



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholder	No. of Share Held at the Beginning of the year 01.04.2016				No. of Share held at the End of the Year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
(a) Individuals/ HUF	—	—	—	—	—	—	—	—	—
(b) Central Government(s)	—	—	—	—	—	—	—	—	—
(c) State Government(s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corporate	4474875	0	4474875	75.00	3580375	0	3580375	60.01	(-)14.99
(e) Bank/Financial Institutions	—	—	—	—	—	—	—	—	—
(f) Others	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (A)(1):</b>	<b>4474875</b>	<b>0</b>	<b>4474875</b>	<b>75.00</b>	<b>3580375</b>	<b>0</b>	<b>3580375</b>	<b>60.01</b>	<b>(-)14.99</b>
<b>2) Foreign</b>									
a) NRIs Individuals	—	—	—	—	894500	—	894500	14.99	14.99
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Bank/Financial Institutions	—	—	—	—	—	—	—	—	—
e) Any Others	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>894500</b>	<b>0</b>	<b>894500</b>	<b>14.99</b>	<b>14.99</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>4474875</b>	<b>0</b>	<b>4474875</b>	<b>75.00</b>	<b>4474875</b>	<b>0</b>	<b>4474875</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
(a) Mutual Funds	340	2575	2915	0.05	340	2575	2915	0.05	0.00
(b) Bank/Financial Institutions	108040	4514	112554	1.89	108092	4460	112552	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)	—	—	—	—	—	—	—	—	—
Foreign Portfolio Investor	0	0	0	0.00	185000	0	185000	3.10	3.10
<b>SUB TOTAL (B)(1):</b>	<b>108414</b>	<b>8578</b>	<b>116992</b>	<b>1.96</b>	<b>293466</b>	<b>8524</b>	<b>301990</b>	<b>5.06</b>	<b>3.10</b>
<b>B2) Non-Institutions</b>									
(a) Bodies Corporate	—	—	—	—	—	—	—	—	—
i) Indian	873989	2254	876243	14.69	684044	2194	686238	11.50	(-)3.19
ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	279498	121561	401059	6.72	279090	119399	398489	6.68	(-)0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	47548	0	47548	0.80	61548	0	61548	1.03	0.23
(c) Others (specify)									
1 NRI	2766	1143	3909	0.06	2834	1143	3977	0.07	0.01
2 Clearing Member	6407	0	6407	0.11	92	0	92	0.00	(-)0.11
3 OCB	—	—	—	—	—	—	—	—	—
4 Trust	75	9	84	0.00	60	9	69	0.00	0.00
5 Unclaimed Suspense A/c.	39375	0	39375	0.66	39214	0	39214	0.66	0.00
6 The Custodian of Benami shares	8	0	8	0.00	8	0	8	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>1249666</b>	<b>124967</b>	<b>1374633</b>	<b>23.04</b>	<b>1066890</b>	<b>122745</b>	<b>1189635</b>	<b>19.94</b>	<b>(-)3.10</b>
<b>B. Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1358080</b>	<b>133545</b>	<b>1491625</b>	<b>25.00</b>	<b>1360356</b>	<b>131269</b>	<b>1491625</b>	<b>25.00</b>	<b>0.00</b>
<b>TOTAL (A)+(B):</b>	<b>5832955</b>	<b>133545</b>	<b>5966500</b>	<b>100.00</b>	<b>5835231</b>	<b>131269</b>	<b>5966500</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A)+(B)+(C)</b>	<b>5832955</b>	<b>133545</b>	<b>5966500</b>	<b>100.00</b>	<b>5835231</b>	<b>131269</b>	<b>5966500</b>	<b>100.00</b>	<b>0.00</b>

## GKW LIMITED

### (ii) Shareholding of Promoters

Shareholding at the beginning of the year 01.04.2016						Shareholding at the end of the year 31.03.2017		
Sl .No.	Shareholder's Name		No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares
1	MATRIX COMMERCIAL PRIVATE LTD IN30302853938346/ IN30022210058479							
	a) At the Beginning of the Year		4474875	75.00	NIL	4474875	75.00	NIL
	b) Change during the Year							
		Date	Reason					
		22.04.2016	SALE	894500	14.99	3580375	60.01	NIL
	c) At the end of the Year					3580375	60.01	
2	KRISHNA KUMAR BANGUR IN30022210058671							
	a) At the Beginning of the Year		0	0.00	NIL	0	0	NIL
	b) Change during the Year							
		Date	Reason					
		22.04.2016	BUY	894500	14.99	894500	14.99	NIL
	c) At the end of the Year					894500	14.99	NIL

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

		Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
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 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	BELLONA FINVEST LTD 1202300001084255					
	a) At the Beginning of the Year		524534	8.79	524534	8.79
	b) Change during the Year			No Change		
	c) At the end of the Year				524534	8.79
2	ACCORD CAPITAL MARKETS PVT.LTD. IN30009511445595					
	a) At the Beginning of the Year		122500	2.05	122500	2.05
	b) Change during the Year					
		<b>Date Reason</b>				
		26.06.2016 SALE	50000	0.84	72500	1.21
		02.09.2016 SALE	72500	1.21	0	0.00
	c) At the end of the Year				0	0.00
3	IDBI BANK LTD. IN30081210495586					
	a) At the Beginning of the Year		107516	1.80	107516	1.80
	b) Change during the Year					
		<b>Date Reason</b>				
		16.12.2016 SALE	2	0.00	107514	1.80
	c) At the end of the Year				107514	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					
		<b>Date Reason</b>				
		02.09.2016 SALE	62465	1.05	10334	0.17
		24.03.2017 SALE	10334	0.17	0	0.00
	c) At the end of the Year				0	0.00
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		25000	0.42	25000	0.42
	b) Change during the Year					
		<b>Date Reason</b>				
		15.04.2016 Buy	1000	0.02	26000	0.44
		06.05.2016 Buy	2656	0.04	28656	0.48
		13.05.2016 Buy	344	0.01	29000	0.49
	c) At the end of the Year				29000	0.49
8	JANARDAN KUMAR KOTHARI IN30210510020951					
	a) At the Beginning of the Year		22000	0.37	22000	0.37
	b) Change during the Year			No Change		
	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 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		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	ELCO CONSULTANTS LTD IN30068510348127				
	a) At the Beginning of the Year	9125	0.15	9125	0.15
	b) Change during the Year				
	<b>Date Reason</b>				
	05.08.2016 Sale	9125	0.15	0	0.00
	c) At the end of the Year			0	0.00
11	INDIAN OPPORTUNITIES GROWTH FUND- PINWOOD STRATEGY IN30152430029831				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Change during the Year				
	<b>Date Reason</b>				
	16.09.2016 Buy	185000	3.10	185000	3.10
	c) At the end of the Year			185000	3.10
12	MOUNT INTRA FINANCE PVT. LTD. IN30022210058559				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Change during the Year				
	<b>Date Reason</b>				
	31.03.2017 Buy	10334	0.17	10334	0.17
	c) At the end of the Year			10334	0.17
13	ELCO CONSULTANTS LTD IN30154939036387				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Change during the Year				
	<b>Date Reason</b>				
	12.08.2016 Buy	9125	0.15	9125	0.15
	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 01.04.2016		Cumulative Shareholding during the year 31.03.2017				
		No. of shares	% of total shares of the company	Date	Increase/Decrease In shareholding	Movement during the year	No. of shares	% of total shares of the company
1	Mr. J. D. Curravala – M. D. (Jt. Holder)	100	0.00		0	Nil	100	0.00
2	Mr. G. Srinivasan - Director (Jt. Holder)	50	0.00		0	-do-	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. Surbhi Singhi - Director	NIL			0	-do-	NIL	0.00
7	Mr. A. Chakrabarti – CFO	1	0.00		0	-do-	1	0.00
8	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				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
<b>Net Change</b>	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

**(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. J.D.Curravala- MD	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		
	<b>Total (A)</b>		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	200000		200000
		Mr. N.K.Navalakha	200000		200000
	➤ Others, please specify	Mr. P.S.Lodha	200000		200000
		Ms. S. Singhi	10000		10000
2.	Total (1)		610000		610000
3.	Other Non-Executive Directors	Mr. G. Srinivasan			
	➤ Fee for attending Board / Committee Meetings/Commission	- Non-Executive Director	30000		30000
	➤ Others, please specify				
4.	Total (2)		30000		30000
5.	Total (B)=(1+2)		640000		640000
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. 1166880 (a) 140800 (b) 2403360 (a) 229799 (b)	Rs. 1166880 (a) 140800 (b) 2403360 (a) 229799 (b)
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify			
5.	Others, please specify			
	Total		3940839	3940839

**(viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) & 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;	<b>Managing Director</b> Mr. J.D. Curravala 12.65:1 <b>Directors Fees</b> Mr. G. Srinivasan 0.05:1 Mr. M.L. Lahoti 0.32:1 Mr. N.K. Navalakha 0.32:1 Mr. P.S. Lodha 0.32:1 Ms. S. Singhi 0.02:1
(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;	<b>Managing Director</b> Mr. J. D. Curravala - <b>Directors</b> Mr. G. Srinivasan (25)% Mr. M. L. Lahoti 5.26% Mr. N. K. Navalakha 5.26% Mr. P. S. Lodha 5.26% Ms. S. Singhi - <b>CFO</b> Mr. A.Chakrabarti 16% <b>Company Secretary</b> Mr. J. N. Ghosh 23%
(iii) The percentage increase in the median remuneration of employees in the financial year;	18%
(iv) The number of permanent employees on the rolls of company;	15
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>There is no increase in the salaries of employees other than managerial personnel in the last financial year.</p> <p>There are no exceptional circumstances in increase in managerial remuneration.</p>
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the Remuneration Policy of the Company.

Particulars of Top Ten 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 for the year ended - 31st March, 2017

Name	Age	No. of shares	Designation	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
J D Curravala	77	100	Managing Director	80,10,000	57,76,703	B.Com., A.C.A., LL.B	50	01.04.1970	Stewart & Lloyds Ltd. (U.K.) -Financial Accountant
A. Bhattacharya	72	31	President	39,81,388	29,92,068	B.E.E	48	01.12.1991	Price Waterhouse Associates Pvt. Ltd. -Vice President
A. Chakrabarti	61	1	Sr. Vice President -Finance	2,633,159	2,061,274	M.Com., A.C.A	33	16.08.1991	Price Waterhouse Manager-Audit
J.N. Ghosh	63		Vice President & Secretary	1,307,680	1,145,368	B.Com.(Hons) F.C.S., LL.B	36	01.06.2005	Phoenix Yule Ltd Company Secretary -Head of Corporate Affairs
A.Ghosh	45		General Manager -Construction & Admin	1,016,440	962,048	B.E. (Civil)	20	01.12.2014	Sterling & Wilson Ltd-Construction & Admin Sr. Manager -Project
R.K. Bahl	57	1	Deputy Company Secretary	728,280	698,089	B.Com.(Hons), F.C.S	31	21.10.2000	Jenson & Nicholson Financial Services Ltd Company Secretary
D.Dutta	50	1	Sr. Manager - Finance	709,320	691,570	M.Com., F.C.M.A, C.F.A, LL.B, CDipAF(ACCA)	21	13.08.2000	Hindusthan Udyog Limited Deputy Manager
G.Dutta	53		Manager, Construction & Administration	562,800	555,700	D.M.E	31	07.04.1986	Sankey Wheels Ltd Asst. Manager
S.Wagh	59		Manager - Accounts	869,400	801,568	B.Sc.	39	20.09.1978	-
Varun Saggi(*)	32		Deputy Manager Sales & Administration	599,533	585,395	B.Com., M.B.A	10	24.10.2016	Corneliani - Asst.Manager

**Notes:** 1 Gross remuneration comprises of salary, house rent allowances and leave travel assistance but excluding contribution to provident fund, pension fund and gratuity.

2 All employments are contractual.

(\*) For part of the year.

Particulars of Investments under section 186 of the Companies Act 2013  
(Note 11 to Financial Statement)

₹ in Lakhs

Particulars	Relationship	As at 31.03.17	As at 31.03.16
<b>Investments in Equity Instruments :</b>			
<b>(Quoted)</b>			
IDBI Bank Ltd			
NIL (2015-16 - 10720 ) shares of ₹10/- each- fully paid at cost		-	8.71
Graphite India Limited			
4000000 ( 2015-16 - 4000000 ) shares of ₹ 2/- each- fully paid at cost		2822.89	2822.89
<b>(Unquoted)</b>			
	<b>Subsidiary</b>		
GKW (Overseas Trading) Limited -			
50000 ( 2015-16 - 50000 ) Ordinary shares of ₹10/- each- fully paid, at cost		5.00	5.00
		<u>2827.89</u>	<u>2836.60</u>

## Annexure III (a)

## 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)

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 lakh. Security Deposit received Rs.0.24 lakhs. Property Tax paid Rs.0.03 lakh.
	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, 28th January, 2016 & 13th February, 2017
	Amount paid as advances, if any	-



Form MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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  
4th Floor, Central Plaza  
2/6 Sarat Bose Road  
Kolkata- 700020

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

Based on my verification of the GKW Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017** 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, 2017 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: 19.05.2017

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.

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 (with effect from 13th February, 2017)**

**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, 28th January, 2016 and 13th February, 2017.

**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 Disclosure 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 formulated a criteria for Performance evaluation of Board, Independent/Individual Directors including Chairperson and committees of the Board as per Annexure.
- 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**

9.1 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.

9.2 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 may be 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.

**Criteria for performance evaluation of Board, Independent / Individual  
Directors including Chairperson and Committees of the Board**

**INTRODUCTION**

The evaluation criteria have been framed by the Nomination and Remuneration Committee (NRC) in compliance with section 178 of the Companies Act, 2013 and Clause 17 of Securities Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (SEBI LODR) and the Guidance Note on Board Evaluation issued by SEBI on 5th January, 2017. As required under SEBI LODR and the Companies Act, the evaluation of the Board involves the followings:

1. Board as a whole
2. Committees of the Board
3. Individual Directors and Chairperson

**Performance Review Requirement**

- (a) In terms of the provisions of the Schedule (IV) of the Companies Act, 2013 and Clause 25 (2) of the LODR, the separate meeting of Independent Directors is required to –
  - (i) review performance of non-independent director/s and the Board as a whole.
  - (ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- (b) The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the director being evaluated.  
On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

**Section 178 (2) of the Companies Act, 2013**

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

**Process of Evaluation**

The process of evaluation is the following:

**1. Identifying the objectives of evaluation:**

The Board Evaluation process is to deal with:

- a) General objectives- Standard Objectives for all Board evaluations of the entity
- b) Specific objectives- Objectives specific to the current Board evaluation based on recent events, new issues of concern, etc.

**2. Criteria of evaluation:**

The criteria for evaluation depend on the role the Director plays in the company. The evaluation of the Chairperson will have the leadership, coordination and steering skills, etc. which will be different from the role of other directors. The criteria for every evaluation will be decided at every level depending on the functions, responsibilities, competencies required, nature of business, etc.

The following criteria will be used for different directors/groups :

**A. BOARD AS A WHOLE****a. Structure of the Board:**

- i. **Competency of directors:** The Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.
- ii. **Experience of directors:** The Board as a whole has directors with enough experience to conduct its affairs effectively.
- iii. **Mix of qualifications:** The Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.
- iv. **Diversity in Board under various parameters:** Gender/background/ competence/experience, etc. – There is sufficient diversity in the Board on the aforesaid parameters.
- v. **Appointment to the Board:** The process of appointment to the board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.

**b. Meetings of the Board:**

- i. **Regularity of meetings:** The meetings are being held on a regular basis
- ii. **Frequency:**
  1. The Board meets frequently
  2. The frequency of such meetings is enough for the Board to undertake its duties properly
- iii. **Logistics:** The logistics for the meeting is being handled properly- venue, format, timing, etc.
- iv. **Agenda:**
  1. The agenda is circulated well before the meeting
  2. The agenda has all relevant information to take decision on the matter
  3. The agenda is up to date, regularly reviewed and involves major substantial decisions
  4. The quality of agenda and Board papers is up to the mark
  5. The outstanding items of previous meetings are followed-up and taken up in subsequent agendas
  6. The time allotted for every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject
  7. The Board is able to finish discussion and decision on all agenda items in the meetings
  8. The adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting.
  9. The agenda includes adequate information on Committee's activities
- v. **Discussions and dissent:**
  1. The Board discusses every issue comprehensively and depending on the importance of the subject
  2. The environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervour
  3. The discussions generally add value to the decision making
  4. The Board tends towards group think and whether critical and dissenting suggestions are welcomed
  5. That all members actively participate in the discussions
  6. Overall, the Board functions constructively as a team
- vi. **Recording of minutes:**
  1. The minutes are being recorded properly- clearly, completely, accurately and consistently.
  2. The minutes are approved properly in accordance with set procedures.
  3. The minutes are timely circulated to all the Board members
  4. The dissenting views are recorded in the minutes
- vii. **Dissemination of information:**
  1. All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly.
  2. The Board is adequately informed of material matters in between meetings

**c. Functions of the Board:**

- 
- i. **Role and responsibilities of the Board:** If the same are clearly documented e.g. Difference in roles of Chairman and Managing Director. Matters reserved for the Board, etc.
  - ii. **Strategy and performance evaluation:**
    - 1. The significant time of the Board is being devoted to management of current and potential strategic issues.
    - 2. The various scenario planning is used to evaluate strategic risks
    - 3. The Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.
  - iii. **Governance and compliance:**
    - 1. The adequate time of the Board is being devoted to analyse and examine governance and compliance issues
    - 2. The Board monitors the effectiveness of its governance practices and makes changes as needed
    - 3. The Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
    - 4. The Board oversees the process of disclosure and communications.
    - 5. The Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance.
  - iv. **Evaluation of Risks:**
    - 1. The Board undertakes a review of the high risk issues impacting the organization regularly
    - 2. In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.
  - v. **Grievance redressal for Investors:**  
The Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.
  - vi. **Conflict of interest:**
    - 1. The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
    - 2. A sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest.
  - vii. **Stakeholder value and responsibility:**
    - 1. The decision making process of the Board is adequate to assess creation of stakeholder value
    - 2. The Board has mechanisms in place to communicate and engage with various stakeholders
    - 3. The Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders.
    - 4. The Board treats shareholders and stakeholders fairly where decisions of the Board of Directors may affect different shareholder/ stakeholder groups differently.
    - 5. The Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc. if any.
  - viii. **Corporate culture and values:** The Board sets a corporate culture and the values by which executives throughout a group shall behave.
  - ix. **Review of Board evaluation:** The Board monitors and reviews the Board evaluation framework.
  - x. **Facilitation of independent directors:** The Board facilitates the independent directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.
- d. Board and management:**
- i. **Evaluation of performance of the management and feedback:**
    - 1. The Board evaluates and monitors management, especially the Managing Director regularly and fairly and provides constructive feedback and strategic guidance.
    - 2. The measures used are broad enough to monitor performance of the management.
    - 3. The management's performance is benchmarked against industry peers.
-

4. The remuneration of the management is in line with its performance and with industry peers.
5. The remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders.
6. The Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation.
7. The Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.
- ii. **Independence of the management from the Board:** The level of independence of the management from the Board is adequate.
- iii. **Access of the management to the Board and Board access to the management:** The Board and the management are able to actively access each other and exchange information.
- iv. **Secretarial support:** The adequate secretarial and logistical support is available for conducting Board meetings.
- v. **Fund availability:** Sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice e.g. Legal, accounting, etc.
- vi. **Succession plan:** Whether an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board
- e. **Professional development:**
  - i. The adequate induction and professional development programmes are made available to new and old directors.
  - ii. The continuing directors training is provided to ensure that the members of board of directors are kept up to date.

## **B. COMMITTEES OF THE BOARD**

- a. **Mandate and composition:** The mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.
- b. **Effectiveness of the Committee:** The Committee has fulfilled its functions as assigned by the Board and laws as may be applicable
- c. **Structure of the Committee and meetings:**
  - i. The Committees have been structure properly and regular meetings are being held
  - ii. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board
- d. **Independence of the Committee from the Board:** Whether adequate independence of the Committee is ensured from the Board
- e. **Contribution to decisions of the Board:** The Committee's recommendations contribute effectively to decisions of the Board.

## **C. INDIVIDUAL DIRECTORS AND CHAIRPERSON**

### **General**

- a. **Qualifications:** Details of professional qualifications of the Director
- b. **Experience:** Details of prior experience of the Director, especially the experience relevant to the entity
- c. **Knowledge and Competency:**
  - i. How the person fares across different competencies as identified for effective functioning of the entity and the Board
  - ii. The Board has sufficient understanding and knowledge of the entity and the sector in which it operates
- d. **Fulfillment of functions:** Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law
- e. **Ability to function as a team:** The Board is able to function as an effective team- member
- f. **Initiative:** The Director actively takes initiative with respect to various areas
- g. **Availability and attendance:** The Director is available for meetings of the Board and attends the meeting regularly and timely, without delay.
- h. **Commitment:** The Director is adequately committed to the Board and the entity
- i. **Contribution:** The Board contributed effectively to the entity and in the Board meetings
- j. **Integrity:** The Board demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)

**Additional criteria for Independent director:**

- a. **Independence:** The Board is independent from the entity and the other directors and there if no conflict of interest
- b. **Independent views and judgement:** The Board exercises own judgement and voices opinion freely

**Additional criteria for Chairperson:**

- a. **Effectiveness of leadership and ability to steer the meetings:** The Chairperson displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively
- b. **Impartiality:** The Chairperson is impartial in conducting discussions, seeking views and dealing with dissent, etc.
- c. **Commitment:** The Chairperson is sufficiently committed to the Board and its meetings.
- d. **Ability to keep shareholders' interests in mind:** The Chairperson is able to keep shareholders' interest in mind during discussions and decisions.

These may be graded on a predetermined scale and comments may be added.

**3. Method of evaluation:**

The method of evaluation is generally in 2 ways:

- a. Internal assessment
- b. Assessment by external experts

**Internal assessment:**

Internal assessment will be done through evaluation under the Companies Act and SEBI LODR as specified above.

The internal assessment may be done by following methods:

- a. A detailed Questionnaire will be circulated to individual directors, Committees, Board, etc.
- b. Oral assessments provided by the person on interviews  
If necessary, the questionnaire may enable written answers to be submitted on a confidential basis. If due to various reasons, members are not willing to provide written inputs, the Chairperson or any other person may take initiative and obtain views of such members on a confidential basis.

**D. FEEDBACK**

The feedback may be provided in one or more of the following ways:

- a. Orally given by Chairman to
  - i. Each Member separately
  - ii. To the entire Board
  - iii. To the Committees
- b. A written assessment to every member, Board and Committee

**E. ACTION PLAN**

Based on the analysis of the responses, the Board may prepare an action plan on:

- Areas of improvement including training, skill building, etc. as may be required for Board members
- List of actions required detailing:
  - ☐ Nature of actions
  - ☐ Timeline
  - ☐ Person responsible for implementation
  - ☐ Resources required, etc.
- Review of the actions within a specific time period

The action plan if any may be prepared by the Board in a comprehensive manner.

**Evaluation Process**

- (i) The process will be initiated each year by the Chairman of the Board. A person designated by the Board may co-ordinate with the Directors.
- (ii) The evaluation process will consist of two parts – (a) Director evaluation and (b) Overall Board evaluation.
- (a) Performance review of directors by NRC-  
NRC will carry out an evaluation of every director's performance on parameters mentioned. Provide feedback to the Board.

(b) Independent Director evaluation-

Each Board member (excluding the Independent Director being evaluated) would assess the performance of the said Independent Director, on parameters mentioned.

(c) Performance review of Board by NRC

NRC will review performance of the Board on parameters mentioned.

(d) On the basis of the evaluation report and feedback of NRC, the Board will recommend appointments, re-appointments and removal of Directors of the Company.

This policy was recommended by Nomination & Remuneration Committee and approved by the Board of Directors of the Company on 13th February, 2017.

**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/Wholtime Directors, and at remuneration it deems fit, even after attainment of the applicable retirement age, for the benefit of the Company.

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

**ANNEXURE VIII****CORPORATE SOCIAL RESPONSIBILITY POLICY****1. Requirement of the Companies Act, 2013**

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

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

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

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

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

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

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

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

**Annexure IX****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.

## GKW LIMITED

### REPORT ON CORPORATE GOVERNANCE

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

#### 1. Company's Philosophy on Corporate Governance

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

#### 2. Board of Directors

##### 2.1 Composition, Category and Directorship in other Companies

Director	Executive/ Non-executive Independent	Member of Board of Other Cos.	Total No. of other committee membership held		No of shares held in GKW Ltd.
			As Chairman	As Member**	
Mr. J. D. Curravala	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 Dhrupad Traders Private Limited	-	-	-
Mr. N.K. Navalakha	Non-Executive*	-	-	-	-
Mr. P.S. Lodha	Non-Executive*	-	-	-	-
Ms Surbhi Singhi	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		2 1	

\*also independent.

\*\* Only Audit Committee and Stakeholder Relationship Committee considered.

2.2 No interse relationship between the Directors has taken place during the year under review.

2.3 Familiarization programmes for Independent Directors is on the Website of the Company at [www.gkw ltd.com](http://www.gkw ltd.com).

##### 2.4 Board, Annual General Meeting and Attendance

Board Meetings were held on 11th May'16, 9th August'16, 10th November'16 and 13th February'17. The Annual General Meeting was held on 9th August, 2016.

<u>Director</u>	<u>No. of Board Meetings</u>		<u>Attended last AGM</u>
	<u>Held</u>	<u>Attended</u>	
Mr. J. D. Curravala	4	4	Yes
Mr. G. Srinivasan	4	3	No
Mr. M.L.Lahoti	4	4	Yes
Mr. N.K. Navalakha	4	4	Yes
Mr. P. S. Lodha	4	4	Yes
Ms. S. Singhi	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, 2017. 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 11th May'16, 9th August'16, 10th November'16 and 13th February, 2017.

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 attended all the meetings by invitation.

Mr. G. Srinivasan attended all the meetings by invitation except one.

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

**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 and Mr. P.S. Lodha as its members.

The Nomination and Remuneration Committee as constituted met on 7th April, 2016, 20th April, 2016, 9th February 2017 and 24th March, 2017.

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

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee include recommending the policy of 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 VI.

**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. The Nomination and Remuneration Policy include the criteria for performance of Board, Independent/Individual Directors including Chairperson and Committees of the Board.

Details of Remuneration to Directors for the year ended 31st March 2017.

Sl. No.	Name	Salary	Commission	Perquisites/ Allowances, Others	Sitting fees	Total
		₹	₹	₹	₹	₹
1.	Mr. J.D. Curavala	5400000	-	2610000	-	8010000
2.	Mr. G. Srinivasan	-	-	-	30000	30000
3.	Mr. M.L. Lahoti	-	-	-	200000	200000
4.	Mr.N.K.Navalakha	-	-	-	200000	200000
5.	Mr. P.S. Lodha	-	-	-	200000	200000
6.	Ms. S. Singhi	-	-	-	10000	10000

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

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](http://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 11-08-2016. 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

The Committee is headed by Mr. N. K. Navalakha and Mr. J. N. Ghosh, Company Secretary is the Compliance Officer. The Committee met on 11th May'16, 8th August'16, 9th November'16 and 9th February'17.

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

**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

The Committee met on 11th May, 2016, 8th August, 2016, 9th November, 2016 and 9th February, 2017.

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

There was no shareholder's complaint at the end of the year. The number of complaints received were 2 during the year and the same were resolved.

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

The details of complaint position during the year ended 31st March, 2017:

- |   |     |
|---|-----|
| 1. No. of Complaints remaining unresolved as on 1st April, 2016 | NIL |
| 2. No. of Complaints received during the year                   | 2   |
| 3. No. of complaints resolved during the year                   | 2   |
| 4. No. of complaints unresolved as on 31st March, 2017          | 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:-

## GKW LIMITED

<u>Financial Year</u>	<u>Date of A.G.M.</u>	<u>Venue</u>	<u>Time</u>
31st March, 2016	9th August, 2016	Kala Kunj, Kolkata	11.00 a.m.
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.

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

- i) 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.
- ii) At the Eighty-fifth 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.
- iii) At the Eighty-sixth Annual General Meeting held on 9th August, 2016.
  - Re-appointment of Managing Director for a period of one year from 11th August 2016.
- D. No Special Resolution was passed for the year 2016-17 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.gkw ltd.com](http://www.gkw ltd.com) and at [www.nseindia.com](http://www.nseindia.com).
- Whether it displays official news releases : No
- Presentation made to Institutional investors or to analyst. : No

### 13. General Shareholders Information

	<u>Date</u>	<u>Time</u>	<u>Venue</u>
AGM:	2nd August, 2017	2.00 p.m.	Kala Kunj
Financial Calendar (tentative) 2016-2017			
i) Financial Year	: April-March		
ii) Dividend payment date	: Not applicable		
iii) Date of Book Closure	: 27th July, 2017 to 2nd August, 2017 (both days inclusive)		
iv) Cut-off date	: 26th July, 2017		
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 87th Annual General Meeting of the Members of the Company shall be conducted through electronic voting. The electronic voting will commence from 30th July, 2017 from 9.00 a.m. to 1st August, 2017 upto 5.00 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.		



Stock Code	Physical & Demat
National Stock Exchange	GKW LIMITED
Demat ISIN Number	INE 528A 01020

14. **Stock Market Data**

Market price of Company's shares traded during the year	N S E		NSE NIFTY	
Month	High(₹)	Low(₹)	High(₹)	Low(₹)
April 2016	690.00	551.00	7992.00	7516.85
May 2016	673.00	581.50	8213.60	7678.35
June 2016	670.00	535.30	8308.15	7927.05
July 2016	710.00	611.00	8674.70	8287.55
August 2016	729.90	562.50	8819.20	8518.15
September 2016	619.70	540.00	8968.70	8555.20
October 2016	573.85	520.00	8806.95	8506.15
November 2016	559.00	460.00	8669.60	7916.40
December 2016	525.00	425.00	8274.95	7893.80
January 2017	495.00	428.00	8672.70	8133.80
February 2017	475.00	390.35	8982.15	8537.50
March 2017	502.00	420.00	9218.40	8860.10

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 31.03.2017

No. of Shares held	No. of Share holders	%	No. of Shares	%
1 to 500	26431	99.54	288891	4.84
501 to 1000	56	0.21	43021	0.72
1001 to 2000	29	0.11	44690	0.75
2001 to 3000	14	0.05	37542	0.63
3001 to 4000	5	0.02	17335	0.29
4001 to 5000	3	0.01	13414	0.23
5001 to 10000	3	0.01	23296	0.39
10001 & above	13	0.05	5498311	92.15
<b>TOTAL</b>	<b>26554</b>	<b>100.00</b>	<b>5966500</b>	<b>100.00</b>

16. **Shareholding Pattern**

Shareholding Pattern as on 31.03.2017

Category	No. of Shares Held	% of share- holding of issued share capital
<b>I PROMOTERS HOLDING</b>		
Promoters – a. Indian Promoters	3580375	60.01
b. Foreign Promoters	894500	14.99
Sub Total	4474875	75.00
<b>II NON PROMOTERS HOLDING</b>		
<b>Institutional Investors</b>		
a. Mutual Fund & Unit Trust of India	2915	0.05
b. Banks, Financial Institutions & Insurance Companies, (Central/State Govt. Institution/Non Govt. Institution)	112586	1.89
c. Foreign Institutional Investors	1489	0.02
d. Foreign Portfolio Investor	185000	3.10
e. Others	8	0.00
Sub Total	301998	5.06

## GKW LIMITED

<b>III Others -</b>		
a. Private Corporate Bodies/Trust	686307	11.50
b. Indian Public	460037	7.71
c. NRIS/OCBs/Foreign Nationals	3977	0.07
d. Any other (specify) Clearing members	92	0.00
e. Unclaimed Suspense Account	39214	0.66
Sub Total	1189627	19.94
<b>GRAND TOTAL</b>	<b>5966500</b>	<b>100.00</b>
<b>NOTE:TOTAL FOREIGN SHARE HOLDING</b>	<b>No. of Shares</b>	<b>% of Share Holding</b>
NRIS/OCBS/Foreign Nationals	3977	0.07
FII	1489	0.02
Foreign Portfolio Investor	185000	3.10
Foreign Promoter	894500	14.99
<b>TOTAL</b>	<b>1084966</b>	<b>18.18</b>

### 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 31.03.2017, a total of Ordinary shares 5835231 of the Company which forms 97.80% 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 : 5885 and No. of outstanding Shares : 39375
- Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year : 20
- Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year : 20
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year : No. of Shareholders : 5865 and No. of outstanding Shares : 39214

#### **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

- 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. 26 of the financial statement. The transaction have no potential conflict with the interest of the company.
- 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.gkwltd.com](http://www.gkwltd.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 Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

For and on behalf of the Board

Kolkata,  
19th May, 2017

J D Curavala  
*Managing Director*

G Srinivasan  
*Director*

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## **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, 2017 affirmed their compliance of the Code of Conduct of the Company dated 7th March, 2017.

Kolkata,  
19th May, 2017

J D Curavala  
*Managing Director*  
GKW Limited

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF GKW LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 11th August, 2016.
2. We have examined the compliance of conditions of Corporate Governance by GKW Limited ('the Company'), for the year ended on 31st March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by 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 Regulations during the year ended March 31, 2017.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be

used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

R P Singh  
Partner  
Membership No. 052438

Place: Kolkata  
Dated: 19th May, 2017

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**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, 2017 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 2016-17 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, 2017**

		₹ in Lakhs	
Particulars	Note No.	As at 31.03.17	As at 31.03.16
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	2	596.65	596.65
(b) Reserves and Surplus	3	9945.45	9575.95
Total (a+b)		10542.10	10172.60
<b>Non - current liabilities</b>			
(a) Deferred tax liabilities (net)	4	45.04	31.74
(b) Other Long - term liabilities	5	331.24	272.15
(c) Long - term provisions	6	13.55	27.50
Total (a+b+c)		389.83	331.39
<b>Current liabilities</b>			
(a) Trade payables	7		
(i) Dues to Micro and Small Enterprises		-	-
(ii) Dues to others		4.79	20.22
(b) Other current liabilities	8	462.12	636.32
(c) Short - term provisions	9	747.12	667.42
Total (a+b+c)		1214.03	1323.96
<b>TOTAL ASSETS</b>		12145.96	11827.95
<b>Non-current assets</b>			
(a) Fixed assets			
- Tangible Assets	10	917.12	662.10
- Intangible assets		0.05	0.18
- Capital Work-in-progress		1041.18	1140.40
(b) Non-current investments	11	2827.89	2836.60
(c) Long-term loans and advances	12	1155.41	1266.09
(d) Other non-current assets	13	1765.00	831.58
Total (a+b+c+d)		7706.65	6736.95
<b>Current Assets</b>			
(a) Current investments	14	3307.53	2722.43
(b) Trade receivables	15	11.75	35.88
(c) Cash and bank balances	16	1060.90	2266.19
(d) Short-term loans and advances	17	21.66	35.84
(e) Other current assets	18	37.47	30.66
Total (a+b+c+d+e)		4439.31	5091.00
<b>TOTAL</b>		12145.96	11827.95
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  
19th May, 2017for and on behalf of  
LODHA & Co .  
Chartered Accountants

**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2017**

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations :	19		
Sale of Services ( Net of service tax )		856.55	616.82
Income from Investment and Treasury		549.14	580.76
		<b>1405.69</b>	1197.58
Other income	20	51.42	28.61
<b>TOTAL REVENUE</b>		<b>1457.11</b>	<b>1226.19</b>
<b>EXPENSES :</b>			
Employee benefits expense	21	295.18	263.38
Depreciation and amortization expense	10	36.91	22.55
Other Expenses	22	620.81	674.39
<b>TOTAL EXPENSES</b>		<b>952.90</b>	<b>960.32</b>
<b>Profit before tax from continuing operations</b>		<b>504.21</b>	<b>265.87</b>
<b>TAX EXPENSES :</b>			
- Current tax		(103.22)	(22.28)
- Tax for earlier years (net)		(18.19)	(43.18)
- Deferred tax credit/(charge)		(13.30)	3.04
<b>Profit after Tax from continuing operations</b>		<b>369.50</b>	<b>203.45</b>
Profit/(loss) before tax from discontinuing operations	30	-	1244.74
Tax expenses of discontinuing operations		-	(336.52)
<b>Profit/(loss) after tax from discontinuing operations</b>		<b>-</b>	<b>908.22</b>
<b>PROFIT FOR THE YEAR</b>		<b>369.50</b>	<b>1111.67</b>
Earnings per equity share (Note 28)			
- Basic & Diluted (from Continuing operations)		6.19	3.41
- Basic & Diluted (Total)		6.19	18.63

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 DirectorG Srinivasan  
DirectorJ N Ghosh  
Company SecretaryA Chakrabarti  
Chief Financial OfficerR P Singh  
Partner  
for and on behalf of  
LODHA & Co.  
Chartered AccountantsKolkata  
19th May, 2017



**GKW LIMITED****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST MARCH, 2017**

₹ in Lakhs

	<u>For the year ended 31st March, 2017</u>		<u>For the year ended 31st March, 2016</u>	
<b>A. Cash flow from Operating Activities</b>				
Net Profit/(Loss) before taxation :				
- from continuing operations	504.21		265.87	
- from discontinuing operation	-	504.21	1244.74	1510.61
Adjustments for:				
Depreciation - Fixed Assets				
- from continuing operations	36.91		22.55	
- from discontinuing operation	-		4.04	
Provision for diminution in value of current investments	(37.91)		38.15	
Provision for claims	-		352.89	
(Profit) / Loss on disposal / scrapping of fixed assets	(1.09)		(1779.33)	
(Profit) / Loss on sale of non-current investment	(0.11)		-	
Dividend income on non-current investment	-		(80.08)	
Interest on Income Tax Refund	(21.94)		(4.29)	
Sundry balances written off	4.71		0.93	
Liability no longer required written back	(12.28)		(11.95)	
		(31.71)		(1457.09)
Operating Profit/(Loss) before Working Capital changes		472.50		53.52
Adjustments for:				
Trade & Other receivables	4.90		118.29	
Inventories	-		69.13	
Trade Payables	(26.43)	(21.53)	103.86	291.28
		450.97		344.80
Purchase of current investment	(2242.18)			(3455.97)
Sale of current investment	1694.99			2343.33
Bank deposits with more than 3 months' maturity	(420.95)			1627.09
Interest & Dividend receivable	(6.82)			29.72
Cash generation from operation	(523.99)			888.97
Direct taxes (paid)/refund (net)	120.56			(292.31)
Net Cash inflow/ (outflow) from operating activities	(403.43)			596.66
- including cash inflow/(outflow) from discontinuing operation	-		(290.03)	
<b>B. Cash Flow from Investing activities</b>				
Purchase of fixed assets and CWIP	(194.92)		(1422.35)	
Capital Vendors	(48.70)		49.35	
Purchase of investment	-		(1432.89)	
Sale of Fixed Assets	3.43		2023.62	
Sale of investment	8.82		-	
Earmarked Bank Deposits	-		0.09	
Dividend income on non-current investment	-		80.08	
Net cash inflow/ (outflow) from investing activity	(231.37)			(702.10)
- including cash inflow/(outflow) from discontinuing operation	-		2023.62	

**CASH FLOW STATEMENT (Cont'd....)**  
**FOR THE YEAR ENDED 31ST MARCH, 2017**

₹ in Lakhs

	<b>For the year ended 31st March, 2017</b>	<b>For the year ended 31st March, 2016</b>
<b>C. Cash Flow from Financing activities</b>		
Net cash flow from financing activities		
- including cash inflow/(outflow) from discontinuing operations	-	-
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)	<b><u>(634.80)</u></b>	<b><u>(105.44)</u></b>
<b>Opening Cash and Cash Equivalents as on 01.04.16</b>	<b><u>880.70</u></b>	<b><u>986.14</u></b>
<b>Closing Cash and Cash Equivalents as on 31.03.17</b>	<b><u>245.90</u></b>	<b><u>880.70</u></b>
Cash flow from discontinuing operations included above	<b><u>-</u></b>	<b><u>1733.59</u></b>

- 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 include Fixed Deposits with banks amounting to ₹ 172.33 Lakhs (2015-16 - ₹ 700 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.
- 4) In view of Note 30, 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*

Kolkata  
 19th May, 2017

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

14, Government Place East  
 Kolkata  
 19th May, 2017

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017****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) FOREIGN CURRENCY TRANSACTIONS**

(a) Foreign currency transactions are accounted for at the exchange rates prevailing at the date of such transaction.

(b) Foreign currency monetary assets and liabilities at the year end are translated at the year exchange rates.

(c) Gains and Losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

**(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, 2017

#### (vi) REVENUE AND EXPENSE

##### (a) OPERATING LEASE

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight line basis over the period of lease.

##### (b) 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

(a) 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. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

(b) Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of MAT during the specified period.

		₹ in Lakhs	
		As at 31.03.17	As at 31.03.16
<b>2 SHARE CAPITAL</b>			
Authorised :			
49250000 (2015-16 - 49250000) Cumulative redeemable preference shares of ₹ 10/- each		<b>4925.00</b>	4925.00
59665008 (2015-16 - 59665008) Ordinary shares of ₹ 10/- each		<b>5966.50</b>	5966.50
		<b>10891.50</b>	10891.50
<b>2.1 Issued, Subscribed and Paid-up :</b>			
3669653 (2015-16 - 3669653) Ordinary shares of ₹10/- each fully paid up		<b>366.97</b>	366.97
659749 (2015-16 - 659749) Ordinary shares for consideration other than cash pursuant to contracts / scheme of arrangements.		<b>65.97</b>	65.97
1637098 (2015-16 - 1637098) Bonus shares by way of capitalisation of reserves and share premium		<b>163.71</b>	163.71
		<b>596.65</b>	596.65
<b>2.2 Shareholders holding Ordinary shares in the company for more than 5% :</b>			
<b>Name of Shareholder</b>	<b>Number of Shares</b>	Number of Shares	
Matrix Commercial Pvt Ltd - Holding Company	<b>3580375</b>	4474875	
	<b>(60.01%)</b>	(75.00%)	
Mr. Krishna Kumar Bangur - Promoter	<b>894500</b>	-	
	<b>(14.99%)</b>	-	
Bellona Finvest Ltd	<b>524534</b>	524534	
	<b>(8.79%)</b>	(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.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

		₹ in Lakhs	
	<u>As at 31.03.17</u>		<u>As at 31.03.16</u>
<b>3 RESERVES AND SURPLUS</b>			
General Reserve			
At the beginning of the year	7450.00	6350.00	
Add: Transfer from Surplus	<u>1000.00</u>	<u>1100.00</u>	
	<b>8450.00</b>		7450.00
Surplus			
At the beginning of the year	2125.95	2114.28	
Add: Transferred from Statement of Profit and Loss	369.50	1111.67	
Appropriations :			
- Transfer to General Reserve	<u>(1000.00)</u>	<u>(1100.00)</u>	
	<u>1495.45</u>		2125.95
	<u>9945.45</u>		<u>9575.95</u>
<b>4 DEFERRED TAX LIABILITIES ( NET )</b>			
Deferred Tax Liabilities :			
Depreciation	109.65		125.71
Less : Deferred Tax Assets :			
Provision for assets	1.00		15.28
Expenses allowed on payment basis	<u>63.61</u>		<u>78.69</u>
	<u>45.04</u>		<u>31.74</u>
<b>5 OTHER LONG-TERM LIABILITIES</b>			
Security Deposit received from dealers, lessee etc	<u>331.24</u>		<u>272.15</u>
<b>6 LONG-TERM PROVISIONS</b>			
Provision for employee benefits	<u>13.55</u>		<u>27.50</u>
<b>7 TRADE PAYABLES</b>			
(a) Dues to Micro and Small Enterprises	-		-
(b) Dues to Others	<u>4.79</u>		<u>20.22</u>
	<u>4.79</u>		<u>20.22</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.			
<b>8 OTHER CURRENT LIABILITIES</b>			
Security Deposits / Advance from customers	1.74		2.42
Capital Vendor	27.35		73.09
Claims payable	291.55		291.55
Employee benefits payable	41.59		120.68
Dues payable to Government authorities	17.24		13.67
Liability for expenses	82.65		76.89
Liability for fractional share payment (Note 31)	-		58.02
	<u>462.12</u>		<u>636.32</u>

(a) Advance from customers include ₹ 0.17 lakh (2015-16 - ₹ 0.85 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, 2017

	₹ in Lakhs	
	As at 31.03.17	As at 31.03.16
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	236.87	234.86
Provision for claims	432.56	432.56
Other Provisions :		
- Current Tax (net of Advance tax and TDS receivable)	77.69	-
	<u>747.12</u>	<u>667.42</u>

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 24).

## 10 FIXED ASSETS

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

	GROSS BLOCK - AT COST				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 1st April 2016	Additions	Withdrawals/ Transfer/ Adjustment	As at 31st March 2017	As at 1st April, 2016	Recognised in Statement of Profit & loss	Withdrawals/ Transfer/ Adjustment	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>Description</b>										
<b>(i) Tangible assets</b>										
Land (including Leasehold Land)	53.62	-	-	53.62	4.22	-	-	4.22	49.40	49.40
Buildings	1071.62	223.65	-	1295.27	569.06	21.31	-	590.37	704.90	502.56
Plant & Machinery:	26.92	-	-	26.92	0.40	1.84	-	2.24	24.68	26.52
Motor Vehicles	57.04	-	(18.94)	38.10	16.65	7.02	(16.62)	7.05	31.05	40.39
Furniture and Fittings	11.04	3.23	-	14.27	3.42	1.27	-	4.69	9.58	7.63
Office Equipment	7.47	1.01	(0.98)	7.50	6.11	0.97	(0.96)	6.12	1.38	1.35
Computers and data processing units	13.40	0.33	-	13.73	12.27	0.04	-	12.31	1.42	1.13
Electrical Installations and Equipment	37.69	65.92	-	103.61	4.57	4.33	-	8.90	94.71	33.12
<b>Total Tangible assets</b>	<u>1278.80</u>	<u>294.14</u>	<u>(19.92)</u>	<u>1553.02</u>	<u>616.70</u>	<u>36.78</u>	<u>(17.58)</u>	<u>635.90</u>	<u>917.12</u>	<u>662.10</u>
<b>Previous year</b>	<u>2535.63</u>	<u>355.08</u>	<u>(1611.91)</u>	<u>1278.80</u>	<u>1962.14</u>	<u>25.30</u>	<u>(1370.74)</u>	<u>616.70</u>	<u>662.10</u>	<u>-</u>
<b>(ii) Intangible assets</b>										
Computer software acquired	0.62	-	-	0.62	0.44	0.13	-	0.57	0.05	0.18
<b>Total Intangible assets</b>	<u>0.62</u>	<u>-</u>	<u>-</u>	<u>0.62</u>	<u>0.44</u>	<u>0.13</u>	<u>-</u>	<u>0.57</u>	<u>0.05</u>	<u>0.18</u>
<b>Previous year</b>	<u>7.97</u>	<u>-</u>	<u>(7.35)</u>	<u>0.62</u>	<u>3.37</u>	<u>1.29</u>	<u>(4.22)</u>	<u>0.44</u>	<u>0.18</u>	<u>-</u>
<b>(iii) Add: Capital work-in-progress- at cost</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1041.18</u>	<u>1140.40</u>
<b>Previous Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1140.40</u>	<u>-</u>
<b>Grand Total</b>	<u>1279.42</u>	<u>294.14</u>	<u>(19.92)</u>	<u>1553.64</u>	<u>617.14</u>	<u>36.91</u>	<u>(17.58)</u>	<u>636.47</u>	<u>1958.35</u>	<u>1802.68</u>
<b>Previous year</b>	<u>2543.60</u>	<u>355.08</u>	<u>(1619.26)</u>	<u>1279.42</u>	<u>1965.51</u>	<u>26.59</u>	<u>(1374.96)</u>	<u>617.14</u>	<u>1802.68</u>	<u>-</u>

1 The above amount include assets given on operating lease as under; (Note 27)

- Land - cost ₹ 20.06 lakhs (2015-16 - ₹ 20.06 Lakhs), depreciation - Nil (2015-16 - Nil) and accumulated depreciation - Nil (2015-16 - Nil)
- Buildings - cost ₹ 662.26 Lakhs (2015-16 - ₹ 438.62 lakhs), depreciation - ₹19.13 Lakhs (2015-16 - ₹ 10.10 Lakhs) and accumulated depreciation - ₹ 35.22 Lakhs (2015-16 - ₹16.09 Lakhs)
- Electrical Installation and Equipment - cost ₹ 103.61 lakhs (2015-16 - ₹ 37.69 lakhs), depreciation - ₹ 4.33 lakhs (2015-16 - ₹ 2.82 lakhs) and accumulated depreciation ₹ 8.90 lakhs (2015-16 - ₹ 4.57 lakhs)

2 Capital Work-in-progress includes amount of ₹1034.76 (2015-16 - ₹ 1034.76 lakhs) being payment made for purchase and allotment of residential flats awaiting completion.

**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

₹ in Lakhs

	<b>As at 31.03.17</b>	<b>As at 31.03.16</b>
<b>11 NON-CURRENT INVESTMENTS</b>		
<b>Long Term (Other than Trade)</b>		
<b>Investments in Equity Instruments :</b>		
<b>(Quoted)</b>		
IDBI Bank Ltd		
NIL (2015-16 - 10720 ) shares of ₹10/- each- fully paid at cost	-	8.71
Graphite India Limited		
4000000 (2015-16 - 4000000 ) shares of ₹ 2/- each- fully paid at cost	2822.89	2822.89
<b>Investments in Equity Instrument in Subsidiary Company</b>		
<b>(Unquoted)</b>		
GKW (Overseas Trading) Limited		
50000 (2015-16 - 50000) Ordinary shares of ₹10/- each- fully paid at cost	5.00	5.00
	<b>2827.89</b>	<b>2836.60</b>
Aggregate book value of quoted investments	2822.89	2831.60
Market value of quoted investments	4484.00	2881.44
Aggregate book value of unquoted investment	5.00	5.00
<b>12 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured :		
Considered good :		
Capital Advances	4.41	1.45
Security Deposits	48.63	23.82
Other Loans and advances :		
– Pension Fund	237.38	234.12
– Gratuity Fund	0.64	-
– MAT Credit Entitlement	864.35	903.03
– Advance payment of Income tax (net of provisions)	-	103.67
	<b>1155.41</b>	<b>1266.09</b>
<b>13 OTHER NON-CURRENT ASSETS</b>		
Unsecured		
- Considered good :		
Deposits with Bank with more than 12 months' maturity	1365.00	831.58
Deposits with Bank in lien (with maturity of more than 12 months) (*)	400.00	-
	<b>1765.00</b>	<b>831.58</b>

(\*) Bank guarantee issued against fixed deposits.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

₹ in Lakhs

**14 CURRENT INVESTMENTS***( At lower of cost and market value )***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	12	120.00
9.65% YES Bond, 2020 fully paid at cost	1000000	10	100.38	10	100.38

**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
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	11846.430	50.00	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	74404.762	25.00
Franklin India Prima Plus - Growth	10	55020.990	250.00	23333.140	100.00
ICICI Prudential Balanced advantage Fund - Regular - Growth	10	354556.430	100.00	393077.830	100.00
ICICI Prudential Focused Bluechip equity Fund - Retail Growth	10		-	1067213.998	300.00
ICICI Prudential Value Discovery Fund - Growth option	10	81888.870	100.00	43759.846	50.00
Kotak Opportunities Fund - Regular Plan - Growth	10	158552.310	150.00	60393.767	50.00
Kotak Select Focus Fund - Regular Plan - Growth	10	1508769.105	350.00	1332793.315	300.00
L&T India Prudence Fund - Growth	10		-	254777.070	50.00
SBI Magnum Multicap Fund - Growth	10	1040614.430	365.00	627394.606	199.99
Reliance Equity Savings Fund - Dividend	10		-	800975.199	80.00
SBI Blue chip Fund - Growth	10		-	350934.020	100.00
HDFC Capital Builder Fund - Growth	10	43990.460	100.00	-	-
HDFC Equity Fund - Growth	10	19646.380	100.00	-	-
HDFC Small Cap Fund - Growth	10	307172.480	100.00	-	-
ICICI Prudential Multicap Fund - Regular Plan - Growth	10	73898.910	175.00	-	-
ICICI Prudential Equity Arbitrage Fund - Retail Dividend	10	4002213.000	552.18	-	-
Franklin India High Growth Companies Fund - Growth	10	161490.880	50.00	-	-
Birla Advantage Fund - Growth	10	23452.890	75.00	-	-
DSP BlackRock Opportunities Fund - Growth	10	42691.500	75.00	-	-
DSP BlackRock Focus 25 Fund - Growth	10	248830.500	50.00	-	-
DSP BlackRock Small and Mid Cap Fund - Growth	10	314346.790	150.00	-	-

Less : Provision for diminution in value of investments (3.60) (41.51)

	<b>3307.53</b>	<b>2722.43</b>
Aggregate book value of quoted investments	<b>216.78</b>	<b>214.38</b>
Aggregate book value of Un-quoted investments	<b>3090.75</b>	<b>2508.05</b>
Market value of quoted investments	<b>216.78</b>	<b>214.38</b>
Net Asset value of units of Mutual Funds	<b>3447.99</b>	<b>2575.03</b>

**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

	<i>₹ in Lakhs</i>	
	<b>As at</b>	<b>As at</b>
	<b><u>31.03.17</u></b>	<b><u>31.03.16</u></b>
<b>15 TRADE RECEIVABLES</b>		
Unsecured :		
Outstanding for a period exceeding six months		
- Considered good	-	2.78
Other debts		
- Considered good	<b>11.75</b>	33.10
	<b><u>11.75</u></b>	<b><u>35.88</u></b>
<b>16 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents:		
Cash on hand	1.47	2.04
Cheques on hand	0.23	-
Balances with Banks :		
- in current accounts	71.87	178.66
- in deposit account (with maturity of less than 3 months)	<b>172.33</b>	700.00
	<b><u>245.90</u></b>	<b><u>880.70</u></b>
Other Bank Balances:		
- in deposit account (with maturity of less than 12 months)	815.00	1127.47
- in deposit account in lien (with maturity of less than 12 months) (*)	-	200.00
- in fractional share payment accounts (Note 31)	-	58.02
	<b><u>1060.90</u></b>	<b><u>2266.19</u></b>
(*) Bank guarantee issued against fixed deposits		
<b>17 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured :		
- Considered good :		
- Other Loans and advances :		
- Balances with Government authorities	2.90	9.68
- Advance to staff	0.45	1.20
- Advance to suppliers	0.67	1.95
- Recoverable claims	14.70	14.74
- Prepaid Expenses	<b>2.94</b>	8.27
	<b><u>21.66</u></b>	<b><u>35.84</u></b>
<b>18 OTHER CURRENT ASSETS</b>		
Unsecured :		
- Considered good :		
Interest receivable	34.50	30.66
Dividend receivable from units of Mutual Funds	<b>2.97</b>	-
	<b><u>37.47</u></b>	<b><u>30.66</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2017**

	₹ in Lakhs	
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>19 REVENUE FROM OPERATIONS</b>		
<b>(a) Sale of services</b>		
Income from Warehousing facilities		
Lease Rental	983.60	702.26
- Less : Service tax	127.05	85.44
Net Lease Rental	<u>856.55</u>	<u>616.82</u>
	<u>856.55</u>	<u>616.82</u>
<b>(b) Income from Investment and Treasury</b>		
Interest Income:		
- On Loans and Deposits	0.59	0.62
- On Fixed Deposits	256.31	369.90
- On Current Investments	19.73	54.08
	<u>276.63</u>	<u>424.60</u>
Dividend Income:		
- On Current Investments	11.64	45.11
- On Non-Current Investments	-	80.08
	<u>11.64</u>	<u>125.19</u>
Provision for diminution in value of current investments written back	37.91	-
Net Profit on disposal of non-current Investments	0.11	-
Net Profit on disposal of current Investments	222.85	30.97
	<u>549.14</u>	<u>580.76</u>
	<u>1405.69</u>	<u>1197.58</u>
<b>20 OTHER INCOME</b>		
Interest Income		
- On Others (refund of Income Tax)	21.94	4.29
Net Profit on sale/scraping of Fixed Assets	1.09	-
Miscellaneous Income	28.39	24.32
	<u>51.42</u>	<u>28.61</u>
Miscellaneous Income includes profit on sale of scrap materials - ₹ 12.91 Lakhs (2015-16 - ₹ 11.12 Lakhs) liabilities no longer required - ₹ 12.28 Lakhs (2015-16 - ₹ 11.95 Lakhs).		
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	249.19	233.65
Contribution to provident and other funds (net) (Note 25)	20.89	11.23
Staff welfare expenses	25.10	18.50
	<u>295.18</u>	<u>263.38</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

₹ in Lakhs

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>22 OTHER EXPENSES</b>		
Power and fuel	16.82	17.78
Repairs to Buildings	6.35	35.78
Repairs to Others	23.14	19.18
Directors' sitting fees	6.40	6.80
Insurance	3.59	2.98
Rent	44.44	42.45
Rates and taxes	87.71	70.22
Printing and stationery	6.45	5.78
Postage, telephone & telex	19.04	18.27
Data processing expenses	2.58	2.72
Travelling expenses	6.79	13.46
Advertisement expenses	1.23	2.72
Security charges	74.61	74.80
Selling commission / Brokerage	17.18	10.63
Legal and Professional Charges	182.59	196.99
Consultants' fees	38.95	34.10
Provision for diminution in value of current investments	-	38.15
Miscellaneous expenses	82.94	81.58
	<b>620.81</b>	<b>674.39</b>
(a) Payment to Auditor (included in Miscellaneous expenses)		
- For Statutory Audit	2.25	2.25
- For other services	3.38	3.03
- For re-imburement of expenses	0.06	0.03
	<b>5.69</b>	<b>5.31</b>

(b) Miscellaneous expenses include ₹ 4.71 lakhs (2015-16 - Nil) on account of sundry balances being written off.

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

- |   |        |        |
|---|--------|--------|
| a) Municipal Tax Demand against Company's premises at Andul Road Works stayed by Hon'ble High Court at Calcutta   | 215.81 | 215.81 |
| b) 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. | -      | -      |

All pending litigations and proceedings against the Company and the carrying amount of the financial liabilities and claims have been reviewed at the balance sheet date and appropriate adjustment has either been made against existing provisions wherever required or disclosed the same as contingent liabilities, wherever applicable. The Company does not expect the outcome of these proceedings will have a material impact on its financial position and the future cash outflows in respect of the above 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) | 45.21 | 8.17 |
|--|-------|------|

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2017

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

	₹ in Lakhs	
	As at 31.03.2017	As at 31.03.2016
Carrying amount at the beginning of the year	432.56	79.67
Additional provisions made in the year	-	352.89
Carrying amount at the end of the year	432.56	432.56

#### 25 EMPLOYEE BENEFITS

##### a. Defined Contribution Scheme

Employer's Contribution to Provident Fund	2.03	1.62
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##### b. Defined Benefit Scheme :

(1) Employer's Contribution to Provident Fund	15.74	16.96
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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 ₹ 0.24 Lakh (2015-16 - ₹ 1.11 Lakhs ) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company .

	₹ in Lakhs	
Actuarial assumptions :	2016-17	2015-16
Discount Rate	7.00%	7.20%
Expected Return on Fund	8.65%/8.60%	8.50%
Return on EPFO	8.65%/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)	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Current service cost	2.67	2.68	1.37	2.36	28.37	29.69	3.01	1.60
Interest cost	8.66	9.24	6.21	4.54	102.30	111.13	9.71	7.55
Expected return on plan assets	-	-	(6.85)	(7.57)	(132.40)	(134.96)	-	-
Actuarial (gain)/loss	(17.40)	(8.56)	3.54	43.80	(1.53)	(104.27)	(10.28)	35.42
Total Expenses @	(6.07)	3.36	4.27	43.13	(3.26)	(98.41)	2.44	44.57

@ Recognised under " Contribution to Provident and Other Funds " in Note 21.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2017

#### II Change in the present value of the defined

benefit obligation representing reconciliation of opening and closing balances thereof are as follows:	Gratuity (Non-Funded)		Gratuity (Funded)		Pension Fund (Funded)		Leave Encashment (Non-Funded)	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Present value of Defined benefit obligation at the beginning of the year	120.30	116.94	88.86	66.44	1420.88	1411.30	136.02	99.56
Current service cost	2.67	2.68	1.37	2.36	28.37	29.69	3.01	1.60
Interest Cost	8.66	9.24	6.21	4.54	102.30	111.13	9.71	7.55
Benefit payments	-	-	(5.31)	(17.84)	-	(9.09)	(2.27)	(8.11)
Actuarial (gain)/loss	(17.40)	(8.56)	8.93	33.36	(1.19)	(122.15)	(10.28)	35.42
Present value of Defined benefit obligation at the end of the year	114.23	120.30	100.06	88.86	1550.36	1420.88	136.19	136.02

#### 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)	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Fair value of plan assets at the beginning of the year	-	-	82.82	103.53	1,654.99	1547.00	-	-
Employer contribution	-	-	-	-	-	-	2.27	8.11
Expected Return on plan assets	-	-	6.85	7.57	132.40	134.96	-	-
Actual Company Contribution	-	-	10.95	-	-	-	-	-
Benefit payments	-	-	(5.31)	(17.84)	-	(9.09)	(2.27)	(8.11)
Actuarial gain / (Loss)	-	-	5.39	(10.44)	0.34	(17.88)	-	-
Fair value of plan assets at the end of the year	-	-	100.70	82.82	1787.73	1654.99	-	-

#### IV Reconciliation of Net Asset / ( Liability )

recognised in the Balance Sheet during the year ended 31st March, 2017	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Net Asset / (Liability) at the beginning of the year	(120.30)	(116.94)	(6.04)	37.09	234.12	135.71	(136.02)	(99.56)
Employer (Expenses)/credit	6.07	(3.36)	(4.27)	(43.13)	3.26	98.41	(2.44)	(44.57)
Employer Contribution	-	-	10.95	-	-	-	2.27	8.11
Net Asset/ ( Liability ) at the end of the year	(114.23)	(120.30)	0.64	(6.04)	237.38	234.12	(136.19)	(136.02)

#### V Actuarial assumptions :

	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Discount rate (per annum)	7.00%	7.20%	7.00%	7.20%	7.00%	7.20%	7.00%	7.20%
Salary Escalation (per annum)	0.00%	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%	8.00%	NA	NA

#### Notes:

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

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2017

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

	Gratuity					Pension Fund				
	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Present Value of Defined										
Benefit Obligation at the year end	(214.29)	(209.16)	(183.38)	(159.61)	(197.30)	(1550.36)	(1420.88)	(1411.29)	(1225.83)	(1363.16)
Fair Value of Plan Assets at the year end	100.70	82.82	103.53	96.53	103.49	1787.73	1654.99	1547.00	1486.00	1545.74
Surplus/(Defecit)	(113.59)	(126.34)	(79.85)	(63.08)	(93.81)	237.37	234.11	135.71	260.17	182.58
Experience Adjustments on Plan Liabilities	0.93	(23.21)	(18.35)	16.69	4.41	(59.83)	66.10	(109.06)	112.31	(2.83)
Experience Adjustments on Plan Assets	5.39	(10.44)	9.72	1.03	1.80	0.34	(17.88)	(6.43)	16.55	20.21

	Gratuity (Funded)		Pension Fund (Funded)	
	2016/2017	2015/2016	2016/2017	2015/2016
iii) Category of Plan Assets :				
– Special Deposit	26.39%	30.48%		
– Savings account with nationalised banks	0.00%	0.71%	-	-
– Fixed Deposit with nationalised banks	41.89%	29.71%	-	-
– High quality corporate bonds (incl Public sector bonds)	29.73%	36.23%	-	-
– Accrued interest	1.99%	2.87%	-	-
– Others (incl assets under Schemes of Insurance)	-	-	100%	100%
iv) Actual Return on Plan Assets (₹ in Lakhs)	8.19	8.62	134.98	126.80

## 26 “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. Krishna Kumar 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. Krishna Kumar Bangur is able to exercise significant control.
- B D Bangur Endowment ( A Charitable Trust ) -	Trust over which Mr. Krishna Kumar Bangur is able to exercise significant control.



**GKW LIMITED****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

(ii) Particulars of transactions during the year ended 31st March, 2017 :

		₹ in Lakhs			
		Transaction during the year		Outstanding Balance as on	
		2016/17	2015/16	31.03.17	31.03.16
<b>(a) Key Management Personnel</b>					
Mr. J. D. Curravala	Remuneration	80.10	80.10	(3.36)	(3.36)
<b>(b) Enterprise over which Mr. Krishna Kumar Bangur is able to exercise significant control</b>					
Graphite India Limited					
-	Final Dividend received	-	40.00	-	-
-	Interim Dividend received	-	40.00	-	-
B D Bangur Endowment (A Charitable Trust)					
-	Rent Received	0.24	0.24	-	0.04
-	Re-imbursement 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.

**27 "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.

**28 The Earnings per share has been calculated on the basis of number of equity shares outstanding during the year ended 31st March, 2017 in accordance with the provisions of Accounting Standard-20 (Earnings per share) :**

₹ in Lakhs		
	As at 31-Mar-17	As at 31-Mar-16
Profit attributable to Equity Shares (₹ in Lakhs)	369.50	1,111.67
Weighted average Number of Equity Shares	5966500	5966500
Earnings per Share (Total) (₹)	6.19	18.63
Profit from continuing operations attributable to Equity Shares (₹ in Lakhs)	369.50	203.45
Earnings per Share (continuing operations) (₹)	6.19	3.41

**29 Expenditure in Foreign Currency on account of :**

₹ in Lakhs		
	As at 2016/17	As at 2015/16
Travelling expenses	1.50	-

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2017

30 The disclosures as required under Accounting Standard - 24 pertaining to erstwhile Metal Pressings Division at Pune since discontinued with effect from 24th July, 2015.

	₹ in Lakhs	
	2016-17	2015-16
<b>(a) Metal Pressings Division (MPD)</b>		
<b>Revenue :</b>		
- Sale of Products	-	127.66
- Other operating Revenues	-	39.60
	-	167.26
Other income	-	7.40
Total Revenue	-	174.66
<b>Expenses :</b>		
Cost of materials consumed (Indigenous)	-	114.58
Changes in inventories of Finished goods, work-in-progress	-	31.77
Employee Benefits Expenses	-	20.85
Depreciation and amortisation expenses	-	4.04
Other Expenses (*)	-	27.43
<b>Total Expenses</b>	-	198.67
Loss from Ordinary activities	-	(24.01)
Profit on sale of fixed assets net off expenses and settlement of liabilities.(**)	-	1696.06
Profit before tax (a)	-	1672.05
<b>Total Assets</b>	-	3.60
<b>Total Liabilities</b>	-	2.38
(*) Other expenses include stores consumption of Nil (2015-16 - ₹ 2.95 Lakhs) (Indigenous).		
(**) Includes profit on sale of fixed assets on discontinuation of Metal Pressing Division (MPD) of Nil (2015-16 - ₹ 1779.33 lakhs) as reduced by voluntary compensation paid to workmen of MPD of Nil (2015-16 - ₹ 45.31 lakhs) and other expenses of Nil (2015-16 - ₹ 37.96 lakhs) incurred in relation to sale of fixed assets.		
<b>(b) Other discontinued operations</b>		
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
<b>Sub-total (b)</b>	-	427.31
<b>Profit before tax from discontinuing operation (a) - (b)</b>	-	1244.74
<b>Total Liabilities</b>	-	352.89

31 The Company has transferred ₹58.02 lakhs being the balance lying in fractional shares payment to Investor Education and and Protection Fund (IEPF) during the year in accordance with MCA Notification dated 5th September, 2016.

32 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the Table below :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	265000	143713	408713
Add : Permitted receipts	-	1344025	1344025
Less : Permitted payments	-	786404	786404
Less : Amount deposited in Banks	265000	-	265000
Closing cash in hand as on 30.12.2016	-	701334	701334

## **GKW LIMITED**

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### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**33** In view of Note 30 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*

Kolkata  
19th May, 2017

R P Singh  
*Partner*  
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, 2017, 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, 2017, 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;

- 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 23) 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 were no delay in transferring amounts to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

R P Singh  
Partner  
Membership No. 052438

Place: Kolkata

Dated : 19th May 2017

**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 except 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 to the company.
- 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 26 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 : 19th May 2017

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, 2017 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, 2017, 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 : 19th May, 2017

**GKW LIMITED****10 YEARS' PROFILE**

₹ in Lakhs

2007-'08 2008-'09 2009-'10 2010-'11 2011-'12 2012-'13 2013-'14 2014-'15 2015-'16 2016-'17

**OPERATING RESULTS**

Sales	13263	9497	2326	4075	3302	3660	1778	1543	1198	<b>1406</b>
Profit/ (Loss) before depreciation & finance charges	1451	1827	1436	2260	1507	1652	515	197	288*	<b>541</b>
Finance Charges	(556)	(222)	—	—	—	—	—	—	—	—
Gross Profit/Loss	895	1605	1436	2260	1507	1652	515	197	288	<b>541</b>
Depreciation	(778)	(656)	(86)	(85)	(102)	(88)	(82)	(29)	(23)	<b>(37)</b>
Profit/(Loss) before tax	25703	524	1350	2175	1405	1564	433	168	265*	<b>504</b>
Profit/(Loss) after tax	25694	341	1117	2368	1374	1227	371	106	203	<b>369</b>
Dividend	—	—	—	—	—	—	—	—	—	—

**OTHER STATISTICS**

Net Assets Employed	22070	2593	3710	6078	7452	8679	9050	9061	10173	<b>10542</b>
Shareholders' Fund	22070	2593	3710	6078	7452	8679	9050	9061	10173	<b>10542</b>
PBT to Sales (%)	194	6	58	53	43	43	24	11	22	<b>36</b>
PBT to Net Assets Employed (%)	116	20	36	36	19	18	5	2	3	<b>5</b>
Dividend (%)	—	—	—	—	—	—	—	—	—	—
No. of Employees	537	102	71	82	75	74	56	36	17	<b>15</b>
No. of shareholders ( '000 nos)	92	91	38	36	36	29	28	27	27	<b>27</b>

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, 2017.

**2. ACCOUNTS:**

Revenue from income during the year was ₹ 28,844/- (2015-2016 ₹ 39,312/-). Net profit for the year was ₹ 3351/- (2015-2016 – ₹ 703/-). There is no foreign currency transaction during the year.

**3. OPERATIONS:**

The Company has been exploring various business avenues, but has not been able to find any such activity which it can profitably undertake.

**4. INFORMATION PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013**

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 :

- 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; and
- e) that the Directors had devised proper systems 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. Bhattacharya retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

**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.

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

On behalf of the Board

Place : Kolkata  
Date : 17th May, 2017

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 31.03.2017**

[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 01.04.2016		Cumulative Shareholding during the year 31.03.2017				
		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. Bhattacharya, Director (nominee of GKW Ltd.)	1	0		-	0	1	0
2	A. Chakrabarti, 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, 2017 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 there-under.

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 control. 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, 2017 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 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the **Annexure I** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable :
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books.
  - c) The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 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.
    - 4) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

S K SANYAL  
Partner

Place: Kolkata  
Dated : 17th May, 2017

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 2017

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

- 1) In our opinion and according to the information and explanations given to us, Company has no fixed assets, but this does not effect the going concern assumption. Hence items (a), (b) and (c) of Clause 3(i) of the Order are not applicable.
- 2) There has been no inventory at any point of time during the year, hence 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 2017 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  
17th May, 2017

## **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, 2017 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, 2017, 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: 17th May, 2017



# GKW (OVERSEAS TRADING) LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	Amount in ₹ As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
(a) Share Capital	2	500000	500000
(b) Reserves and Surplus	3	16027	12676
Total (a+b)		<u>516027</u>	<u>512676</u>
Current liabilities			
(a) Other current liabilities	4	8000	8000
Total (a)		<u>8000</u>	<u>8000</u>
<b>TOTAL ASSETS</b>		<u>524027</u>	<u>520676</u>
Non-current assets			
(a) Long term loans and advances	5	27555	26134
(b) Other non-current assets	6	470000	-
Total (a+b)		<u>497555</u>	<u>26134</u>
Current Assets			
(a) Cash and bank balances	7	26472	493449
(b) Other current assets	8	-	1093
Total (a+b)		<u>26472</u>	<u>494542</u>
<b>TOTAL</b>		<u>524027</u>	<u>520676</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  
17th May, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	Amount in ₹ Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations			
Other income	9	28844	39312
<b>Total Revenue</b>		<u>28844</u>	<u>39312</u>
<b>Expenses :</b>			
Other Expenses	10	24704	38272
<b>Total expenses</b>		<u>24704</u>	<u>38272</u>
Profit before tax		4140	1040
Tax expenses			
- Current tax		(789)	(337)
<b>Profit/(Loss) for the year</b>		<u>3351</u>	<u>703</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  
17th May, 2017

## GKW (OVERSEAS TRADING) LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

#### 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.

	<b>As at 31.03.17</b>	<i>Amount in ₹ As at 31.03.16</i>
<b>2 Share Capital</b>		
Authorised		
50000 (2015/2016 - 50000) Ordinary Shares of ₹ 10/- each	<b>500000</b>	500000
Issued, Subscribed and Paid-up		
50000 (2015/2016 - 50000 ) Ordinary shares of ₹10/- each fully paid up at par in cash	<b>500000</b>	500000
( The whole of the subscribed capital is held by GKW Limited and its nominees )		
<b>3 Reserves and surplus</b>		
Surplus		
At the beginning of the year	<b>12676</b>	11973
Add: Transferred from Statement of Profit and Loss	<b>3351</b>	703
	<b>16027</b>	12676
<b>4 Other current liabilities</b>		
Other payables :		
Liability for expenses	<b>8000</b>	8000

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2017**

	<i>Amount in ₹</i>	
	<b>As at 31.03.17</b>	<b>As at 31.03.16</b>
<b>5 Long term loans and advances</b>		
Other loans & advances :		
- Advance payment of tax/TDS receivable (net)	<b>27555</b>	<b>26134</b>
<b>6 Other Non- Current Assets</b>		
- Deposits with Bank with more than 12 months' maturity	<b>470000</b>	<b>-</b>
<b>7 Cash and Bank balances</b>		
Balances with banks		
- in current account	<b>26472</b>	<b>68449</b>
- in deposit account (with maturity of less than 3 months maturity)	<b>-</b>	<b>425000</b>
	<b>26472</b>	<b>493449</b>
<b>8 Other current assets</b>		
Interest receivables	<b>-</b>	<b>1093</b>
<b>9 Other Income</b>		
Interest Income	<b>28844</b>	<b>39312</b>
	<b>28844</b>	<b>39312</b>
<b>10 Other expenses</b>		
Professional charges	<b>7800</b>	<b>13400</b>
Rates and taxes	<b>2728</b>	<b>7773</b>
Bank Charges	<b>156</b>	<b>299</b>
Auditors' Remuneration	<b>10000</b>	<b>10000</b>
Licence / Filing fees	<b>3500</b>	<b>6400</b>
Miscellaneous Expenses	<b>520</b>	<b>400</b>
	<b>24704</b>	<b>38272</b>
<b>11 PAYMENT TO AUDITORS</b>		
As auditor:		
- fees	<b>8000</b>	<b>8000</b>
- out of pocket expenses	<b>2000</b>	<b>2000</b>
	<b>10000</b>	<b>10000</b>

**12 Details of Specified bank Notes ( SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.**

	<b>Other denomination</b>		
	<b>SBN</b>	<b>Notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	-	3100	3100
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	3100	3100

**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

Kolkata  
17th May, 2017

K. C. Roy & Co  
Chartered Accountants  
Firm Regn No 301161E

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS 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, 2017, 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 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, 2017, 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 ₹ 5.24 Lacs as at 31st March 2017, total revenue of ₹ 0.29 Lac and Net cash inflows of ₹ 4.67 Lacs for the year ended

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

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, 2017, 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, 2017, 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;
    - iii. There were no delay in transferring amounts to the Investor Education and Protection Fund by the Company.
    - iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (Bank notes of denominations of five hundred and one thousand rupees) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the management.

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

R P Singh  
Partner  
Membership No. 052438

Place: Kolkata

Dated : 19th May, 2017

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

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### **“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, 2017 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 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, 2017, 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 : 19th May, 2017

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2017

		₹ in Lakhs	
Particulars	Note No.	As at 31.03.17	As at 31.03.16
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	2	596.65	596.65
(b) Reserves and Surplus	3	9945.61	9576.08
Total ( a+b)		10542.26	10172.73
<b>Non - current liabilities</b>			
(a) Deferred tax liabilities (net)	4	45.04	31.74
(b) Other Long - term liabilities	5	331.24	272.15
(c ) Long - term provisions	6	13.55	27.50
Total ( a+b+c)		389.83	331.39
<b>Current liabilities</b>			
(a) Trade payables			
(i) Dues to Micro and Small Enterprises	7	-	-
(ii) Dues to others		4.79	20.22
(b) Other current liabilities	8	462.20	636.40
(c) Short - term provisions	9	746.84	667.42
Total ( a+b+c)		1213.83	1324.04
<b>TOTAL ASSETS</b>		12145.92	11828.16
<b>Non-current assets</b>			
(a) Fixed assets			
- Tangible Assets	10	917.12	662.10
- Intangible assets		0.05	0.18
- Capital Work-in-progress		1041.18	1140.40
(b) Non-current investments	11	2822.89	2831.60
(c) Long-term loans and advances	12	1155.41	1266.35
(d) Other non-current assets	13	1769.70	831.58
Total ( a+b+c+d)		7706.35	6732.21
<b>Current Assets</b>			
(a) Current investments	14	3307.53	2722.43
(b) Trade receivables	15	11.75	35.88
(c) Cash and bank balances	16	1061.16	2271.13
(d) Short-term loans and advances	17	21.66	35.84
(e) Other current assets	18	37.47	30.67
Total ( a+b+c+d+e)		4439.57	5095.95
<b>TOTAL</b>		12145.92	11828.16
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 Balance Sheet referred to our report of even date

On behalf of the Board

J D Curavala  
Managing Director

G Srinivasan  
Director

J N Ghosh  
Company Secretary

A Chakrabarti  
Chief Financial Officer

R P Singh  
Partner

Kolkata  
19th May, 2017

for and on behalf of  
LODHA & Co .  
Chartered Accountants



# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations :	19		
Sale of Services (Net of service tax)		856.55	616.82
Income from Investment and Treasury		549.43	580.76
		<u>1405.98</u>	<u>1197.58</u>
Other income	20	51.42	29.00
<b>TOTAL REVENUE</b>		<u>1457.40</u>	<u>1226.58</u>
<b>EXPENSES :</b>			
Employee benefits expense	21	295.18	263.38
Depreciation and amortization expense	10	36.91	22.55
Other Expenses	22	621.06	674.77
<b>TOTAL EXPENSES</b>		<u>953.15</u>	<u>960.70</u>
<b>Profit before tax from continuing operations</b>		504.25	265.88
<b>TAX EXPENSES :</b>			
– Current tax		(103.23)	(22.28)
– Tax for earlier year		(18.19)	(43.18)
– Deferred tax credit/(charge)		(13.30)	3.04
<b>Profit after tax from continuing operations</b>		<u>369.53</u>	<u>203.46</u>
Profit/(loss) before tax from discontinuing operations	32	-	1244.74
Tax expenses of discontinuing operations		-	(336.52)
<b>Profit/(loss) after tax from discontinuing operations</b>		<u>-</u>	<u>908.22</u>
<b>PROFIT FOR THE YEAR</b>		<u>369.53</u>	<u>1111.68</u>
Earnings per equity share (Note 28)			
– Basic & Diluted (from continuing operations)		6.19	3.41
– Basic & Diluted (Total)		6.19	18.63

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

19th May, 2017

LODHA & Co

Chartered Accountants

**GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) before taxation :		
- from continuing operations	504.25	265.88
- from discontinuing operations	-	1244.74
		1510.62
Adjustments for:		
Depreciation - Fixed Assets		
- from continuing operations	36.91	22.55
- from discontinuing operations	-	4.04
Provision for diminution in value of current investments	(37.91)	38.15
Provision for claims	-	352.89
(Profit) / Loss on disposal / scrapping of fixed assets	(1.09)	(1779.33)
(Profit) / Loss on sale of non-current investment	(0.11)	-
Dividend income on non-current investment	-	(80.08)
Interest Income	-	(0.39)
Interest on Income Tax Refund	(21.94)	(4.29)
Sundry balances written off	4.71	0.93
Liability no longer required written back	(12.28)	(11.95)
	(31.71)	(1457.48)
Operating Profit/(Loss) before Working Capital changes	472.54	53.14
Adjustments for:		
Trade & Other receivables	4.91	118.29
Inventories	-	69.13
Trade Payables	(26.43)	103.86
	(21.52)	291.28
	451.02	344.42
Purchase of current investment	(2242.18)	(3455.97)
Sale of current investment	1694.99	2343.33
Bank deposits with more than 3 months' maturity	(425.66)	1627.09
Interest & Dividend receivable	(6.82)	29.72
Cash generation from operation	(528.65)	888.59
Direct taxes (paid)/refund (net)	120.55	(292.35)
Net Cash inflow/(outflow) from operating activities	(408.10)	596.24
- including cash inflow/(outflow) from discontinuing operations		(290.03)
<b>B. Cash Flow from Investing activities</b>		
Purchase of fixed assets and CWIP	(194.92)	(1422.35)
Capital Vendors	(48.70)	49.35
Purchase of investment	-	(1432.89)
Sale of Fixed Assets	3.43	2023.62
Sale of investment	8.82	-
Earmarked Bank Deposits	-	4.34
Dividend income on non-current investment	-	80.08
Interest income	-	0.39
Net cash inflow/ (outflow) from investing activity	(231.37)	(697.47)
- including cash inflow/(outflow) from discontinuing operations	-	2023.62

## GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

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

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>C. Cash Flow from Financing activities</b>		
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>(639.47)</u>	<u>(101.23)</u>
<b>Opening Cash and Cash Equivalents as on 01.04.16</b>	<u>885.63</u>	<u>986.86</u>
<b>Closing Cash and Cash Equivalents as on 31.03.17</b>	<u>246.16</u>	<u>885.63</u>
Cash flow from discontinuing operations included above	<u>-</u>	<u>1733.59</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 include Fixed Deposits with banks amounting to ₹ 172.33 Lakhs (2015-16 - ₹ 704.25 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 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  
19th May, 2017

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

14, Government Place East  
Kolkata  
19th May, 2017

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, 2017**

### **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.
- (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) FOREIGN CURRENCY TRANSACTIONS**

- (a) Foreign currency transactions are accounted for at the exchange rates prevailing at the date of such transaction.
- (b) Foreign currency monetary assets and liabilities at the year end are translated at the year exchange rates.
- (c) Gains and Losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

**(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 AND EXPENSE**

**(a) OPERATING LEASE**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight line basis over the period of lease.

**(b) 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**

- (a) 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. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

- (b) Minimum Alternate Tax ( MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of MAT during the specified period.

		<b>As at</b>	<b>₹ in Lakhs</b>	<b>As at</b>
		<b>31.03.17</b>		<b>31.03.16</b>
<b>2 SHARE CAPITAL</b>				
Authorised:				
49250000 (2015-16 - 49250000) Cumulative redeemable preference shares of ₹10/- each		<b>4925.00</b>		4925.00
59665008 (2015-16 - 59665008) Ordinary shares of ₹10/- each		<b>5966.50</b>		5966.50
		<b>10891.50</b>		<b>10891.50</b>
<b>2.1 Issued, Subscribed and Paid-up:</b>				
3669653 (2015-16 - 3669653) Ordinary shares of ₹10/- each fully paid up		<b>366.97</b>		366.97
659749 (2015-16 - 659749) Ordinary shares for consideration other than cash pursuant to contracts / scheme of arrangements.		<b>65.97</b>		65.97
1637098 (2015-16 - 1637098) Bonus shares by way of capitalisation of reserves and share premium		<b>163.71</b>		163.71
		<b>596.65</b>		<b>596.65</b>
<b>2.2 Shareholders holding Ordinary shares in the company for more than 5% :</b>				
<b>Name of Shareholder</b>	<b>Number of Shares</b>		<b>Number of Shares</b>	
Matrix Commercial Pvt Ltd - (Holding Company)	<b>3580375</b>		4474875	
	<b>(60.01%)</b>		(75.00%)	
Mr. Krishna Kumar Bangur - Promoter	<b>894500</b>		-	
	<b>(14.99%)</b>		-	
Bellona Finvest Ltd	<b>524534</b>		524534	
	<b>(8.79%)</b>		(8.79%)	
<b>2.3 Terms and Rights attached to Ordinary shares :</b>				
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, 2017**

₹ in Lakhs

	<b>As at 31.03.17</b>	<b>As at 31.03.16</b>
<b>3 RESERVES AND SURPLUS</b>		
General Reserve		
At the beginning of the year	7450.00	6350.00
Add: Transfer from Surplus	1000.00	1100.00
	<b>8450.00</b>	<b>7450.00</b>
Surplus		
At the beginning of the year	2126.08	2114.40
Add: Transferred from Statement of Profit and Loss	369.53	1111.68
Appropriations :		
- Transfer to General Reserve	(1000.00)	(1100.00)
	<b>1495.61</b>	<b>2126.08</b>
	<b>9945.61</b>	<b>9576.08</b>
<b>4 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities		
Depreciation	109.65	125.71
Less : Deferred Tax Assets		
Provision for assets	1.00	15.28
Expenses allowed on payment basis	63.61	78.69
	<b>45.04</b>	<b>31.74</b>
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposit received from dealers, lessee etc	331.24	272.15
<b>6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits	13.55	27.50
<b>7 TRADE PAYABLES</b>		
(a) Dues to Micro and Small Enterprises	-	-
(b) Dues to Others	4.79	20.22
	<b>4.79</b>	<b>20.22</b>
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.		
<b>8 OTHER CURRENT LIABILITIES</b>		
Security Deposits / Advance from customers	1.74	2.42
Capital Vendor	27.35	73.09
Claims payable	291.55	291.55
Employee benefits payable	41.59	120.68
Dues payable to Government authorities	17.24	13.67
Liability for expenses	82.73	76.97
Liability for fractional share payment (Note 33)	-	58.02
	<b>462.20</b>	<b>636.40</b>
(a) Advance from customers include ₹ 0.17 lakh (2015-16 - ₹ 0.85 Lakh) received as advance against scrap and other sales.		
(b) Claims payable relate to provision against demands in respect of rented premises.		
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	236.87	234.86
Provision for claims	432.56	432.56
Current Provision :		
- Current Tax (net of advance tax and TDS receivable)	77.41	-
	<b>746.84</b>	<b>667.42</b>

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 24).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

**10 FIXED ASSETS**

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

₹ in Lakhs

Description	GROSS BLOCK - AT COST			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 1st April	Withdrawals/ Transfer/	As at 31st March	As at 1st April,	Recognised in Statement of	Withdrawals/ Transfer/	As at 31st March,	As at 31st March,	As at 31st March,
	2016	Additions Adjustment	2017	2016	Profit & loss	Adjustment	2017	2017	2016
<b>(i) Tangible assets</b>									
Land (including Leasehold Land)	53.62	-	53.62	4.22	-	-	4.22	49.40	49.40
Buildings	1071.62	223.65	1295.27	569.06	21.31	-	590.37	704.90	502.56
Plant & Machinery:	26.92	-	26.92	0.40	1.84	-	2.24	24.68	26.52
Motor Vehicles	57.04	-	57.04	16.65	7.02	(16.62)	7.05	31.05	40.39
Furniture and Fittings	11.04	3.23	14.27	3.42	1.27	-	4.69	9.58	7.63
Office Equipment	7.47	1.01	8.48	6.11	0.97	(0.96)	6.12	1.38	1.35
Computers and data processing units	13.40	0.33	13.73	12.27	0.04	-	12.31	1.42	1.13
Electrical Installations and Equipment	37.69	65.92	103.61	4.57	4.33	-	8.90	94.71	33.12
<b>Total Tangible assets</b>	<u>1278.80</u>	<u>294.14</u>	<u>1553.02</u>	<u>616.70</u>	<u>36.78</u>	<u>(17.58)</u>	<u>635.90</u>	<u>917.12</u>	<u>662.10</u>
<b>Previous year</b>	<u>2535.63</u>	<u>355.08</u>	<u>1278.80</u>	<u>1962.14</u>	<u>25.30</u>	<u>(1370.74)</u>	<u>616.70</u>	<u>662.10</u>	-
<b>(ii) Intangible assets</b>									
Computer software acquired	0.62	-	0.62	0.44	0.13	-	0.57	0.05	0.18
<b>Total Intangible assets</b>	<u>0.62</u>	-	<u>0.62</u>	<u>0.44</u>	<u>0.13</u>	-	<u>0.57</u>	<u>0.05</u>	<u>0.18</u>
<b>Previous year</b>	<u>7.97</u>	-	<u>7.97</u>	<u>3.37</u>	<u>1.29</u>	<u>(4.22)</u>	<u>0.44</u>	<u>0.18</u>	-
<b>(iii) Add: Capital work-in-progress- at cost</b>	-	-	-	-	-	-	-	1041.18	1140.40
<b>Previous Year</b>	-	-	-	-	-	-	-	1140.40	-
<b>Grand Total</b>	<u>1279.42</u>	<u>294.14</u>	<u>1553.64</u>	<u>617.14</u>	<u>36.91</u>	<u>(17.58)</u>	<u>636.47</u>	<u>1958.35</u>	<u>1802.68</u>
<b>Previous year</b>	<u>2543.60</u>	<u>355.08</u>	<u>1279.42</u>	<u>1965.51</u>	<u>26.59</u>	<u>(1374.96)</u>	<u>617.14</u>	<u>1802.68</u>	-

- The above amount include assets given on operating lease as under; (Note 27)
  - Land - cost ₹ 20.06 lakhs (2015-16 - ₹ 20.06 Lakhs), depreciation - Nil (2015-16 - Nil) and accumulated depreciation - Nil (2015-16 - Nil)
  - Buildings - cost ₹ 662.26 Lakhs (2015-16 - ₹ 438.62 lakhs), depreciation - ₹19.13 Lakhs (2015-16 - ₹ 10.10 Lakhs) and accumulated depreciation - ₹ 35.22 Lakhs (2015-16 - ₹16.09 Lakhs)
  - Electrical Installation and Equipment - cost ₹ 103.61 lakhs ( 2015-16 - ₹ 37.69 lakhs), depreciation - ₹ 4.33 lakhs ( 2015-16 - ₹ 2.82 lakhs) and accumulated depreciation ₹ 8.90 lakhs (2015-16 - ₹ 4.57 lakhs)
- Capital Work-in-progress includes amount of ₹ 1034.76 (2015-16 - ₹ 1034.76 lakhs) 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, 2017**

₹ in Lakhs

	<b>As at 31.03.17</b>	<b>As at 31.03.16</b>
<b>11 NON-CURRENT INVESTMENTS</b>		
<b>Long Term ( Other than trade )</b>		
<b>Investments in Equity Instruments :</b>		
<b>(Quoted)</b>		
IDBI Bank Ltd,		
Nil (2015-16 - 10720) shares of ₹10/- each-		
fully paid at cost	-	8.71
Graphite India Limited,		
4000000 shares (2015-16 - 4000000) of		
₹ 2/- each- fully paid at cost	<b>2822.89</b>	2822.89
	<b>2822.89</b>	2831.60
Aggregate book value of quoted investments	<b>2822.89</b>	2831.60
Market value of quoted investments	<b>4484.00</b>	2881.44
<b>12 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured :		
– Considered good :		
Capital Advances	<b>4.41</b>	1.45
Security Deposits	<b>48.63</b>	23.82
Other Loans and advances :		
– Pension Fund	<b>237.38</b>	234.12
– Gratuity Fund	<b>0.64</b>	-
– MAT Credit Entitlement	<b>864.35</b>	903.03
– Advance payment of Income tax (net of provisions)	-	103.93
	<b>1155.41</b>	1266.35
<b>13 OTHER NON-CURRENT ASSETS</b>		
Unsecured		
– Considered good :		
Deposits with Bank with more than 12 months' maturity	<b>1369.70</b>	831.58
Deposits with Bank in lien (with maturity of more than 12 months) (*)	<b>400.00</b>	-
	<b>1769.70</b>	831.58

(\*) Bank guarantee issued against fixed deposits.



# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

### 14 CURRENT INVESTMENTS

( At lower of cost and market value )

#### 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	12	120.00
9.65% YES Bond, 2020 fully paid at cost	1000000	10	100.38	10	100.38

#### Investments in Mutual Funds:

##### (Unquoted)

ICICI - Prudential FMP series 73-366 Days Plan A	10	2735650.000	273.57	2735650.000	273.57
Regular Plan - Cumulative					
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	11846.430	50.00	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	74404.762	25.00
Franklin India Prima Plus - Growth	10	55020.990	250.00	23333.140	100.00
ICICI Prudential Balanced advantage Fund - Regular - Growth	10	354556.430	100.00	393077.830	100.00
ICICI Prudential Focused Bluechip equity Fund - Retail Growth	10		-	1067213.998	300.00
ICICI Prudential Value Discovery Fund - Growth option	10	81888.870	100.00	43759.846	50.00
Kotak Opportunities Fund - Regular Plan - Growth	10	158552.310	150.00	60393.767	50.00
Kotak Select Focus Fund - Regular Plan - Growth	10	1508769.105	350.00	1332793.315	300.00
L&T India Prudence Fund - Growth	10		-	254777.070	50.00
SBI Magnum Multicap Fund - Growth	10	1040614.430	365.00	627394.606	199.99
Reliance Equity Savings Fund - Dividend	10		-	800975.199	80.00
SBI Blue chip Fund - Growth	10		-	350934.020	100.00
HDFC Capital Builder Fund - Growth	10	43990.460	100.00	-	-
HDFC Equity Fund - Growth	10	19646.380	100.00	-	-
HDFC Small Cap Fund - Growth	10	307172.480	100.00	-	-
ICICI Prudential Multicap Fund - Regular Plan - Growth	10	73898.910	175.00	-	-
ICICI Prudential Equity Arbitrage Fund - Retail Dividend	10	4002213.000	552.18	-	-
Franklin India High Growth Companies Fund - Growth	10	161490.880	50.00	-	-
Birla Advantage Fund - Growth	10	23452.890	75.00	-	-
DSP BlackRock Opportunities Fund - Growth	10	42691.500	75.00	-	-
DSP BlackRock Focus 25 Fund - Growth	10	248830.500	50.00	-	-
DSP BlackRock Small and Mid Cap Fund - Growth	10	314346.790	150.00	-	-

Less : Provision for diminution in value of investments			(3.60)		(41.51)
			<u>3307.53</u>		<u>2722.43</u>
Aggregate book value of quoted investments			216.78		214.38
Aggregate book value of Un-quoted investments			3090.75		2508.05
Market value of quoted investments			216.78		214.38
Net Asset value of units of Mutual Funds			3447.99		2575.03

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

	₹ in Lakhs	
	As at 31.03.17	As at 31.03.16
<b>15 TRADE RECEIVABLES</b>		
Unsecured :		
Outstanding for a period exceeding six months		
- Considered good	-	2.78
Other debts		
- Considered good	11.75	33.10
	<u>11.75</u>	<u>35.88</u>
<b>16 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents:		
Cash on hand	1.47	2.04
Cheques on hand	0.23	-
Balances with Banks :		
- in current accounts	72.13	179.35
- in deposit account (with maturity of less than 3 months)	172.33	704.25
	<u>246.16</u>	<u>885.64</u>
Other Bank Balances:		
- in deposit account (with maturity of less than 12 months)	815.00	1127.47
- in deposit account in lien (with maturity of less than 12 months) (*)	-	200.00
- in fractional share payment accounts (Note 33)	-	58.02
	<u>1061.16</u>	<u>2271.13</u>
(*) Bank guarantee issued against fixed deposits		
<b>17 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured :		
- Considered good :		
- Other Loans and advances :		
- Balances with Government authorities	2.90	9.68
- Advance to staff	0.45	1.20
- Advance to suppliers	0.67	1.95
- Recoverable claims	14.70	14.74
- Prepaid Expenses	2.94	8.27
	<u>21.66</u>	<u>35.84</u>
<b>18 OTHER CURRENT ASSETS</b>		
Unsecured :		
- Considered good :		
Interest receivable	34.50	30.67
Dividend receivable from units of Mutual Funds	2.97	-
	<u>37.47</u>	<u>30.67</u>
	₹ in Lakhs	
	Year ended	Year ended
	31st March, 2017	31st March, 2016
<b>19 REVENUE FROM OPERATIONS</b>		
(a) Sale of services		
Income from Warehousing facilities		
Lease Rental	983.60	702.26
Less : Service tax	127.05	85.44
Net Lease Rental	<u>856.55</u>	<u>616.82</u>
	<u>856.55</u>	<u>616.82</u>

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
<b>(b) Income from Investment and Treasury</b>		
Interest Income:		
-On Loans and Deposits	0.59	0.62
-On Fixed Deposits	256.60	369.90
-On Current Investments	19.73	54.08
Dividend Income:		
-On Current Investments	11.64	45.11
-On Non-Current Investments	-	80.08
Provision for diminution in value of current investments written back	37.91	-
Net Profit on disposal of non-current Investments	0.11	-
Net Profit on disposal of current Investments	<u>222.85</u>	<u>30.97</u>
	<u>549.43</u>	<u>580.76</u>
	<u>1405.98</u>	<u>1197.58</u>
<b>20 OTHER INCOME</b>		
Interest Income		
-On Fixed Deposit	-	0.39
-On Others (refund of Income Tax)	21.94	4.29
Net Profit on sale/Scrapping of Fixed Assets	1.09	-
Miscellaneous Income	<u>28.39</u>	<u>24.32</u>
	<u>51.42</u>	<u>29.00</u>
Miscellaneous Income includes profit on sale of scrap materials - ₹ 12.91 Lakhs (2015-16 - ₹ 11.12 Lakhs)		
liabilities no longer required - ₹ 12.28 Lakhs (2015-16 - ₹ 11.95 Lakhs).		
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	249.19	233.65
Contribution to provident and other funds ( net ) ( Note 25 )	20.89	11.23
Staff welfare expenses	25.10	18.50
	<u>295.18</u>	<u>263.38</u>
<b>22 OTHER EXPENSES</b>		
Power and fuel	16.82	17.78
Repairs to Buildings	6.35	35.78
Repairs to Others	23.14	19.18
Directors' sitting fees	6.40	6.80
Insurance	3.59	2.98
Rent	44.44	42.45
Rates and taxes	87.73	70.30
Printing and stationery	6.45	5.78
Postage, telephone & telex	19.04	18.27
Data processing expenses	2.58	2.72
Travelling expenses	6.79	13.46
Advertisement expenses	1.23	2.72
Security charges	74.61	74.80
Selling commission / Brokerage	17.18	10.63
Legal and Professional Charges	182.67	197.12
Consultants' fees	38.95	34.10
Provision for diminution in value of current investments	-	38.15
Miscellaneous expenses	<u>83.09</u>	<u>81.75</u>
	<u>621.06</u>	<u>674.77</u>

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	₹ in Lakhs	
	Year ended 31st March 2017	Year ended 31st March 2016
(a) Payment to Auditor (included in Miscellaneous expenses)		
- For Statutory Audit	2.25	2.25
- For other services	3.38	3.03
- For re-imbursement of expenses	0.06	0.03
	<u>5.69</u>	<u>5.31</u>

(b) Miscellaneous expenses include ₹4.71 lakhs (2015-16 - Nil) on account of Sundry balances being written off

	₹ in Lakhs	
	As at 31st March 2017	As at 31st March 2016
<b>23 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>Contingent Liabilities:</b>		

- |   |        |        |
|---|--------|--------|
| a) Municipal Tax demand against Company's premises at Andul Road Works stayed by Hon'ble High Court at Calcutta   | 215.81 | 215.81 |
| b) 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. | -      | -      |

All pending litigations and proceedings against the Company and the carrying amount of the financial liabilities and claims have been reviewed at the balance sheet date and appropriate adjustment has either been made against existing provisions wherever required or disclosed the same as contingent liabilities, wherever applicable. The Company does not expect the outcome of these proceedings will have a material impact on its financial position and the future cash outflows in respect of the above 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 ) | 45.21 | 8.17 |
|--|-------|------|

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

	₹ in Lakhs	
	As at 31.03.2017	As at 31.03.2016
Carrying amount at the beginning of the year	432.56	79.67
Additional provisions made in the year	-	352.89
Carrying amount at the end of the year	<u>432.56</u>	<u>432.56</u>

### 25 EMPLOYEE BENEFITS

#### a. Defined Contribution Scheme

Employer's Contribution to Provident Fund	2.03	1.62
---	------	------

#### b. Defined Benefit Scheme :

- |   |       |       |
|---|-------|-------|
| (1) Employer's Contribution to Provident Fund | 15.74 | 16.96 |
|---|-------|-------|

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

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit method. Based on such valuation, an amount of ₹ 0.24 Lakh (2015-16 - ₹ 1.11 Lakhs ) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company .

₹ in Lakhs

### Actuarial assumptions :

	<u>2016-17</u>	<u>2015-16</u>
Discount Rate	<b>7.00%</b>	7.20%
Expected Return on Fund	<b>8.65%/8.60%</b>	8.50%
Return on EPFO	<b>8.65%/8.60%</b>	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)	
	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>
Current service cost	<b>2.67</b>	2.68	<b>1.37</b>	2.36	<b>28.37</b>	29.69	<b>3.01</b>	1.60
Interest cost	<b>8.66</b>	9.24	<b>6.21</b>	4.54	<b>102.30</b>	111.13	<b>9.71</b>	7.55
Expected return on plan assets	-	-	<b>(6.85)</b>	(7.57)	<b>(132.40)</b>	(134.96)	-	-
Actuarial (gain)/loss	<b>(17.40)</b>	(8.56)	<b>3.54</b>	43.80	<b>(1.53)</b>	(104.27)	<b>(10.28)</b>	35.42
Total Expenses @	<b>(6.07)</b>	3.36	<b>4.27</b>	43.13	<b>(3.26)</b>	(98.41)	<b>2.44</b>	44.57

@ Recognised under " Contribution to Provident and Other Funds " in Note 21.

### 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)	
thereof are as follows:	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>
Present value of Defined benefit obligation at the beginning of the year	<b>120.30</b>	116.94	<b>88.86</b>	66.44	<b>1420.88</b>	1411.30	<b>136.02</b>	99.56
Current service cost	<b>2.67</b>	2.68	<b>1.37</b>	2.36	<b>28.37</b>	29.69	<b>3.01</b>	1.60
Interest Cost	<b>8.66</b>	9.24	<b>6.21</b>	4.54	<b>102.30</b>	111.13	<b>9.71</b>	7.55
Benefit payments	-	-	<b>(5.31)</b>	(17.84)	-	(9.09)	<b>(2.27)</b>	(8.11)
Actuarial (gain)/loss	<b>(17.40)</b>	(8.56)	<b>8.93</b>	33.36	<b>(1.19)</b>	(122.15)	<b>(10.28)</b>	35.42
Present value of Defined benefit obligation at the end of the year	<b>114.23</b>	120.30	<b>100.06</b>	88.86	<b>1550.36</b>	1420.88	<b>136.19</b>	136.02

### 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)	
thereof are as follows:	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2015/2016</u>
Fair value of plan assets at the beginning of the year	-	-	<b>82.82</b>	103.53	<b>1,654.99</b>	1547.00	-	-
Employer contribution	-	-	-	-	-	-	<b>2.27</b>	8.11
Expected Return on plan assets	-	-	<b>6.85</b>	7.57	<b>132.40</b>	134.96	-	-
Actual Company Contribution	-	-	<b>10.95</b>	-	-	-	-	-
Benefit payments	-	-	<b>(5.31)</b>	(17.84)	-	(9.09)	<b>(2.27)</b>	(8.11)
Actuarial gain / (Loss)	-	-	<b>5.39</b>	(10.44)	<b>0.34</b>	(17.88)	-	-
Fair value of plan assets at the end of the year	-	-	<b>100.70</b>	82.82	<b>1787.73</b>	1654.99	-	-

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

IV Reconciliation of Net Asset / ( Liability ) recognised in the Balance Sheet during the year ended 31st March, 2017	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Net Asset / (Liability) at the beginning of the year	(120.30)	(116.94)	(6.04)	37.09	234.12	135.71	(136.02)	(99.56)
Employer (Expenses)/credit	6.07	(3.36)	(4.27)	(43.13)	3.26	98.41	(2.44)	(44.57)
Employer Contribution	-	-	10.95	-	-	-	2.27	8.11
<b>Net Asset/(Liability) at the end of the year</b>	<b>(114.23)</b>	<b>(120.30)</b>	<b>0.64</b>	<b>(6.04)</b>	<b>237.38</b>	<b>234.12</b>	<b>(136.19)</b>	<b>(136.02)</b>

V Actuarial assumptions :	Gratuity ( Non-Funded )		Gratuity ( Funded )		Pension Fund ( Funded )		Leave Encashment ( Non-Funded )	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Discount rate (per annum)	7.00%	7.20%	7.00%	7.20%	7.00%	7.20%	7.00%	7.20%
Salary Escalation (per annum)	0.00%	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%	8.00%	NA	NA

### Notes:

i) Assumptions relating to future salary increase, attrition, interest rate for discount and overall expected rate of return on Assets have been considered in the actuarial valuation based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

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

	Gratuity					Pension Fund				
	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Present Value of Defined Benefit Obligation at the year end	(214.29)	(209.16)	(183.38)	(159.61)	(197.30)	(1550.36)	(1420.88)	(1411.29)	(1225.83)	(1363.16)
Fair Value of Plan Assets at the year end	100.70	82.82	103.53	96.53	103.49	1787.73	1654.99	1547.00	1486.00	1545.74
Surplus/(Defecit)	(113.59)	(126.34)	(79.85)	(63.08)	(93.81)	237.37	234.11	135.71	260.17	182.58
Experience Adjustments on Plan Liabilities	0.93	(23.21)	(18.35)	16.69	4.41	(59.83)	66.10	(109.06)	112.31	(2.83)
Experience Adjustments on Plan Assets	5.39	(10.44)	9.72	1.03	1.80	0.34	(17.88)	(6.43)	16.55	20.21

	Gratuity (Funded)		Pension Fund (Funded)	
	2016/2017	2015/2016	2016/2017	2015/2016
iii) Category of Plan Assets :				
– Special Deposit	26.39%	30.48%		
– Savings account with nationalised banks	0.00%	0.71%	-	-
– Fixed Deposit with nationalised banks	41.89%	29.71%	-	-
– High quality corporate bonds (incl Public sector bonds)	29.73%	36.23%	-	-
– Accrued interest	1.99%	2.87%	-	-
– Others (incl assets under Schemes of Insurance)	-	-	100%	100%
iv) Actual Return on Plan Assets (₹ in Lakhs)	8.19	8.62	134.98	126.80

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

**26 "Related party Disclosures" as per Accounting Standard 18**

(i) Related Party disclosures :

(a) Where control exists :

- |                                   |  |
|-----------------------------------|--|
| Matrix Commercial Private Limited | - Holding Company  |
| Mr. Krishna Kumar 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 |
|---------------------|---------------------|

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

- |   |   |
|---|---|
| - Graphite India Limited                        | - Enterprise over which Mr. Krishna Kumar Bangur is able to exercise significant control. |
| - B D Bangur Endowment ( A Charitable Trust ) - | Trust over which Mr. Krishna Kumar Bangur is able to exercise significant control.        |

(ii) Particulars of transactions during the year ended 31st March, 2017 :

₹ in Lakhs

		<u>Transaction during the year</u>		<u>Outstanding Balance as on</u>	
		<u>2016/17</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2015/16</u>
<b>(a) Key Management Personnel</b>					
Mr. J. D. Curravala	Remuneration	<b>80.10</b>	80.10	<b>(3.36)</b>	(3.36)
<b>(b) Enterprise over which Mr. Krishna Kumar Bangur is able to exercise significant control</b>					
Graphite India Limited					
- Final Dividend received		-	40.00	-	-
- Interim Dividend received		-	40.00	-	-
B D Bangur Endowment ( A Charitable Trust)					
- Rent Received		<b>0.24</b>	0.24	-	0.04
- Re-imbursement of property tax		<b>0.03</b>	0.03	-	-
- Security Deposit		-	-	<b>0.24</b>	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.

**27 "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.

**28 The Earnings per share has been calculated on the basis of number of equity shares outstanding during the year ended 31st March, 2017 in accordance with the provisions of Accounting Standard-20 (Earnings per share) :**

₹ in Lakhs

	<u>As at 31-Mar-17</u>	<u>As at 31-Mar-16</u>
Profit attributable to Equity Shares (₹ in Lakhs)	<b>369.53</b>	1111.68
Weighted average Number of Equity Shares	<b>5966500</b>	5966500
Earnings per Share (Total) (₹)	<b>6.19</b>	18.63
Profit from continuing operations attributable to Equity Shares (₹ in Lakhs)	<b>369.53</b>	203.46
Earnings per Share (continuing operations) (₹)	<b>6.19</b>	3.41

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

<b>29 Expenditure in Foreign Currency on account of :</b>	<b>2016-17</b>	<b>2015-16</b>
Travelling expenses	<u>1.50</u>	<u>-</u>

**30 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)

₹ in Lakhs

	<b>Year ended</b>	<b>Year ended</b>
	<b>31.03.17</b>	<b>31.03.16</b>
<b>1 Segment Revenue (net sales/ income from each segment)</b>		
(a) From Continuing operations :		
Warehousing	856.55	616.82
Investment and Treasury	549.43	580.76
Sub-total (a)	<u>1405.98</u>	<u>1197.58</u>
(b) From discontinuing operations (Note 32) :		
Auto Components (*)	-	167.26
Sub-total (b)	<u>-</u>	<u>167.26</u>
Net sales/Income from operation (a+b)	<u>1405.98</u>	<u>1364.84</u>

### 2 Segment Results (Profit/(Loss)) before tax and interest from each segment

(a) From Continuing operations :		
Warehousing	750.90	522.54
Investment and Treasury	549.40	542.61
Total	<u>1300.30</u>	<u>1065.15</u>
Less : Unallocated Corporate Expenses (net off income)	<u>(796.05)</u>	<u>(799.27)</u>
Sub-total (a)	<u>504.25</u>	<u>265.88</u>
(b) From discontinuing operations (Note 32) :		
Auto Components (*)	-	1672.05
Others	-	(427.31)
Sub-total (b)	<u>-</u>	<u>1244.74</u>
Total (a+b)	<u>504.25</u>	<u>1510.62</u>

### 3 Segment Assets and Liabilities

	<b>As on 31.03.17</b>		<b>As on 31.03.16</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Auto Components (*)	-	-	3.60	2.38
Warehousing	782.89	358.50	612.54	353.24
Investment and Treasury	8918.25	-	8442.54	-
Others	2444.78	1245.16	2769.48	1299.81
	<u>12145.92</u>	<u>1603.66</u>	<u>11828.16</u>	<u>1655.43</u>

### 4 Segment Capital Employed

Auto Components (*)	-	1.22
Warehousing	424.39	259.30
Investment and Treasury	8918.25	8442.54
Others	1199.62	1469.67
Total	<u>10542.26</u>	<u>10172.73</u>



# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

	As at 31-Mar-17	As at 31-Mar-16
<b>5 Capital Expenditure:</b>		
Warehousing	188.93	289.73
Others	5.99	1132.62
Total	<u>194.92</u>	<u>1422.35</u>
<b>6 Depreciation:</b>		
Auto Components (*)	-	4.04
Warehousing	25.30	12.91
Others	11.61	9.64
Total	<u>36.91</u>	<u>26.59</u>
<b>7 Other Non-Cash Expenditure:</b>		
Auto Components (*)	-	0.93
Investment and Treasury	-	38.15
Others	-	352.89
Total	<u>-</u>	<u>391.97</u>

### B SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

	Year ended 31.03.17		Year ended 31.03.16	
	Within India	Outside India	Within India	Outside India
1 Segment Revenue :				
- from continuing operation	1405.98	-	1197.58	-
- from discontinuing operation	-	-	167.26	-
	<u>1405.98</u>	-	<u>1364.84</u>	-
2 Segment Capital Employed	10542.26	-	10172.73	-
3 Capital Expenditure	194.92	-	1422.35	-

#### Segment information:

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

<u>Name of segment</u>	<u>Comprises of</u>
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 32.
- (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.

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

SI No	Name of the Company	Ownership Interest		Net Assets		Share of Profit	
				As % of consolidated		As % of consolidated	
		2016-17	2015-16	Net Assets	Amount (₹ in lakhs)	Profit	Amount (₹ in lakhs)
1	GKW ( Overseas Trading ) Limited	100	100	0.05%	5.16	0%	0.03

# GKW LIMITED - CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**32** The disclosures as required under Accounting Standard - 24 pertaining to erstwhile Metal Pressings Division at Pune since discontinued with effect from 24th July, 2015.

₹ in Lakhs

	<u>2016-17</u>	<u>2015-16</u>
<b>(a) Metal Pressings Division (MPD)</b>		
<b>Revenue :</b>		
- Sale of Products	-	127.66
- Other operating Revenues	-	39.60
	-	167.26
Other income	-	7.40
Total Revenue	-	174.66
<b>Expenses :</b>		
Cost of materials consumed ( Indigenous)	-	114.58
Changes in inventories of Finished goods, work-in-progress	-	31.77
Employee Benefits Expenses	-	20.85
Depreciation and amortisation expenses	-	4.04
Other Expenses (*)	-	27.43
<b>Total Expenses</b>	-	198.67
<b>Loss from Ordinary activities</b>	-	(24.01)
Profit on sale of Fixed assets net off expenses and settlement of liabilities.(**)	-	1696.06
Profit before tax (a)	-	1672.05
<b>Total Assets</b>	-	3.60
<b>Total Liabilities</b>	-	2.38

(\*) Other expenses include stores consumption of Nil (2015-16 - ₹ 2.95 Lakhs) (Indigenous).

(\*\*) Includes profit on sale of fixed assets on discontinuation of Metal Pressing Division (MPD) of Nil (2015-16 - ₹ 1779.33 lakhs) as reduced by voluntary compensation paid to workmen of MPD of Nil (2015-16 - ₹ 45.31 lakhs) and other expenses of Nil (2015-16 - ₹ 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)**

- 427.31

**Profit before tax from discontinuing operation (a) - (b)**

- 1244.74

**Total Liabilities**

- 352.89

**33** The Company has transferred ₹58.02 lakhs being the balance lying in fractional shares payment to Investor Education and and Protection Fund (IEPF) during the year in accordance with MCA Notification dated 5th September, 2016.

**34** Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the Table below :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	265000	146813	411813
Add : Permitted receipts	-	1344025	1344025
Less : Permitted payments	-	786404	786404
Less : Amount deposited in Banks	265000	-	265000
Closing cash in hand as on 30.12.2016	-	704434	704434

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

**35** In view of Note 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 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  
19th May, 2017



*If undelivered, please return to:*  
**C. B. Management Services Pvt. Ltd.**  
P-22, Bondel Road  
Kolkata-700 019

## **GKW Limited**

Registered Office : "Central Plaza"  
2/6, Sarat Bose Road, Office Space No: 406,  
4th Floor, Kolkata-700 020.  
Telephone No.: 4008 0742/4008 0744, Fax No.: 91-33-4008-0741  
Email Id: gkwcal@rediffmail.com  
CIN L27310WB1931PLC 007026  
website : www.gkw ltd.com

### **NOTICE**

Notice is hereby given that the 87th Annual General Meeting of the Members of GKW Limited will be held on Wednesday, 2nd August, 2017 at 2 p.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 (at Kala Mandir Premises at the crossing of Shakespeare Sarani and AJC Bose Road) to transact the following businesses:

#### **AS ORDINARY BUSINESS**

1. To consider and adopt:
  - (a) The Audited Financial Statement for the year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon; and
  - (b) The Audited Consolidated Financial Statement of the Company for the year ended 31st March, 2017.
2. To appoint a Director in place of Mr. G. Srinivasan (DIN: 00277494) who retires by rotation and being eligible, offers himself for re-appointment.
3. To approve the appointment of Auditors and to fix their remuneration and for that purpose to consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as an Ordinary Resolution :

**"RESOLVED THAT** in terms of Section 139 read with Sections 141 and 142 and Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, M/s Haribhakti & Co. LLP, Chartered Accountants, Bagrodia Niket, 1st Floor, 19C, Sarat Bose Road, Kolkata 700 020 (Firm's Registration No. 103523W/W100048), be and is hereby appointed as Auditors of the Company for a period of 5 (five) years on the expiry of the tenure of the present Auditors M/s. Lodha & Co., Chartered Accountants, to hold office from the conclusion of this 87th Annual General Meeting until the conclusion of 92nd Annual General Meeting of the Company subject to ratification by Members at each Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors plus reimbursement of out-of-pocket expenses as may be incurred by them in connection with the audit".

#### **AS SPECIAL BUSINESS**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and applicable provisions, if any, of the Companies Act, 2013 or any amendment or modifications or re-enactment thereof and subject to such other approvals, as may be necessary, the Company do hereby (i) approve the revision of remuneration payable to Mr. J.D. Curravala (DIN : 00277426) ("Mr. Curravala") as Managing Director of the Company from ₹ 450,000/- to ₹ 490,000/- per month in the scale of ₹ 200,000/- - ₹ 700,000/- from 1st April, 2017 to 10th August, 2017 with other terms and conditions as set out in the Draft Supplemental Agreement to be executed by the Company with Mr. Curravala and (ii) approve the

## GKW LIMITED

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re-appointment and payment of the said remuneration to Mr. Curravala from 11th August, 2017 to 31st March, 2018 on the terms and conditions as set out in the draft Agreement to be executed by the Company with Mr. Curravala, the salient terms and conditions of which are contained in the Explanatory Statement, with liberty to the Board of Directors to vary the terms and conditions of revision of remuneration and re-appointment and/or Agreement(s) within the limit specified in Schedule V to the Companies Act, 2013 or any amendment or modifications or re-enactment thereto as may be agreed between the Board of Directors and Mr. Curravala.”

**“RESOLVED FURTHER THAT** where in any financial year the Company has no profit or its profits are inadequate, the Company do pay to Mr. J.D. Curravala remuneration by way of total monthly remuneration as set out in the draft Supplemental Agreement and Agreement specified above, as the minimum remuneration for the period mentioned above.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take such steps and do all other acts, deeds and things as may be necessary and desirable to give effect to this Resolution.”

Registered Office:

By Order of the Board

“Cental Plaza”, 2/6, Sarat Bose Road,

Office Space No: 406,

4th Floor, Kolkata-700 020

Dated: 19th May, 2017

J. N. Ghosh

*Vice President & Secretary*

### NOTES:

- i) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- ii) The Register of Members and Share Transfer Books will remain closed from 27th July, 2017 to 2nd August, 2017 both days inclusive.
- iii) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as Proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a Proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a Proxy for any other Member.

Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

- iv) Members are requested to notify any change in their addresses to the Company’s Registrar and Share Transfer Agents, C.B. Management Services Private Limited, P-22, Bondel Road, Kolkata 700 019. (Phone No. 033-40116700, Email: rta@cbmsl.com) for recording any change of address(es), bank mandate(s), NESC or nomination(s).

- v) The Ministry of Corporate Affairs ("MCA") has issued a Circular No. 17/2011 dated 21st April, 2011 on a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and also clarifying that the service of document can be made through electronic mode provided the Company has obtained e-mail address(es) of its members for sending the notices/documents. The Company has therefore decided to issue this intimation to every shareholder to register their e-mail address(es) and changes therein from time to time with the Company's Registrar and Share Transfer Agents or with Concerned Depository Participant. In the meantime the Company proposes to send the documents calling the Annual General Meeting, the audited accounts, directors' report, etc., for the year ended 31st March, 2017 in the electronic form to the e-mail address provided by you and made available to us by the depositories.
- vi) The ISIN number allotted to the Company is INE 528A 01020. In view of the advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the Company's shares.
- vii) Members who have multi-accounts in identical name and address or in joint names in the same order are requested to intimate the Company the ledger folios of such accounts for consolidating their shareholding into one account.
- viii) Individuals holding shares singly or jointly, with upto two persons may nominate another person to whom the shares shall vest in the event of the shareholders' death. Form SH 13 has been prescribed for the purpose. Blank forms are available from the Company's Secretarial Department and at the office of the Registrars and Share Transfer Agents of the Company.
- ix) The Company had opened a bank account "Unclaimed Suspense Account - GKW Limited" with Axis Bank Ltd., 7 Shakespeare Sarani, Kolkata 700 071 as one of the Depository Participants. The shares have been transferred into the Demat Account to comply with Clause 5A(h) of the erstwhile Listing Agreement and of Schedule VI E of Regulation 39(4) of SEBI (LODR) Regulations, 2015 for the shares unclaimed by the Shareholders due to insufficient/ incorrect information or for any other reason, in demat mode to one folio. The required particulars of "Unclaimed Suspense Account – GKW Limited" have been provided in the Corporate Governance Report.
- x) Mr. G. Srinivasan retires by rotation in accordance with the Articles of Association of the Company at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment. The remuneration of Mr. J.D. Curavala, Managing Director will be revised from 1st April, 2017 to 10th August, 2017 and he will also be re-appointed as Managing Director with the said remuneration as proposed in the Notice as per item bearing No. 4.
- xi) The Members are requested to register their e-mail address and changes therein with the Company and/or DP in order to enable the Company to send all communications to their e-mail address only.
- xii) The Notice of the Annual General Meeting of the Company inter-alia indicating the manner of e-voting process, e-voting particulars, Proxy Forms and Printed Attendance Slip is being despatched to all the members. Initial login ID and password is provided at the bottom of the Attendance Slip/Proxy Form for the Annual General Meeting.
- xiii) Members are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting. Copies of the Annual Report will not be provided at the Annual General Meeting venue.
- xiv) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules issued thereunder

## **GKW LIMITED**

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be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

### **VOTING THROUGH ELECTRONIC MEANS**

- (i) According to section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended, e-voting is mandatory for all listed Companies or Companies having members not less than one thousand.
- (ii) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is providing members the facility to exercise their right to vote for the resolutions of the Annual General Meeting (AGM) by electronic voting system through remote e-voting. However, facility for voting through ballot papers shall be made available at the meeting.
- (iii) The Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members, if they so opt, to cast their votes electronically.
- (iv) Any person who becomes member of the Company after despatch of the Notice of the meeting and holding shares as of the cut-off date i.e. 26th July, 2017, the members may obtain their user ID and password for e-voting from Company's Registrar & Transfer Agents, C B Management Services (P) Ltd. P-22, Bondel Road, Kolkata – 700 019, (Phone +91 4011 6700/2280 6692/2282 3643/2287 0263; Fax +91 4011 6739 e-mail : rta@cbmsl.com) or NSDL (Phone +91 22 2499 4600). The detailed procedure for obtaining User ID and password is also provided along with the Notice of the meeting which is available on Company's website. If the member is already registered with NSDL for e-voting then he can use his existing user ID and password for casting the vote through remote e-voting. If you forget your password you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.1800-222-990.
- (v) The e-voting shall remain open from 30th July, 2017 (9.00 a.m.), till 1st August, 2017 (5.00 p.m.).
- (vi) During the period the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 26th July, 2017 may opt for remote e-voting.
- (vii) The company provides the voting by Ballot papers which may be used for voting only by members attending the meeting.
- (viii) A public notice shall be placed on the website of the company and NSDL for the resolutions to be considered for the e-voting.
- (ix) At the end of the remote e-voting period, the facility shall forthwith be blocked.
- (x) The Board of Directors has appointed Mr. Arup Kumar Roy, Practicing Company Secretary (Membership No.6784) as the scrutinizer for e-voting to unblock the votes cast through remote e-voting in favour or against each resolution and to report forthwith to the Managing Director. The scrutinizer will be responsible to conduct e-voting in a fair and transparent manner.
- (xi) For redressal of grievance the members may contact Mr. Amit Banerjee or Mr. Tanmoy Biswas, C/o C.B. Management Services (P) Ltd., P-22 Bondel Road, Kolkata -700 019, Phone no. (033)4011-6700/4011 6739 and email ID : rta@cbmsl.com and tonmoyb@cbmsl.com.



- (xii) The scrutinizer shall after the conclusion of voting at the Annual General Meeting will first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- (xiii) The Chairman shall on receipt of such report from the scrutinizer declare the result of the voting latest by 3rd August, 2017 and the same shall also be uploaded on the website of the Company at [www.gkw ltd.com](http://www.gkw ltd.com) along with the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (xiv) The resolutions, where assented to by the requisite majority of the Members by means of e-voting, shall be deemed to have been duly passed on the date of the announcement of the result as aforesaid on 3rd August, 2017 shall be deemed to have been duly passed at a general meeting convened in that behalf.

**THE PROCEDURE/INSTRUCTIONS FOR E-VOTING ARE AS UNDER:**

The procedure with respect to e-voting is provided below:

- A) In case of Members receiving notice by e-mail from NSDL:
- i. Open e-mail and open the attached PDF file viz; "gkwlimited.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.
  - ii. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>
  - iii. Click on "Shareholder-Login".
  - iv. Insert your user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.
  - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. Home page of e-voting opens. Click on "e-voting : Active Voting Cycles".
  - vii. Select "E-Voting Event Number (EVEN)" of GKW Limited for casting your vote.
  - viii. Now you are ready for e-voting as "Cast Vote" page opens.
  - ix. Cast your vote by selecting appropriate option and click on: "Submit" and also "Confirm" when prompted. Upon confirmation, the message "vote cast successfully" will be displayed.
  - x. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xi. Institutional Shareholders and bodies corporate (i.e. other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through e-mail to [arupkroy@rediffmail.com](mailto:arupkroy@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B) In case of Members receiving Notice of Annual General Meeting by post:
- a. Initial password is provided on the Attendance Slip for the AGM.

- b. Please follow all steps from Sl. No. (ii) to Sl. No.(xi) mentioned in (A) above, to cast your vote.
- i) In case of any queries, you may refer to the “Frequently Asked Questions (FAQs)” for Shareholders and e-voting user manual for Shareholders available at the “downloads” section of NSDL website at [www.e-voting.nsdl.com](http://www.e-voting.nsdl.com) or call on toll free no. 1800-222-990.
  - ii) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.
  - iii) Members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their voting right at the meeting through electronic voting system/ballot. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - iv) The detail instruction for voting through electronic means are also being circulated to the members along with the Notice of Annual General Meeting.
  - (v) The Results of the e-voting will be declared not later than three days of conclusion of the AGM to be held on 2nd August, 2017. The declared results along with the Scrutinizer’s Report will be available on the Company’s website at [www.gkw ltd.com](http://www.gkw ltd.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will also be forwarded to the National Stock Exchange where the Company’s shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

**PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/  
RE-APPOINTED AT THE MEETING ARE GIVEN BELOW :**

Name of Director	Mr. G. Srinivasan
Age	74 years
Date of Appointment	10.05.2013
Qualifications	B.E. (Mech.) D.I.M.
Exposure in specific functional areas	Having wide experience in the Industry with the expertise in the field of Engineering and Operations.
Directorship held in other companies (excluding foreign companies)	Dignity lifestyle Pvt. Ltd.
Member of Committees of the Board of Directors	i) Committee of Directors
Member of Committees of Directors of other Companies	NIL
Shareholding in Company	50 Shares (Joint Holding)

Name of Director	Mr. J. D. Curavala
Age	77 years
Date of Appointment	11.08.1989
Qualifications	B.Com, A.C.A, LL.B
Exposure in specific functional areas	Having wide experience in Finance, Administration, Corporate Management and Business operations.
Directorship held in other companies (excluding foreign companies)	Graphite India Limited (Director)
Member of Committees of the Board of Directors	i) Committee of Directors (Chairman)
	ii) Transfer Committee (Member)
	iii) Corporate Social Responsibility Committee (Chairman)
	iv) Risk Management Committee (Chairman)
Member of Committees of Directors of other Companies	i) Investment Committee of Graphite India Ltd.
	ii) Audit Committee of Graphite India Ltd.
Shareholding in Company	100 Shares (Joint Holding)

**EXPLANATORY STATEMENT**

The Explanatory Statement under Section 102 of Companies Act, 2013 for Item Nos. 3 and 4 of the accompanying Notice set out hereinabove is as under:

**Resolution No. 3**

The term of appointment of the present Auditors M/s. Lodha & Co., Chartered Accountants of 14, Government Place East, Kolkata 700 069 will expire at the conclusion of the ensuing Annual General Meeting in terms of Section 139(2) of the Companies Act, 2013.

The Company is required to appoint Auditors in terms of the provisions of Sections 139 read with Sections 141 and 142 and companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013. The Audit Committee in its meeting held on 19th May, 2017 had recommended, based on the criteria of the selection, the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, Bagrodia Niket, 1st Floor, 19C, Sarat Bose Road, Kolkata 700 020 (Firm's Registration No. 103523W/W100048), as Auditors of the Company for a period of 5 (five) years from the conclusion of this 87th Annual General Meeting untill the conclusion of 92nd Annual General Meeting subject to ratification by members at each Annual General Meeting of the Company. The Board of Directors in its meeting held on the said date approved the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, Bagrodia Niket, 1st Floor, 19C, Sarat Bose Road, Kolkata 700 020 (Firm's Registration No. 103523W/W100048), for a period of 5 (five) years from the conclusion of this 87th Annual General Meeting untill the conclusion of 92nd Annual General Meeting of the Company subject to

## **GKW LIMITED**

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ratification by the Members in each Annual General Meeting. M/s Haribhakti & Co. LLP, Chartered Accountants, Bagrodia Niket, 1st Floor, 19C, Sarat Bose Road, Kolkata 700 020 (Firm's Registration No. 103523W/W100048), is eligible for appointment as Auditors under Section 141 of the Companies Act, 2013 and fulfill the criteria of independence as Auditors of the Company. The Board of Directors is duly authorized to decide on the remuneration payable to the said Auditors as well as reimbursement of out-of-pocket expenses as may be incurred by him in connection with the Audit.

Shareholders approval is required for appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, Bagrodia Niket, 1st Floor, 19C, Sarat Bose Road, Kolkata 700 020 (Firm's Registration No. 103523W/W100048), as Auditors of the Company for a period of 5 (five) years from the conclusion of this 87th Annual General Meeting until the conclusion of 92nd Annual General Meeting as set out in the Resolution. Accordingly, your directors recommend passing of the said resolution.

No Director, Promoter or Key Managerial Personel (KMP) or their relatives are concerned or interested financially or otherwise in the aforesaid Resolution.

### **Resolution No 4**

Mr. J.D. Curravala ("Mr. Curravala") was re-appointed as Managing Director from 11th August, 2016 to 10th August, 2017. The terms and conditions of his re-appointment were approved by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee. The Shareholders of the Company had also approved the re-appointment and remuneration payable to Mr. Curravala in its Meeting held on 9th August, 2016.

The Board of Directors at its Meeting held on 19th May, 2017 on the basis of recommendation of the Nomination and Remuneration Committee approved the revision of remuneration from ₹ 450,000/- to ₹ 490,000/- per month payable to Mr. Curravala from 1st April, 2017 to 10th August, 2017 with other terms and conditions as set out in the Draft Supplemental Agreement to be entered into between the Company and Mr. Curravala. The material terms of revision of remuneration of Mr. Curravala are as under:

1. **Salary** : ₹ 490,000/- per month in the scale of ₹ 200,000/- - ₹ 700,000/- with all other terms and conditions set out in the Supplementary Agreement with an authority to the Nomination and Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary/perquisites payable to Mr. Curravala within the limit specified in Schedule V of the Companies Act, 2013 and the Rules made thereunder or any amendment or modifications or re-enactment thereof with other terms and conditions.

The Nomination and Remuneration Committee recommended the re-appointment and remuneration payable to Mr. Curravala as Managing Director from 11th August, 2017 to 31st March, 2018 with all other terms and conditions as set out in the Draft Agreement to be executed between the Company and Mr. Curravala, pursuant to the provisions of Schedule V of the Companies Act, 2013 and recommended the same to the Board of Directors ("the Board") for its consideration and approval.

The Board at its said Meeting approved the re-appointment of Mr. Curravala as the Managing Director with effect from 11th August, 2017 to 31st March, 2018 and remuneration payable on the terms and conditions as set out in the Agreement to be entered into between the Company and Mr. Curravala. The material terms of Mr. Curravala's appointment are as under :

Mr. J. D. Curravala shall be the Managing Director of the Company from 11th August, 2017 to 31st March,

2018 and shall perform such duties and exercise such powers as are or may from time to time be lawfully entrusted to and vested in him by the Board of the Company.

Mr. Curravala has been responsible for restructuring the Company and conceiving and implementing the turnaround strategy which resulted in the Company emerging from loss to profitability. Having regard to the qualifications and experience of Mr. Curravala as stated under BACKGROUND DETAILS, the Board of Directors of the Company is of the opinion that Mr. Curravala should be appointed as Managing Director of the Company from 11th August, 2017 to 31st March, 2018.

The following are the salient terms and conditions of re-appointment of Mr. J.D. Curravala as Managing Director of the Company:

**Salary:** ₹490000/- per month in the scale of ₹200000/- - ₹700000/- with an authority to the Nomination and Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary/perquisites payable to Mr. Curravala within the limit specified in Schedule V of the Companies Act, 2013 and the Rules made thereunder or any amendment or modifications or re-enactment thereof.

1. **Commission :** In addition to the salary and perquisites, Mr. Curravala will be entitled to such commission based on the net profit of the company in any financial year not exceeding 1% of such profit as the Board or the Nomination and Remuneration Committee shall decide having regard to the performance of the Company.
2. Mr. Curravala will also be entitled to Provident Fund, Superannuation Fund, Gratuity and leave encashment and other benefits, amenities and facilities in accordance with the Company's Scheme(s)/ Rule(s) applicable in this regard.  
  
Such perquisites shall not be included in the computation of the ceiling on remuneration as aforesaid.
3. Mr. Curravala will also be entitled to House Rent Allowance and Leave Travel Allowance as per the rules of the Company.
4. Provision of cars for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Curravala.
5. Mr. Curravala shall be entitled to Earned/Privilege Leave as per rules of the Company. Leave accumulated and not availed of during his tenure in the service of the Company may be allowed to be encashed at the time of his retirement as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.
6. In the event of loss or inadequacy of profits in any financial year the remuneration by way of total monthly remuneration as specified above payable to Mr. Curravala shall be the same but shall not exceed the limits prescribed under Schedule V under the Companies Act, 2013 and the Rules made thereunder or any statutory modification or re-enactment thereof.

Mr. J.D.Curravala satisfies all the conditions set out in the Schedule V of the Companies Act, 2013, as applicable, as also conditions set out under sub section (3) of Section 196 of the Act for being eligible for his re-appointment.

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7. Mr. J.D.Curavala is not disqualified for being appointed as Director in terms of Section 164(4) of the Companies Act, 2013 and has consented to act as Managing Director of the Company.
8. Mr. J. D. Curavala has attained the age of 77 years, hence the continuation of his employment as the Managing Director requires approval by the members by special resolution which is in conformity with Section 196(3) read with Part I of Schedule V of the Companies Act, 2013. The Company complies with the conditions of his appointment as Managing Director in terms of the aforesaid Section and also fix the limits of remuneration in compliance with Section I & II of Part II of Schedule V subject to passing of special resolution of the shareholders. Therefore, the Company is proposing to re-appoint Mr Curavala as Managing Director of the Company commencing from 11th August, 2017 to 31st March, 2018 on the terms and conditions contained in the draft Agreement proposed to be entered into by the Company with Mr Curavala in terms of the aforesaid Section and Part I of Schedule V of the Act.

Accordingly the Board recommends this Resolution for approval as a Special resolution in terms of Schedule V of the Companies Act, 2013.

A copy of the Draft Supplementary Agreement and the Agreement referred to in the Resolution will be available for inspection by the Members at the Registered Office of the Company between the hours of 11 A.M. and 1 P.M. on any working day prior to the date of the meeting and will also be available at the meeting.

No Director, Promoter, Key Managerial Personnel (KMP) and their relatives, except Mr. J.D. Curavala is concerned or interested financially or otherwise in this Resolution.

### (FOR ITEM NO.4)

### STATEMENT PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013 TO BE CIRCULATED TO THE SHAREHOLDERS ALONG WITH THE NOTICE CALLING THE ANNUAL GENERAL MEETING ON 2ND AUGUST, 2017.

#### I. General Information :

- (1) Nature of industry

**Warehousing business and Investment & Treasury.**

- (2) Date or expected date of commencement of commercial production

**Not Applicable**

- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

**Not Applicable**

**(4) Financial performance based on given indicators**

Financial parameters :

(₹ Lakhs)

	<u>2015-2016</u>	<u>2016-2017</u>
Total Revenue	1226	<b>1457</b>
Net profit/(loss)	(24761)	<b>( 24176)</b>
(as computed under Section 198)		
Net profit/(loss) as per Statement of profit and loss		
Profit from operations	266	<b>504</b>
Profit from discontinued activity	<u>1245</u>	<u>-</u>
	1511	<b>504</b>
Less Taxation	<u>(399)</u>	<b>(135)</b>
	<u>1112</u>	<u><b>369</b></u>
Amount of dividend paid	—	—
(5) Foreign investments or collaborations, if any	—	—

**II. Information about the appointee :****(1) Background details**

Mr. J.D.Curavala was born on 21st October, 1939 and on completion of his graduation from Bombay University qualified as a Chartered Accountant from the Institute of Chartered Accountants of India. He also obtained a bachelor's degree in law.

Mr. J.D.Curavala worked with Stewarts & Lloyds Limited, U.K. as Financial Accountant during April 1966 to January 1970. During these four years at U.K. he also attended a training course titled 'Production appreciation for Accountants'. He joined the Company in April 1970 as an Accountant in one of the operating divisions. He was soon promoted as Manager – Accounts of the division. In order to provide Mr. Curavala exposure to Company's operations he was appointed General Manager – Operations of a division in 1984 and later in 1987 he was appointed Chief Executive of a division with overall responsibility for achieving the budgeted profitability of the division. Following the restructuring of the Senior Management of the Company in 1988, Mr. Curavala was appointed Chief Executive – Finance with effect from 1.5.1988 and later from 11.8.1989 he was promoted as Director – Finance of the Company.

Mr. J.D.Curavala has attended the GKN Group (Management Development programme held in Cambridge, U.K. in 1978) followed by industrial visits to various establishments of the GKN Group in U.K. The Management Development programme of GKN was attended by Senior Executives of all GKN Group Companies located all over the world and the faculty was drawn from eminent personalities in various fields. The programme allowed the nominee to gain rich experience through interaction with his colleagues from different parts of the world.

Mr. J.D.Curavala has over 49 years of experience of working in India and in U.K. He has the unique

experience of working as General Manager – Operations of a division and as Chief Executive of a division which has allowed him to have a deep insight into the intricacies of Company's business which is extremely useful in his current assignment. As Director – Finance, Mr. Curravala had the overall responsibility for the effective and efficient functioning of the Finance, Budget, MIS, Accounts and Taxation functions of the Company. He was responsible for formulating the policies, procedures and systems relating to Financial Accounting, Cost Accounting, Funds procurement and management, Budgeting, Management Information System and Taxation. He was responsible for all financial negotiations with banks, financial institutions and other external agencies. Management of working capital and appraisal of all capital expenditure proposals including their financial implications also formed part of Mr. Curravala's responsibility. He was responsible for ensuring availability of adequate funds for running the operations of the Company and also to ensure optimum utilization of all resources of the Company.

Considering the critical importance of finance function in the Company, Mr. Curravala was appointed a Wholtime Director of the Company designated as Director – Finance with effect from 11th August, 1989. Mr. Curravala was part of the top management team which formulated and implemented the turnaround strategy for the Company and put it back on the path of profitability.

Thereafter, the Board of Directors of the Company appointed him as Managing Director of the Company with effect from June, 1995 which position he has been holding at present.

(2) Past remuneration

	( ₹ Lakhs)	
	<u>2015-2016</u>	<u>2016-2017</u>
Salary	54.00	<b>54.00</b>
Perquisites / Others	<u>26.10</u>	<b><u>26.10</u></b>
Total	<u>80.10</u>	<b><u>80.10</u></b>

(3) Recognition or awards : None

(4) Job profile and his suitability :

Mr. J. D. Curravala has been working as Managing Director of the Company since June, 1995 for nearly 22 years. Mr. Curravala has been responsible for restructuring the Company and conceiving and implementing the turnaround strategy which resulted in the Company emerging from loss to profitability. Having regard to the qualifications, experience of Mr. J.D. Curravala as stated under BACKGROUND DETAILS, the Board of Directors of the Company is of the opinion that Mr. Curravala will be eminently suitable to continue as Managing Director of the Company from 11th August, 2017 to 31st March, 2018.

(5) Remuneration proposed

- i) **Salary** : ₹ 490000/- per month in the scale of ₹ 200000/- - ₹ 700000/- from 1st April, 2017 to 10th August, 2017 and from 11th August, 2017 to 31st March, 2018 with an authority to the Nomination and Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary/perquisites payable to Mr. Curravala within the limit specified in Schedule V of the Companies Act, 2013 and the Rules made thereunder or any modification or re-enactment thereof with the authority to



the Nomination and Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary payable to Mr. Curravala.

- ii) **Commission** : In addition to the salary and perquisites, Mr. Curravala will be entitled to such commission based on the net profit of the company in any financial year not exceeding 1% of such profit as the Board or Nomination and Remuneration Committee shall decide having regard to the performance of the Company.
- iii) Mr. Curravala will also be entitled to Provident Fund, Superannuation Fund, Gratuity and leave encashment and other benefits, amenities and facilities in accordance with the Company's Scheme(s)/ Rule(s) applicable in this regard.  
  
Such perquisites shall not be included in the computation of the ceiling on remuneration as aforesaid.
- iv) Mr. Curravala will also be entitled to House Rent Allowance and Leave Travel Allowance as per the Rules of the Company.
- v) Provision of cars for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Curravala.
- vi) Mr. Curravala shall be entitled to Earned/Privilege Leave as per rules of the Company. Leave accumulated and not availed of during his tenure in the service of the Company may be allowed to be encashed at the time of his retirement as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.
- vii) In the event of loss or inadequacy of profits in any financial year the minimum remuneration as specified above by way of salary, payable to Mr. Curravala shall be the same, but shall not exceed the limits prescribed under the Companies Act, 2013, and the Rules made thereunder or any statutory modification or re-enactment thereof.

Other terms and conditions are set out in the Draft Supplemental Agreement and Agreement between Mr. J. D. Curravala and the Company.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person. (In case of expatriates the relevant details would be with respect to the country of his origin).

While approving the re-appointment and remuneration payable to the Managing Director, the Nomination and Remuneration Committee considered the challenges posed by the competitive environment prevailing in the country due to the economic slowdown as also the paucity of availability of the senior managerial personnel at Board level and also the comparative remunerative progression of such personnel in the recent context. The Committee considered the achievement of Mr. J. D. Curravala, Managing Director in turning around the Company from loss making to a profit making Company and responsibilities cast upon him for steering the Company in a competitive scenario. It may also be noted that the profile of the incumbent Managing Director is eminently suited to the overall profile of this position.

The Committee has also taken into account Schedule V of the Companies Act, 2013 due to absence of profit and remuneration which has been fixed based on the Schedule referred above. The Committee has taken into account, financial position of the company, trend in the industry, Mr. Curravala's qualification, experience, past performance, past remuneration, etc. and being in a position to bring about objectivity in determining the

## GKW LIMITED

remuneration package, striking a balance between the interest of the company and the shareholders. The Committee felt it necessary to fix his remuneration within the statutory limit prescribed in Schedule V to the Companies Act, 2013.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

NIL

### III. Other information :

- (1) Reasons of loss or inadequate profits

Due to recession in the industry in general and engineering/automobile industry in particular, coupled with high interest burden and high manpower costs resulted in accumulated losses which arose in the earlier years. Even though the Company has made profit in the last nine years, there has been inadequacy of profits.

- (2) Steps taken or proposed to be taken for improvement :

The Company has already taken appropriate steps to restructure its businesses in order to attain profitability. The Company has been consistently making profits since 2005-06. The Company has already achieved net profit of ₹ 369.50 lakhs for the year 2016-17.

- (3) Expected increase in productivity and profits in measurable terms :

The expected productivity and profits in measurable terms are as follows :

	( ₹ Lakhs)	
	<u>2016-2017</u>	<u>2017-2018</u>
	Actual	Estimate
Total Revenue	1457	1484
PBDIT	541	577

*Registered Office:*

"Central Plaza"

2/6, Sarat Bose Road, Office Space No: 406,

4th Floor, Kolkata-700 020

Dated: 19th May, 2017

By Order of the Board

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



## Proxy form

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

CIN :

Name of the Company :

Registered Office :

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/Client Id:

DP ID:

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

(1) Name.....

Address .....

Email ID: .....

Signature..... Or failing him/her

(2) Name.....

Address .....

Email ID: .....

Signature..... Or failing him/her

(3) Name.....

Address .....

Email ID: .....

Signature..... Or failing him/her

As my/our proxy to attend the vote ( on a poll ) for me/us and on my / our behalf at the Eightyseven Annual General Meeting of the Company, to be held on the 2nd day of August, 2017 at 2.00 p.m. at Kala Kunj, 48 Shakespeare Sarani, Kolkata 700017 and at any adjournment thereof in respect of such resolutions as are indicated below :

## Resolution No.

1..... 3.....

2..... 4.....

Signed this .....day of .....2017

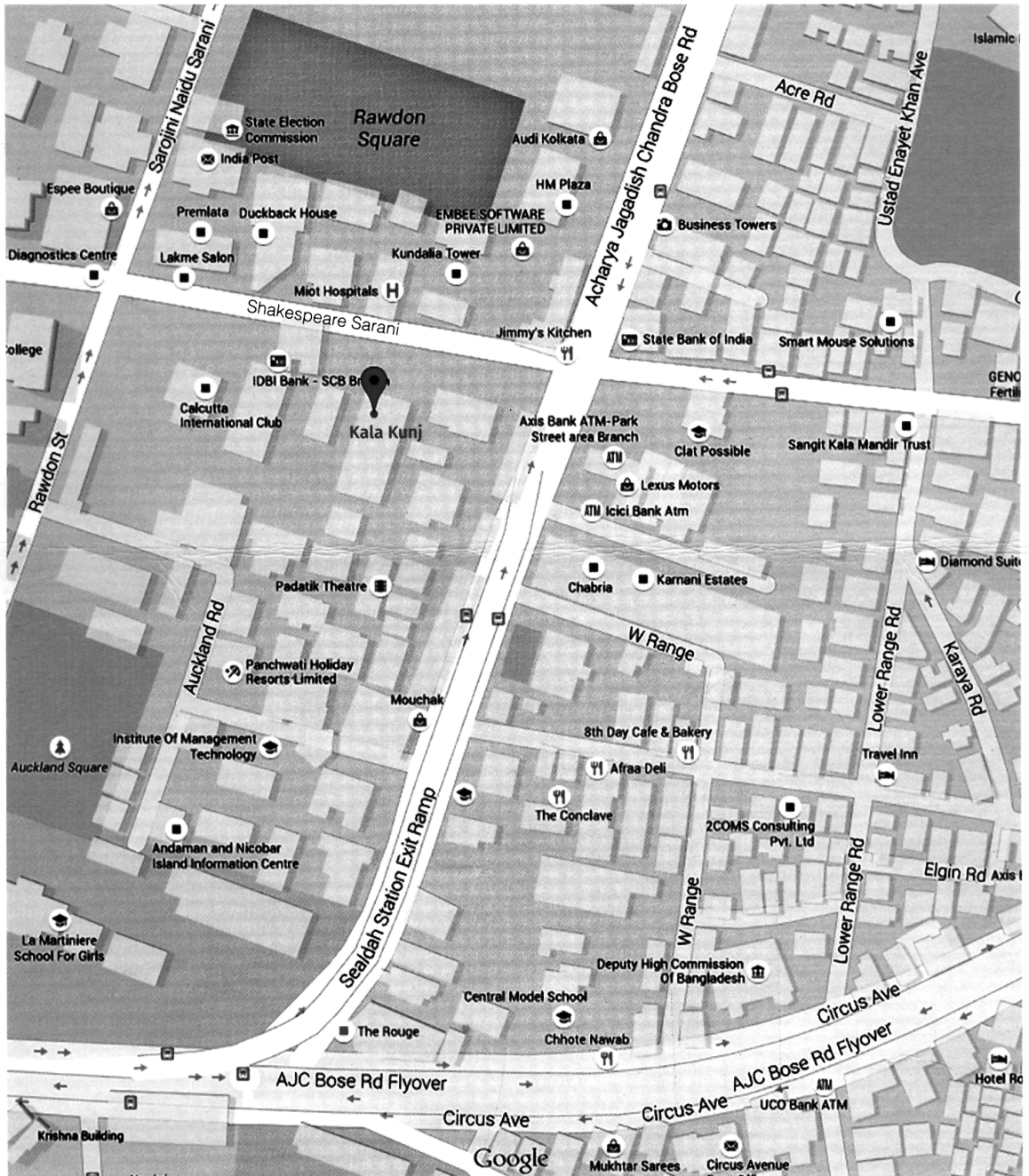
Signature of shareholder

Signature of proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Affix  
Revenue  
Stamp**

## Route map to the venue of the 87th AGM of GKW LIMITED



**Kala Kunj**  
48, Shakespeare Sarani, Kolkata 700017