



**GOLDEN TOBACCO LIMITED**

**59<sup>th</sup>** Annual Report 2014-2015

# GOLDEN TOBACCO LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>Shri B. B. Merchant</b>	- Non Executive Independent Director
<b>Shri V. K. Bhandari</b>	- Non Executive Independent Director
<b>Ms. Kokila Panchal</b>	- Non Executive Independent Director
<b>Shri A. K. Joshi</b>	- Managing Director
<b>Shri Jaskaran S. Khurana</b>	- Executive Director

### COMPANY SECRETARY

Manoj Kumar Srivastava

### STATUTORY AUDITORS

**M/s. Lodha & Co.**  
Chartered Accountants  
Mumbai

### REGISTERED OFFICE AND WORKS

At Darjipura, Post Amaliyara,  
Vadodara - 390 022 Gujarat, India  
CIN : L16000GJ1955PLC067605  
Tel. (0265) 2540281 Fax : (0265) 2540281  
Website : www.goldentobacco.in  
E-mail : share@goldentobacco.in

### INVESTORS' CELL

Toll Free No. 1800223951  
Email : share@goldentobacco.in

### REGISTRAR & TRANSFER AGENT

**M/s. Link Intime India Pvt. Ltd.**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai - 400078  
Tel. (22) 25963838 Fax (22) 25946969  
Email : rnt.helpdesk@linkintime.co.in

### BANKERS

Canara Bank  
Syndicate Bank  
Vijaya Bank  
State Bank of Bikaner and Jaipur  
Allahabad Bank

### STOCK EXCHANGE(S)

Bombay Stock Exchange Ltd.  
National Stock Exchange of India Ltd.

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### 59TH ANNUAL GENERAL MEETING

Day, Date & Time	: Friday, 25th September, 2015 at 12.15 PM
Venue	: At Darjipura, Post Amaliyara, Vadodara - 390 022 Gujarat
Book Closure Date	: 21st September, 2015 to 25th September, 2015 (Both Days inclusive)



## NOTICE

**NOTICE** is hereby given that the **FIFTY- NINTH ANNUAL GENERAL MEETING** of the Members of **GOLDEN TOBACCO LIMITED** will be held on Friday, the September 25, 2015 at 12.15 P.M. at Darjipura, Post-Amaliyara, Vadodara - 390022, Gujarat to transact the following business:

### **ORDINARY BUSINESS:**

1. **To receive, consider and adopt :**
  - a. the Audited Financial Statements for the year ended March 31, 2015 together with Reports of the Board of Directors' and the Auditors' thereon.
  - b. the Audited Consolidated Financial Statements for the year ended March 31, 2015 together with Reports of the Auditors' thereon.
2. To appoint a Director in place of Shri A. K. Joshi, who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify appointment of M/s Lodha & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 61st Annual General Meeting and to authorize the Board to fix their remuneration.

### **SPECIAL BUSINESS:**

#### **4. TO APPOINT MS. KOKILA PANCHAL (DIN:07144653) AS DIRECTOR :**

**To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Ms. Kokila Panchal, who was appointed as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and Article 147 of the Articles of Association of the Company to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a requisite notice under Section 160 of the Companies Act, 2013, in writing, proposing her candidature for the office of Director, be and is, hereby appointed as a Director of the Company."

#### **5. TO APPOINT MS. KOKILA PANCHAL (DIN:07144653) AS AN INDEPENDENT DIRECTOR PURSUANT TO THE COMPANIES ACT, 2013:**

**To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 {(including any statutory modification(s) or re-enactments thereof for the time being in force)} and Clause 49 of the Listing Agreement, Ms. Kokila Panchal (DIN: 07144653), who has been appointed as an Independent Director of the Company with effect from March 31, 2015 and in respect of whom the Company has received a requisite notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Independent Director, be and is, hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to March 30, 2020.

#### **6. TO RE-APPOINT SHRI A. K. JOSHI AS MANAGING DIRECTOR OF THE COMPANY AND TO FIX HIS REMUNERATION :**

**To consider and if thought fit, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to approval of the **Members** and other requisite authorities, if any, including Central Government, **approval**, be and is, hereby accorded to the re appointment of Shri A. K. Joshi as Managing Director of the Company for a period of three years with effect from September 28, 2015 to September 27, 2018 upon the terms and conditions of appointment including remuneration payable as set out in the explanatory statement in the annexed hereto with liberty to the Board of Directors to alter and/ or to vary the terms and conditions of the same including the terms of remuneration as may be agreed to between the Board of Directors and Shri A. K. Joshi.

**RESOLVED FURTHER THAT** in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the office of Managing Director the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013

**RESOLVED FURTHER THAT** Shri A. K. Joshi shall not be paid any sitting fees for attending meetings of the Board of Directors or its Committees and his appointment shall be liable to retire by rotation "

By order of the Board,  
For **GOLDEN TOBACCO LIMITED**,  
**Manoj Kumar Srivastava**  
Company Secretary

Place : Mumbai  
Date : May 25, 2015



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## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT DARJIPURA, POST-AMALIYARA, VADODARA – 390022. GUJARAT, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM I.E. BY 12:15 A.M. ON 25TH SEPTEMBER, 2015. A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL PAID-UP CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDERS.**

2. Corporate Members are required to send to Registered Office a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
3. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM is annexed.
4. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014, the Resolution proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and also voting at the AGM, for which purpose the Company has engaged the services of CDSL. The Board of Directors of the Company has appointed Shri CS Devesh A. Pathak (FCS No.4559) Practicing Company Secretary or failing him Shri CS Vimal N. Betai (ACS No.26007), Practicing Company Secretary as the Scrutinizer for the purpose.
5. Voting rights will be reckoned on the paid-up value of share registered in the name of the Members as on **September 18, 2015 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the **cut-off date** will be entitled to cast their votes by remote e-voting or voting at the AGM.
6. The facility for voting by ballot will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
7. Members can opt for only one mode of voting i.e. either by Ballot form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot form shall be treated as invalid.
8. However Shri A. K. Joshi (DIN 00379820), Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment as a retiring director. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the corporate governance report forming part of the Annual Report.
9. Members are required to bring their admission/attendance slips to the AGM. Duplicate admission slips and / or copies of the Annual Report will not be provided at the AGM venue.
10. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
11. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sunday, during business hours up to the date of the AGM.
12. The Company has notified closure of Register of Members and Share Transfer Books from **Monday, September 21, 2015 to Friday, September 25, 2015** (both days inclusive).
13. Members may note that all unpaid/unclaimed dividend up to 1993-94 declared by the Company has been transferred by it to the General Revenue Account of the Central Government. Unpaid dividend pertaining to the year 1994-95 will be paid in accordance with revised Modified Draft Rehabilitation Scheme (MDRS) pending before Hon'ble Board for Industrial and Financial Reconstruction (BIFR).



14. Members, holding shares in dematerialization form are requested to intimate all changes pertaining to their address, bank details, nominations, power of attorneys, change of name, email address, contact numbers etc. to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help to the Company and Company's RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company and / or Company's RTA M/s Link Intime India Pvt. Ltd.
16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.goldentobacco.in](http://www.goldentobacco.in) under the section Investor Relations.
17. Members holding shares in physical are requested to consider converting their holding to dematerialization form to eliminate all risks associated with physicals and to ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
18. The physical copies of the Notice of AGM along with Annual Report of 2014-15 is being sent to all the Members of the Company by the permitted mode, and also by electronic mode to those Members whose email addresses are registered with the Company / RTA / DP.
19. To support the "Green Initiative", the Members who have not registered their email address are requested to register the same with the Company's RTA/ DP for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
20. Members, who wish to obtain information on the Company or view the Financial Statements, may visit the Company's website [www.goldentobacco.in](http://www.goldentobacco.in) or send their queries at least ten days before AGM to the Company Secretary at the Registered Office of the Company.
21. Any person, who acquires Shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off of the date i.e. September 18, 2015 may obtain the login ID and password by sending a request to CDSL at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
22. The e-voting period commences on Tuesday, September 22, 2015 (9.00 a.m. IST) and ends on Thursday, September 24, 2015 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 18, 2015 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member he/she shall not be allowed to change it subsequently or cast vote again.
23. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Managing Director /Company Secretary or a person authorized by the Company.
24. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.goldentobacco.in](http://www.goldentobacco.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

#### **PROCEDURE FOR E- VOTING**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. <b>The Sequence Number/default PAN is printed on Address Slip of Annual Report.</b></li><li>In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number (EVSN) 150828007 of Golden Tobacco Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com or call Toll Free No. 1800223951. You may also send your queries to the share@goldentobacco.in

**BRIEF RESUME OF DIRECTORS SEEKING ELECTION/RE-ELECTION AT THIS ANNUAL GENERAL MEETING:**

<b>Name</b>	<b>Shri A. K. Joshi</b>	<b>Ms. Kokila Panchal</b>
Date of Birth & Age	<b>January 1, 1958 (57 Years)</b>	<b>September 20, 1948 (67 Years)</b>
Date of Appointment	<b>October 21, 2003</b>	<b>March 31, 2015</b>
Qualifications	<b>B.Com., F.C.A.</b>	<b>B. A. LL.B.</b>
DIN	<b>00379820</b>	<b>7144653</b>
PAN	<b>AAGPJ4277Q</b>	<b>AALPP0725G</b>
No. of Shares held	<b>NIL</b>	<b>NIL</b>
Experience	Shri A.K. Joshi was appointed in the Board on 21st October, 2003 as an Executive Director and promoted as Managing Director in the year 2011. He is having 32 years rich experience in the field of Corporate, Banking, Finance and Accounts etc.	She has experience and exposure as an advocate in the High Court with specialization in Property Law.
\$ Directorship in other public companies	Western Express Industries Ltd. Golden Realty & Infrastructure Ltd.	Nil
@ Chairmanship/membership of committees	Nil	Nil

\$ Directorship in private companies, foreign companies and associations are excluded. @

@ Represents Membership/Chairmanships of Audit Committee and stakeholder –cum-shareholders’/Investors’ Grievance Committee only.



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## ANNEXURE TO NOTICE

### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, TO THE ACCOMPANYING NOTICE DATED MAY 25, 2015:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice :

#### **ITEM NO. 4 & 5 :**

##### **To Appoint Ms. Kokila Panchal as an Independent Director of the Company:**

Your directors appointed Ms. Kokila Panchal on March 31, 2015 as an Additional Director to hold office up to the ensuing Annual General Meeting. Your Directors appointed her also as an Independent Director. Her induction as a Director complies with the requirement of at least one Woman Director on the Board of the Company.

Section 149 of the Companies Act, 2013 *inter-alia stipulates that* an independent director can hold office for a term up to five consecutive years on the Board of a Company and she shall not be included in the total numbers of directors liable to retirement by rotation. The Company has received a declaration from Ms. Kokila Panchal to the effect that she meets the criteria of independence as prescribed under Clause 49 of the Listing Agreement and section 149(6) of the Companies Act 2013. She possesses appropriate skills, experience and knowledge, *inter-alia* in the field of Legal and property matters. In the opinion of the Board, Ms. Kokila Panchal fulfills conditions for her appointment as an Independent Director as specified in the Act and Clause 49 of the Listing Agreement. Ms. Kokila Panchal is independent of the Management.

Keeping in view her vast expertise and knowledge, your directors are of the opinion that her induction on the Board would be of immense benefit to the Company.

Documents referred in the resolutions will be available to the shareholders for inspection between 11 a.m. to 1 p.m. on all working days (except Saturdays and Sundays) at the registered office of the Company up to the date of the AGM.

Neither any Director/Key Managerial Personnel nor their relatives, except Ms. Kokila Panchal shall be deemed to be concerned or interested financially or otherwise in the resolutions.

#### **ITEM NO. 6**

By keeping in view, valuable services being rendered and onerous responsibilities being shouldered by Shri A.K. Joshi, as a Managing Director of the Company and on recommendation of Nomination and Remuneration Committee at their meeting held on May 25, 2015 your Directors at their meeting held on May 25, 2015 recommended the re appointment of Shri A.K. Joshi as Managing Director with effect from Sep.27, 2015 for three years on the following major terms and conditions of remuneration :

##### **I. Basic Salary (PM)**

(in the grade of ` 2,32,490 - ` 1,20,000 - to - ` 6,50,000)

##### **II. Perquisites & Allowances: (PM)**

HRA @ 60% of Basic, Servant Allowance @ 15% of Basic, Gas & Electricity @ 8.33% of Basic, Home Maintenance Allowance @ 8.33% of Basic, Children Education Allowance: ` 1,500/- PM, Books & Periodicals: upto ` 3,000/- PM, Business Promotion: upto ` 3,000/- PM, Special Pay: upto ` 1,50,000/- PM, Car Scheme: upto ` 30000/- PM. Personal Pay Allowance up to ` 58,044/- P.M.

##### **III. Other Perquisites & Allowances:**

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Encashment of leave at the end of the tenure;
- (iii) Provision of the Company's maintained Car and driver's salary for use of the Company's business and telephone at residence shall not be considered as perquisites;
- (iv) Reimbursement of entertainment, traveling and all other actual expenses properly incurred for the purpose of the Company's business shall not be considered as remuneration;
- (v) No sitting fees to be paid for attending Meeting of the Board of Directors or any of its Committee;





- (vi) Personal accident and medical insurance as per Company policy;
- (vii) Use of car for Company's business and telephone at residence;
- (viii) Medical expenses incurred for self and all dependent family members subject to a ceiling of one month's basic salary per year;
- (ix) Leave Travel Concession (LTC) once in a year from the place of residence to anywhere in the world by air (business class) or by train (AC first class) for self and all dependent family members, subject to a ceiling of one month's basic salary;
- (x) Hospitalization reimbursement in accordance with the scheme and rules of the Company;
- (xi) Variable Performance Pay (VPP) as per the Company's Policy;

#### IV. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, within the limits as may be allowable in Schedule V of the Companies Act, 2013 from time to time or as approved by the Central Government as the case may be.

#### V. TERMINATION

The aforesaid reappointment may be terminated by either party giving at least six months' notice in writing in that behalf or notice pay in lieu thereof at the end of which period, termination of the contract shall take effect. Keeping in view of his vast expertise and knowledge, re appointment of Shri A.K.Joshi as a managing Director would be in the best interest of the Company

Documents referred in the resolution will be available to the shareholders for inspection between 11 a.m.to 1 p.m. on all working days (except Saturdays and Sundays) at the registered office of the Company up to the date of the AGM.

Your Directors seek your approval to the resolutions as set out in the item no 6 of the accompanying notice by way of Special Resolution.

#### ADDITIONAL INFORMATION REQUIRED AS PER SCHEDULE V TO THE COMPANIES ACT, 2013:

##### I. GENERAL INFORMATION :

###### (1) Nature of Industry :

The Company's products are classified under Tobacco Industry.

###### (2) Commencement of Commercial Production :

The Company's plant for manufacturing Tobacco Products (Licensed Capacity of 14500 Million and installed Capacity of 10950 Million) is already in operation.

###### (3) FINANCIAL PERFORMANCE :

(` in Lacs)

Particulars	Financial Year	
	2014-15	2013-14
Effective Capital	(115.16)	(66.71)
Total Income	5277.80	7298.51
Profit /(Loss) (Before Tax)	(3063.33)	(2478.39)



**(4) Export performance and Net Foreign Exchange Earning:**

(` In lacs)

Particulars	Financial Year	
	2014-15	2013-14
Export (FOB) Value	2399.66	3219.63
Net Foreign Exchange Earned (FOB) Value	2399.66	3219.63

(5) The Company has neither made any foreign investment nor any foreign collaboration during the year.

**II. INFORMATION ABOUT THE APPOINTEE :**

**Background details of the Managerial Personnel:**

Shri A.K.Joshi is a fellow member (Membership No.082185) of the Institute of the Chartered Accountants of India. He has a bright academic career and rich experience of about 32 years in the field of Corporate, Banking, Finance and Accounts to his credit. Your Directors recommend and seek your approval by way of Special Resolution for his re-appointment as Managing Director w.e.f. September 27 2015. The remuneration will be as per section 197 read with schedule V of the Companies Act, 2013 and in accordance with the approval of requisite authorities, if any.

**(1) Past Remuneration : Per Annum:**

(Amount in `)

Particulars	Past Salary (F.Y.2014-15)	Proposed Salary (F.Y.2015-2016)
Salary & Perquisites	81,70,046*	81,70,046*

\*plus other perquisite and retrial benefits as per Company's Policy and as provided in explanatory statement

**(2) Recognition or awards :**

The Company has no information to offer.

**(3) Job Profile and suitability :**

Shri A. K. Joshi is a Managing Director of the Company and vested with, substantial power of the management of the Company subject to the superintendence, direction and control of the Board of Directors. Having regard to the academic and professional background and vast experience of Shri A.K.Joshi, Managing Director your Directors are of the opinion that Shri A. K. Joshi is suitable to hold the position of the Managing Director of the Company.

Neither any of the Directors/ Key Managerial Personnel nor their relatives except Shri A. K. Joshi shall be deemed to be concerned or interested, financially or otherwise, in this resolution.

Your Directors recommend and seek your approval to the resolution as set out in item No.6 of the accompanying Notice by way of Special Resolution.

**By order of the Board,  
For GOLDEN TOBACCO LIMITED,**

**Manoj Kumar Srivastava  
Company Secretary**

**Place : Mumbai  
Date : May 25, 2015  
Registered Office:  
At Darjipura, Post-Amaliyara,  
Vadodara,Gujarat- 390022,**



## BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the Fifty-Ninth Annual Report together with the audited financial statement of the Company for the financial year ended March 31, 2015.

### FINANCIAL HIGHLIGHTS

Particulars	(` in Lacs)	
	Current Year ended 31 <sup>st</sup> March, 2015	Previous year ended 31 <sup>st</sup> March, 2014
Profit/(Loss) before Interest, Depreciation, Exceptional item and Tax	(635.70)	(188.25)
(Less):Interest-Net	(2289.59)	(2558.01)
(Less):Depreciation	(120.98)	(108.64)
Profit/(Loss) before Taxation	(3046.27)	(2478.40)
Provision for Taxation	NIL	NIL
Profit/(Loss)after Taxation	(3046.27)	(2478.40)
Exceptional Item-Income/(expense)	NIL	288.32
(Loss) for the year	(3046.27)	(2190.08)
(Loss) brought forward from previous year	(15841.40)	(13651.32)
Depreciation charge in useful life	(423.88)	NIL
<b>(Loss) carried over to Balance Sheet</b>	<b>(19311.55)</b>	<b>(15841.40)</b>

### PERFORMANCE OF THE COMPANY

During the year, the industry volume declined by 5% which affected the Company's volume drastically. Increased grey market activities coupled with the increased excise and VAT are the factors which have adversely affected the organized sector at large. However, on the export front, the Company has performed reasonably well mainly due to the growth in new brands Panama and Chancellor in 84 MM king size cigarettes launched during the year under review. The consumers' response from UAE is favorable and your Directors are confident of further increase in volume as well as turnover. The Company has also spread its wings in several new markets with new brands and regular orders have started flowing in. This is likely to result in not only increased turnover but increase in bottom line as well. Hence, your directors are optimistic of better performance in the current financial year.

### STATUS OF BIFR SCHEME

In compliance with the Hon'ble Delhi High Court order, the Company had earlier filed Modified Draft Rehabilitation Scheme (MDRS) before the Hon'ble BIFR for implementing the unimplemented provisions of Sanctioned Scheme, 2002 which was in operation up to March 31, 2011. Accordingly, the Hon'ble BIFR has appointed Canara Bank as Monitoring Agency to examine the MDRS submitted by the Company and give their comments. Thereafter, in pursuit of recent direction given by BIFR in this regard the Company has submitted the revised MDRS to the Hon'ble BIFR and to Monitoring Agency for their further examination and onward submission to the Hon'ble BIFR.

### REAL ESTATE DEVELOPMENTS

The Company had started the Real Estate Business in the year 2007-2008, when its Hyderabad property was offered for Joint Development. Earlier it could not be materialized due to some disputes. However, now commissioning of the project is awaited pending environmental and other clearances from the concerned authorities.



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The Company entered into a Memorandum of Understanding (MOU) in the year 2009-10 with reputed developers to jointly develop its Vile Parle, Mumbai property. However, the development could not be proceeded because of the failure of the parties to make further payment as agreed as also in view of filing of suit by the Company's minority shareholders in the Hon'ble City Civil Court, Dindoshi Mumbai challenging the MOU signed by the Company with the developers for Vile Parle property. The Hon'ble Court has granted ad-interim stay in respect of operation of the MOU. However, your Directors are exploring the alternative avenues for sale of the aforesaid property.

In addition to above, the Hon'ble Supreme Court and High Court Gujarat have also put an embargo restraining the Company from disposal of Vile Parle Property. The Company, in its revised Modified Draft Rehabilitation Scheme (MDRS) submitted to the Hon'ble BIFR and Monitoring Agency, prayed Hon'ble BIFR to allow the Company to refund the advances received from the developers by selling the Vile Parle property to the strategic buyer, subject to approval of the Hon'ble Supreme Court and High Court.

The Central Excise department litigation is pending before the Hon'ble AAIFR as also the Income Tax department litigation is pending before the Hon'ble Supreme Court and AAIFR.

In view of aforesaid constraints, presently the Company has not been able to proceed in its real estate business. However, the management is hopeful of receiving favorable decisions from Hon'ble Supreme Court and High Court as also approval of the MDRS from the Hon'ble BIFR to enable the Company to sell its Vile Parle properties. Your Directors are therefore, optimistic of commencement of real estate business.

#### **DIVIDEND**

Your Directors do not recommend any dividend on equity shares of the Company in view of the carried forward losses,

#### **SHARE CAPITAL:**

The paid up Equity Capital of the Company as on March 31, 2015 was ` 17,58,80,212 comprising of 1,76,00,802 equity shares of ` 10 each. During the year under review, the Company has neither bought back nor issued any kind of equity shares either by bonus or by right or stock option or sweat equity or otherwise.

#### **FINANCE:**

During the year under review, your Company continues to focus on judicious management of its working capital, receivables and inventories. Other working capital parameters are being kept under strict check through continuous monitoring.

#### **DEPOSITS :**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### **CORPORATE SOCIAL RESPONSIBILITY :**

The Company does not fall in any of the criteria as specified in section 135 (1) of the Companies Act, 2013 and accordingly, the Company is not required to comply with provision of section 135 of the Act and rules framed there under.

#### **CORPORATE GOVERNANCE**

The Company is committed to maximize the value of its stakeholders by adopting the principles of good Corporate Governance in line with the Companies Act , 2013 read with Clause 49 of the Listing Agreement with the Stock Exchange(s).A separate report of Corporate Governance stipulated under Clause 49 of the Listing Agreement forms part of Annual Report and annexed with the report.



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## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is given under the separate head where the detailed operational performance of the Company has been comprehensively discussed, which forms part of Annual Report and annexed with the report.

### ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

Good environment as well as safe & healthy working conditions are at the root of the good performance. Your Company has been in a constant quest for providing to its employees, a very congenial work environment which will in turn add to the performance of the Company. Keeping in mind the dynamism in the environment, your Company is continuously imparting requisite training to its employees in their respective fields of work.

Health and safety of our employees is of prime concern to us. The workplace is designed to abate the hazards naturally prone to our product. No accident or any pollution problem was noticed during the year. Care is taken to ensure that all laws pertaining to environment, pollution, health and safety of employees and other relevant enactments are being scrupulously adhered to. Our commitment towards the society in terms of providing a clean and healthy environment is of utmost concern and we pledge to take active efforts to preserve the same.

### DIRECTORS :

Shri A.K.Joshi retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board of Director has recommended for his re-appointment. Shri A.K.Joshi was appointed the Managing Director of the Company for a period of three years with effect from September 28, 2012. The Board of Directors at its meeting held on May 25, 2015 has re-appointed him as the Managing Director of a Company for a period of three years effective from September 28, 2015, subject to the approval of the members and other requisite authority, if any.

Pursuant to the provisions of Section 149 of the Act, Shri Bharat B. Merchant and Shri Vijay Kumar Bhandari have been appointed as Independent Directors for five consecutive years at the fifty –eighth Annual General Meeting of the Company held on September 22, 2013 up to the conclusion of the sixty- third Annual General Meeting of the Company to be held in the calendar year 2019. The terms and conditions of appointment of the independent directors are as per schedule IV of the Act.

Ms. Kokila Panchal was appointed as Additional Director by the Board with effect from March 31, 2015 to hold office up to ensuing AGM of the Company. The Board recommends the appointment of Ms. Kokila Panchal as an independent director with effect from March 31, 2015 pursuant to section 149 of the Act, and Clause 49 of the Listing Agreement to hold office for Five consecutive years i.e. up to March 30, 2020.

Shri R.R. Kumar resigned from the directorship of the Company effective from July 11, 2014 on attaining the age of 89 years. He was associated with the Company for over four decades in various capacities. Shri Ved Berry, the Executive Director of the Company also resigned due to personal reasons and relived from his services effective from July 21, 2014. The Board places on record its sincerest thanks and appreciation for the invaluable contribution and guidance provided by them.

All the Independent Directors have submitted a declaration that all of them meet the criteria of independence as provided in section 149(6) of the Act and Clause 49 of the Listing Agreement and there has been no change in the circumstances which may affect their status as independent director during the year. During the year under review the non executive Independent director of the Company had no pecuniary relationship or transaction with the Company.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance as well as the directors individually. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as Board composition and structure, effectiveness of board process, information and functioning etc. The Board and Nomination and Remuneration Committee (NRC) reviewed the performance of the individual directors. The Chairman of the Board /Committee was also evaluated on the key aspects of his role. In separate meeting of independent directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman of the Board was evaluated, taking into account the view of Executive and Non Executive Directors including the performance of the Board, its Committees and individual directors. The same was discussed in the Board meeting that followed in the meeting of the Independent Directors.

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## REMUNERATION POLICY

The Company's Policy on Directors' appointment and remuneration and other matter provided in section 178(3) of the Act has been disclosed in the Corporate Governance Report.

## INTERNAL FINANCIAL CONTROL

The Corporate Governance Policy guides the conduct of the affairs of your Company and clearly delineates the roles, responsibilities at each level of its key functionaries involved in governance. Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year under review no reportable material weakness in the operation was observed regular audit and review processes ensure that such systems are reinforced on an ongoing basis. Details in respect of internal financial controls and their adequacy are included in the Management Discussion & Analysis Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- c) they have 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) they have prepared the annual accounts on a going concern basis; and
- e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively;

based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the, internal, statutory and secretarial auditors and the review performed by the management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

## RELATED PARTY TRANSACTIONS

None of the transactions with related parties falls under the scope of section 188 (1) of the Companies Act, 2013. There were no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. All related party transactions that were entered into during the year under review were on arm's length basis and in the ordinary course of the business. Particulars of the transaction are available in the financial statement.

## SUBSIDIARY COMPANY

The Company is having four Subsidiary Companies i.e. Golden Realty & infrastructure Ltd., Golden Investment (Sikkim) Pvt. Ltd., GTC inc B.V. and Western Express Industries Ltd. and Raigadh Papers Limited, the subsidiary of Western Express Industries Limited as on March 31, 2015. There are no associate Companies within the meaning of section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries. Pursuant to provisions of Section 129(3) of the Companies Act, 2013.



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## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism/Whistleblower Policy to deal with instance of fraud and mismanagement, if any in the Company. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected Company's in India. The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and take appropriate action to ensure that the requisite standards of the professional and ethical conduct are always upheld. It is the Company's policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the whistleblower policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Whistleblower Policy is available on the Company's website [www.goldentobacco.in](http://www.goldentobacco.in)

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place in Anti Sexual Policy in line with the requirements of the Sexual Harrassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints were reported to the Board.

## **CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, confirming material compliance by the Company with the provisions of Corporate Governance is given by M/s. Lodha & Co., Chartered Accountants, Mumbai, annexed with the Corporate Governance Report, which forms part of this report.

As regards observation of Auditors in their Certificate for Corporate Governance relating to Nomination and Remuneration Committee comprised of only two Non Executive Directors against requirement of Non Executive Directors in Clause 49 IV(A), your Directors would like to state that earlier the Company had only two Non Executive Directors on the Board and accordingly the Committee could be comprised of only two Non Executive Directors. However, since now the Company has three Non Executive Director in place the Committee would be reconstituted accordingly.

## **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s Lodha & Co., Chartered Accountants, was appointed (three years) as statutory auditors of the Company from the conclusion of the fifty-eighth Annual General Meeting of the Company held on September 22, 2014 till the conclusion of Sixty-One Annual General Meeting to be held in the year 2016. It is proposed to ratify their appointment and remuneration.

## **EXTRACT OF ANNUAL RETURN:**

The extract of the Annual Return for the financial year 2014-15 in form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is forms part of Board's report and annexed herewith as per Annexure 1.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

The information on conversation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are forming part of Board's report and annexed as per Annexure 2.

## **SECRETARIAL AUDIT REPORT:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with other applicable provisions, if any the Board of Directors of the Company had appointed M/s Devesh Vimal & Co. a firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2014-15. The secretarial audit report for the financial year ended March 31, 2015 is forming part of Board's Report and annexed as per Annexure 3.



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## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements annexed with the financial statements pursuant to the requirement of Clause 32 read with Clause 41 of the Listing Agreement. The financial statements are prepared in accordance with Accounting Standard 21 of the Institute of Chartered Accounts of India. The Shareholders desires of obtaining the financial statement of your Company may obtain the same on request. The financial report the Subsidiary Companies are available for inspection at your Company's registered office during business hour on working days of the Company up to the date of AGM. A separate section on the performance and financial position of each of the Subsidiaries in form AOC-1 is part of the Board's report and is annexed as per Annexure 4.

### **INDUSTRIAL RELATIONS:**

Your Company enjoyed cordial relationship with workers and employees at all levels.

### **RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. The Company has framed developed Risk Management Policy including for identifying elements of risk which may threaten the existence of the Company, the same is already in operation.

### **BUSINESS RESPONSIBILITY REPORTING :**

Pursuant to the Listing Agreement with Stock Exchanges the Business Responsibility Report is applicable only to top 100 Companies, based on the market capitalization as on March 31, 2015 accordingly, the same is not applicable to your Company.

### **PARTICULARS OF EMPLOYEES:**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act, 2013 the Annual Reports are being sent to all the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the registered office of the Company during the business hours on working days of the Company up to the date of AGM. Any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

### **AUDITORS REPORT :**

There were no qualifications, reservations, adverse remark or disclaimer given by the Statutory Auditor. However, the emphasis of matter given by the Statutory Auditors' may refer the financial statement.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR COURTS:**

During the year under review, no material significant orders were passed by any regulator / Hon'ble Courts etc., which would impact the going concern status of the Company and its future operations. However, under Clause 36 of the Listing Agreement read with guidance note issued by the SEBI/Stock Exchanges, the Company has been reporting all the updates /major cases / litigations and other matters etc. from time to time to the Stock Exchanges.

### **LISTING OF EQUITY SHARES:**

The Equity Shares of your Company are listed on BSE and NSE. The Annual Listing fees for the year 2015-16 have been paid to both the Stock Exchanges.

### **MEETING OF THE BOARD OF DIRECTORS :**

During the year under review, seven meetings of the Board were held i.e. on May 27, 2014, August 14, 2014, September 12, 2014, September 22, 2014, November 13, 2014, November 21, 2014, and February 13, 2015. Details of meetings of the Board and their attendance are mentioned in the Corporate Governance Report.





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**AUDIT COMMITTEE:**

The composition of the Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. The Chairman of the Audit Committee is an Independent Director. The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures the efficiency and effectiveness of the operations of the Company and safeguarding of assets and adequacy of provisions for all liabilities. The details of meetings and their attendance are included in the Corporate Governance Report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The composition of the Nomination and Remuneration Committee (NRC) is in line with the section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. The Committee is to determine overall Company's Policy on remuneration packages and other terms and conditions of the appointment of the Executive Directors and senior management of the Company and sitting fees to the Non Executive Directors of the Company and also to approve payment of remuneration to Managing Directors or Whole Time Directors as fixed by the members of the Company and recommends to the Board of Directors for their approval. The details of meetings and their attendance are included in the Corporate Governance Report.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The composition of the Stakeholders Relationship Committee is in line with the section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. The Committee is look after the Stakeholders grievance and redressal of investors' complaints related to transfer of shares, non receipt of balance sheet, non receipt of dividend etc. The details of meetings and their attendance are included in the Corporate Governance Report.

**ACKNOWLEDGEMENTS:**

Your Directors express their deep gratitude and sincere appreciation for the whole-hearted assistance and co-operation extended to the Company by the Bankers, Financial Institutions, Business associates, Employees and all the Shareholders of the Company who have continued to repose utmost faith in the Company.

**For and on behalf of the Board**

**Place : Mumbai**  
**Date : May 25, 2015**

**Bharat B. Merchant**  
**Independent Director**

**A. K. Joshi**  
**Managing Director**



## ANNEXURE 1 TO THE BOARD'S REPORT

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

(Form No. MGT - 9)

[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	: L16000GJ1955PLC067605
ii.	Registration Date	: 28.06.1955
iii.	Name of the Company	: Golden Tobacco Limited
iv.	Category / Sub-category of the Company	: Company Limited by shares / Indian Non-Government Company
v.	Address of the Registered Office and contact details	: At Darjipura, Post Amaliyara, Vadodara - 390022 Gujarat, India Tel. (0265) 2540281 Fax : (0265) 2540281 E-Mail : share@goldentobacco.in Website : www.goldentobacco.in
vi.	Whether listed company	: Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	: M/s. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078 Tel. (22) 25963838 Fax : (22) 25946969 Email : rnt.helpdesk@linkintime.co.in

#### 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	% to total turnover of the company
1	Cigarettes & Cigars Manufacturing	12003	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Golden Realty & Infrastructure Limited	U45203GJ2008PLC080071	Subsidiary	100	2(87)
2	Western Express Industries Limited	U51900MH1991PLC063596	Subsidiary	100	2(87)
3	Golden Investment (Sikkim) Pvt. Ltd.	N/A	Subsidiary	99.97	2(87)
4	GTC INC.B.V	N/A	Subsidiary	100	2(87)
5	Raigadh Papers Limited	U99999MH1971PLC015362	Subsidiary	100	2(87)



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

##### i. Category-Wise Share Holding

Category of Shareholders		No. of Shares at the beginning of the year i.e 01.04.2014				No. of Shares at the end of the year i.e 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
a.	Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
b.	Central Government/ State Government(s).	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	4,581,725	-	4,581,725	26.02	4,581,725	-	4,581,725	26.02	0
d.	Financial Institutions /Bank	0	0	0	0	0	0	0	0	0
e.	Others - Trust	0	0	0	0	0	0	0	0	0
	<b>Sub - Total (A) (1)</b>	<b>4,581,725</b>	<b>-</b>	<b>4,581,725</b>	<b>26.02</b>	<b>4,581,725</b>	<b>-</b>	<b>4,581,725</b>	<b>26.02</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
a.	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Others - Trust	0	0	0	0	0	0	0	0	0
	<b>Sub - Total (A) (2)</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>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>4,581,725</b>	<b>-</b>	<b>4,581,725</b>	<b>26.02</b>	<b>4,581,725</b>	<b>-</b>	<b>4,581,725</b>	<b>26.02</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a.	Nutual Funds / UTI	190	850	1040	0.01	190	850	1040	0.01	0.00
b.	Financial Institutions /Bank	105145	9015	114160	0.65	5145	9015	14160	0.08	-0.57
c.	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	3050	3050	0.02	0	3050	3050	0.02	0
f.	Foreign Institutional Investors	495877	0	495877	2.82	29957	0	29957	0.17	-2.65
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Port folio Investors (Corporate)	0	0	0	0	0	0	0	0	0
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub - Total (B) (1)</b>	<b>601212</b>	<b>12915</b>	<b>614127</b>	<b>3.49</b>	<b>35292</b>	<b>0</b>	<b>48207</b>	<b>0.28</b>	<b>-3.21</b>



Category of Shareholders		No. of Shares at the beginning of the year i.e 01.04.2014				No. of Shares at the end of the year i.e 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2</b>	<b>Non - Institutions</b>									
a.	Bodies Corporate	5466443	18304	5484747	31.15	5440256	18304	5458560	31.00	<b>-0.15</b>
b.	Individuals									
i.	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	3832831	1364766	5197597	29.52	3953812	1336019	5289831	30.04	<b>0.52</b>
ii.	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1477897	100051	1577948	8.96	1967268	100051	2067319	11.74	<b>2.78</b>
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other	0	0	0	0	0	0	0	0	0
i.	Trusts	716	0	716	0	750	0	750	0	0
ii.	Foreign Companies	0	0	0	0	0	0	0	0	0
iii.	Clearing members / Clearing House	54791	0	54791	0.31	72462	0	72462	0.41	<b>0.10</b>
iv.	Non Residence indians (Repatriation)	66967	14620	81587	0.46	54762	14620	69382	0.39	<b>-0.07</b>
v.	Non Residence indians (Non Repatriation)	11814	3570	15384	0.09	16816	3570	20386	0.12	<b>0.03</b>
vi.	Directors & their relatives	180	0	180	0	180	0	180	0	0
	<b>Sub - Total (B) (2)</b>	<b>10911639</b>	<b>1501311</b>	<b>12412950</b>	<b>70.49</b>	<b>11506306</b>	<b>1472564</b>	<b>12978870</b>	<b>73.70</b>	<b>3.21</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>11512851</b>	<b>1514226</b>	<b>13027077</b>	<b>73.98</b>	<b>11541598</b>	<b>1485479</b>	<b>13027077</b>	<b>73.98</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>16094576</b>	<b>1514226</b>	<b>17608802</b>	<b>100.00</b>	<b>16123323</b>	<b>1485479</b>	<b>17608802</b>	<b>100.00</b>	<b>0.00</b>
<b>C.</b>	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	<b>0</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>16094576</b>	<b>1514226</b>	<b>17608802</b>	<b>100.00</b>	<b>16123323</b>	<b>1485479</b>	<b>17608802</b>	<b>100.00</b>	<b>0.00</b>



**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholders at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% Change in shareholding during the year
		No. of Shares	% of total Share of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged/ encumbered to total shares	
1	Dalmia Housing Finance Ltd.	800760	4.55	99.91	800760	4.55	99.91	0.00
2	Dear Investment Pvt. Ltd.	800000	4.54	100.00	800000	4.54	100.00	0.00
3	Lakshmi Vishnu Investment Ltd.	500485	2.84	99.90	500485	2.84	99.90	0.00
4	Swastik Commercial Pvt.Ltd.	404000	2.29	99.01	404000	2.29	99.01	0.00
5	Swagatham Investment Ltd.	398600	2.26	99.85	398600	2.26	99.85	0.00
6	Chirawa Investment Ltd.	107078	0.61	86.85	107078	0.61	86.85	0.00
7	GHCL Ltd.	272146	1.55	0	272146	1.55	0	0.00
8	Mourya Finance Ltd.	270945	1.54	36.91	270945	1.54	36.91	0.00
9	WGF Financial Services Ltd.	159232	0.90	0	159232	0.90	0	0.00
10	Bharatpur Investments Ltd.	147538	0.84	0	147538	0.84	0	0.00
11	Sovereign Commercial Pvt.Ltd.	132843	0.75	99.37	132843	0.75	99.37	0.00
12	General Exports and Credit Ltd.	101972	0.58	0	101972	0.58	0	0.00
13	Moderate Investment & Comm. Ent.Ltd.	70650	0.40	99.08	70650	0.40	99.08	0.00
14	Sikar Investment Company Ltd.	6920	0.04	0	6920	0.04	0	0.00
15	Gems Commercial Co Ltd.	144500	0.82	0	144500	0.82	0	0.00
16	Carissa Investment Pvt. Ltd.	48235	0.27	0	48235	0.27	0	0.00
17	Dalmia Finance Ltd.	42528	0.24	0	42528	0.24	0	0.00
18	Hotex Company Ltd.	38800	0.22	0	38800	0.22	0	0.00
19	Mansarover Commercial Pvt. Ltd.	28760	0.16	0	28760	0.16	0	0.00
20	International Resources Ltd.	11455	0.07	0	11455	0.07	0	0.00
21	Little Rock Trade And Investment Ltd.	22500	0.13	0	22500	0.13	0	0.00
22	Harvatex Engineering And Processing Co.	51320	0.29	0	51320	0.29	0	0.00
23	Excellent Commercial Enterprise & Investment Ltd.	8640	0.05	0	8640	0.05	0	0.00
24	Lovely Investment Pvt. Ltd.	6503	0.04	0	6503	0.04	0	0.00
25	Pashupatinath Comm.Pvt.Ltd.	2569	0.01	0	2569	0.01	0	0.00
26	Comosum Investment Pvt. Ltd.	960	0.01	0	960	0.01	0	0.00
27	Lampa Trading Company Ltd.	720	0.00	0	720	0.00	0	0.00
28	Oval Investment Private Ltd.	392	0.00	0	392	0.00	0	0.00
29	Elegant Investment Pvt. Ltd.	340	0.00	0	340	0.00	0	0.00
30	Altar Investment Pvt. Ltd.	334	0.00	0	334	0.00	0	0.00
	<b>TOTAL</b>	<b>4,581,725</b>	<b>26.02</b>	<b>71.87</b>	<b>4,581,725</b>	<b>26.02</b>	<b>71.87</b>	<b>0.00</b>



iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the company	No. of Shares	% of Total shares of the company
1	At the beginning of the year	4581725	26.02	4581725	26.02
2	Data wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	NIL	NIL
3	At the end of the year	4581725	26.02	4581725	26.02

Note : There was no change in Promoter's Shareholding between 01.04.2014 to 31.03.2015

iv. Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Top 10 Shareholders *	Shareholding at the beginning of the year 01-04-2014		Shareholding at the beginning of the year 31-03-2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	J.P Financial Services Pvt. Ltd.	1090000	6.19	1090000	6.19
2	Acacia Partners, LP	308668	1.75	0	0.00
3	Globe Capital Market Ltd.	426406	2.42	379517	2.16
4	SMS Holdings Pvt Ltd.	299724	1.70	299724	1.70
5	Narinder Pal Gupta	240000	1.36	240000	1.36
6	Lend Lease Company (India) Ltd.	490567	2.79	490567	2.79
7	Fidelity Multitrade Pvt. Ltd.	403865	2.29	553865	3.15
8	Vimal P. Khandwala	200000	1.14	200000	1.14
9	KIFS Securities Ltd.	261779	1.49	261967	1.49
10	Rajasthan Globe Securities limited	189122	1.08	390945	2.22
11	Noble Communications Pvt. Ltd	0	0.00	346112	1.97
<b>Total</b>		<b>3910131</b>	<b>22.21</b>	<b>4252697</b>	<b>24.15</b>

\* The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated.



v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Folio/Beneficiary Account no	Name	Period	Shareholding at the beginning of the year (1.4.2014)		Cumulative shareholding during the year (31.3.2015)	
				No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company*
1	IN30014210555467	Shri. Bharat B. Merchant	1-Apr-2014 to 31-Mar-2015	100	0.00	100	0.00
2	IN30009510210253	Shri. V. K. Bhandari	do	80	0.00	80	0.00
3	-	Shri. A. K. Joshi	do	0	0	0	0
4	-	Shri. Jaskaran S. Khurana	do	0	0	0	0
5	-	Shri. Ved Berry	do	0	0	0	0
6	-	Ms. Kokila Panchal	do	0	0	0	0
	<b>Total</b>			<b>180</b>	<b>0.00</b>	<b>180</b>	<b>0.00</b>

\*negligible

**Key Managerial Personnel**

1	-	Shri Manoj Kumar Srivastava	1-Apr-2014 to 31-Mar-2015	0	0	0	0
2	-	Shri Pawan Kumar Malsaria	do	0	0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness of the Company including interest outstanding / accrued but not due for payment</b>				
(i) Principal Amount	1,454,834,593	29,000,000	-	1,483,834,593
(ii) Interest Due but not paid	277,753,588	-	-	277,753,588
(ii) Interest accrued but not due On Excise and TDS	32,043,059	-	-	32,043,059
<b>Total (A)</b>	<b>1,764,631,240</b>	<b>-</b>	<b>-</b>	<b>1,764,631,240</b>
<b>Change in indebtedness during the financial year</b>				
(i) Addition	-	-	-	-
(ii) Reduction	-	4,000,000	-	4,000,000
(iii) Net Change	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the Financial year</b>				
(i) Principal Amount	1,439,348,303	25,000,000	-	<b>1,464,348,303</b>
(ii) Interest Due but not paid	412,619,598	-	-	412,619,598
(ii) Interest accrued but not due	44,396,743	-	-	44,396,743
<b>Total (C)</b>	<b>1,896,364,644</b>	<b>25,000,000</b>	<b>-</b>	<b>1,921,364,644</b>

**PENALTIES - PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Co.Act, 1956	Brief Discription	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/CLB / COURT)	appeal made, if any
<b>A. Company</b>					
(i) Penalty	-	-	-	-	-
(ii) Punishment	-	-	-	-	-
(iii) Compounding	<b>u/s 292(1)(c)</b>	<b>SUO-Moto Application</b>	<b>3500</b>	<b>RD</b>	<b>N/A</b>
	<b>u/s 292(1)(e)</b>		<b>3500</b>	<b>RD</b>	<b>N/A</b>
	<b>u/s 372(A)</b>		<b>5000</b>	<b>CLB</b>	<b>N/A</b>
	<b>u/s 211</b>		<b>2000</b>	<b>CLB</b>	<b>N/A</b>
<b>B. Directors</b>					
(i) Penalty	-	-	-	-	-
(ii) Punishment	-	-	-	-	-
(iii) Compounding	<b>u/s 292(1)(c)</b>	<b>SUO-Moto Application</b>	<b>7000</b>	<b>RD</b>	<b>N/A</b>
	<b>u/s 292(1)(e)</b>		<b>7000</b>	<b>RD</b>	<b>N/A</b>
	<b>u/s 372(A)</b>		<b>10000</b>	<b>CLB</b>	<b>N/A</b>
	<b>u/s 211</b>		<b>4000</b>	<b>CLB</b>	<b>N/A</b>
<b>C. Other Officers in Defult</b>					
(i) Penalty	-	-	-	-	-
(ii) Punishment					
(iii) Compounding	<b>u/s 292(1)(c)</b>	<b>SUO-Moto Application</b>	<b>3500</b>	<b>RD</b>	<b>N/A</b>
	<b>u/s 292(1)(e)</b>		<b>3500</b>	<b>RD</b>	<b>N/A</b>
	<b>u/s 372(A)</b>		<b>5000</b>	<b>CLB</b>	<b>N/A</b>
	<b>u/s 211</b>		<b>2000</b>	<b>CLB</b>	<b>N/A</b>





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(amount in `)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri A. K. Joshi Managing Director	Shri Jaskaran S. Khurana Executive Director	Shri Ved Barry Executive Director	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7,396,819	4,255,911	1,200,045	<b>12,852,775</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	350,882	187,350	9,942	<b>548,174</b>
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
5	Others*:				
	(i) Company's Contribution to Provident Fund	334,786	203,960	62,585	<b>601,331</b>
	(ii) Company's Contribution to Superannuation Fund	100,000	100,000	-	<b>200,000</b>
	(iii) Gratuity	134,129	81,714	-	<b>215,843</b>
	(iv) Others	327,600	484,239	129,033	<b>940,872</b>
	<b>Total (A)</b>	<b>8,644,216</b>	<b>5,313,174</b>	<b>1,401,605</b>	<b>15,358,995</b>
	<b>Ceiling as per the Act</b>	-	-	-	<b>18,225,813</b>

### B. REMUNERATION TO OTHER DIRECTORS / INDEPENDENT DIRECTORS

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri R. R. Kumar	Shri Bharat B. Merchant	Shri. V. K. Bhandari	Ms. Kokila Panchal*	
1	<b>Independent Directors</b>					
	Fee for attending Board Committee Meeting	20000	125000	115000	-	260000
	Commission	0	0	0	0	0
	Others, Please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>20000</b>	<b>125000</b>	<b>115000</b>	<b>0</b>	<b>260000</b>
2	<b>Other Non- Executive Directors</b>					0
	Fee for attending Board Committee Meeting	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, Please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B) = (1+2)</b>	<b>20000</b>	<b>125000</b>	<b>115000</b>	<b>0</b>	<b>260000</b>
	<b>Total Managerial Remuneration</b>	<b>20000</b>	<b>125000</b>	<b>115000</b>	<b>0</b>	<b>260000</b>
	<b>Overall Ceiling as per the Act</b>					<b>260000</b>



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Manoj Kumar Srivastava	Pawankumar Malsaria	
1	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	827,607	867,598	<b>1,695,205</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32,400	32,400	<b>64,800</b>
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others*			
	(i) Company's contribution to Provident Fund	56,544	56,942	<b>113,486</b>
	(ii) Company's contribution to Superannuation Fund	-	71,177	71,177
	(iii) Gratuity	22,654	22,813	45,467
	(iv) Others	117,867	117,867	235,734
	<b>Total</b>	<b>1,057,072</b>	<b>1,168,797</b>	<b>2,225,869</b>



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## ANNEXURE 2 TO THE BOARD'S REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The information stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as on March 31, 2015 are as follows :

#### 1. CONSERVATION OF ENERGY :

The Company continues to emphasize on conservation of energy, power and other energy sources. As a part of continuous efforts, the Company has taken following steps on conservation of energy:

- i. Implementation of the latest know-how in each stages of production resulting into enhancement in productivity levels.
- ii. Planned maintenance and up gradation of machineries and equipments to ensure optimum energy consumption.

The reduction of above energy consumption give impact as reduce the cost of production of goods as well as reduction in specific consumption of electrical energy enhanced the operational efficiency.

#### 2. TECHNOLOGY ABSORPTION:

Following efforts were made towards technology absorption in specific areas in the Research and Development was carried out by the Company:

- a. Developing blends of Cigars, Tipped Cigars, Pipe Tobacco and Smoking Mixture as per requirement and quality standard of International market.
- b. Developing of Slim & Super Slim Cigarettes of various types for global market.
- c. Online monitoring of process control parameters, for achieving high quality of product with optimum yield.
- d. Ongoing development in Packaging in enhancing the appearance in line adopting advanced packaging technologies.
- e. With international quality and also improving the product durability by improving printing Technology to achieve high quality printed packaging material.

Efforts in brief, made towards technology, adaptation and innovation which are as follows :

- i. Use of specific additives for improving product quality and smoke characteristics.
- ii. Monitoring each stage of production to ensure a final product.
- iii. Continues monitoring at each stage of production to ensure proper cost management with best and highest possible standard in quality parameters.
- iv. Offering customer unique products at a competitive price by continuous development work and close monitoring of each stage ensuring control on cost parameters at various stages of production.
- v. Benefits derived as a result of above efforts are quality products at optimized production cost.

#### Benefits derived from Research & Development :

- i. An appreciable enhancement in export volume, Cigars, & Cigarillos made in various categories of Fruity Flavors resulted in very wide acceptance in the Global Market.
- ii. Resulted a significant entry in the world of highly demanding Slims and Super Slims cigarettes.
- iii. Improved product consistency, yield and minimized fluctuations in tobacco chemistry.
- iv. Offering the customers products with International pack design/appearance in line with premium International Brands.



**Plan for Action:** Research & Development will be carried out with the Company on the above mentioned areas.

**Expenditure on R&D**

- i. Capital Expenditure: NIL
- ii. Recurring Expenditure : ` 60.86 lacs.
- iii. Total R & D Expenditure as % of Total Turnover : 0.5%
- iv. Technology Imported : NIL

**ACTIVITIES RELATED TO EXPORTS AND FUTURE OUTLOOK:**

- i. Though the export market of cigarettes/cigars is highly competitive and is tough due to various restrictions imposed by different countries / governments, the Company has performed reasonably well in export of its various brands and is hopeful to enhance the export volume in the years to come.
- ii. During the year under review, the Company has exported various brands of cigarettes aggregating (FOB) in Value ` 2399.66 Lacs and total ` 555.20 million sticks.

**3. FOREIGN EXCHANGE EARNING AND OUTGO :**

Foreign Exchange earnings and outgo	F.Y.2014-15	F.Y 2013-14
<b>Foreign Exchange earnings</b>		
(i) Cigarettes	2399.66	3219.63
(ii) Tobacco	NIL	NIL
Expenditure in foreign currency	40.28	26.86

Annexure - A  
May 25, 2015

To,  
The Members,  
Golden Tobacco Limited  
Darjipura, Post: Amaliyara  
Vadodara

Ref: Secretarial Audit Report pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Our Report of even date is to be read along with this letter.

- 1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and the processes as were appropriated to obtain reasonable assurance about the correctness of the contents of the secretarial records, the verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and the practices were followed which provided reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.
- 4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
- 5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Devesh Vimal & Co.  
Practising Company Secretaries**

**CS Devesh A. Pathak  
Partner  
M No. 4559**



## ANNEXURE 3 TO THE BOARD'S REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Form No. MR-3)

[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,**  
**Golden Tobacco Limited**  
**Darjipura**  
**Post: Amaliyara**  
**Vadodara**

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

Based on my/our verification of the Golden Tobacco 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Tobacco Board Act, 1975 as confirmed by the Company by its Management Letter. We 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 Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) Since the Company not issued any securities during the period under review:
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), guidelines, 1999
  - The Securities and Exchange board of India (Issue and Listing of Debt Securities) Regulations, 2008
- were not applicable during the period under review.
- (b) In view of neither delisting of Equity Shares nor buy back of any security of the Company,
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998 were not applicable during the period under review,
- (c) Secretarial Standards issued by the Institute of Company Secretaries of India were not mandatorily applicable during the period under review.
- (d) The Nomination and Remuneration Committee is comprised of only two Non Executive Directors as against the requirement of three or more Non Executive Directors pursuant to Section 178 of the Companies Act, 2013 as also Clause 49 of the listing agreement.

**I/we 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.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I/we 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.

**We further report that** during the audit period the company has

- (i) Obtained approval of members at their Annual General Meeting held on 22<sup>nd</sup> September, 2014 by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 authorizing the Board of Directors of the Company to borrow upto ` 500 Crores (Five Hundred Crores).

**For Devesh Vimal & Co.  
Practising Company Secretaries**

**Place : Vadodara  
Date : May 25, 2015**

**CS Devesh A. Pathak  
Partner  
FCS: 4559  
CP No. 2306**

**Note:** This report is to be read with our letter of event date which is enclosed as per Annexure-A forming integral part of this report.



## ANNEXURE 4 TO THE BOARD'S REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Amount in `)

Sr. No.	Name of the subsidiary	WESTERN EXPRESS INDUSTRIES LTD.	RAIGADH PAPERS LTD.	GOLDEN INVESTMENT (SIKKIM) P. LTD.	GOLDEN REALTY & INFRASTRUCTURE LTD.	GTC INC B.V.
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.	EURO Rs. 77.46
3.	Share capital	75,000,000	15,000,000	60,000	500,000	1,409,948
4.	Reserves & surplus	(147,219,983)	(11,298,734)	2,940,481	(483,767,101)	(5,552,420)
5.	Total Assets	26,340,856	7,660,441	3,351,081	1,970,893,377	3,021
6.	Total Liabilities	98,560,839	3,959,175	350,600	2,454,160,478	4,145,493
7.	Investments	1,201,533	NIL	2	NIL	NIL
8.	Turnover	NIL	NIL	NIL	NIL	NIL
9.	Profit before taxation	(110,397)	(731,710)	(14,235)	(1,641,178)	(709,504)
10.	Provision for taxation	NIL	NIL	NIL	NIL	NIL
11.	Profit after taxation	(110,397)	(731,710)	(14,235)	(1,641,178)	(709,504)
12.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
13.	% of shareholding	100	100	99.97	100	100
Notes:						
1.	Names of subsidiaries which are yet to commence operations	None	None	None	None	None
2.	Names of subsidiaries which have been liquidated or sold during the year.	None	None	None	None	None

#### Part "B": Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of the subsidiary	WESTERN EXPRESS INDUSTRIES LTD.	RAIGADH PAPERS LTD.	GOLDEN INVESTMENT (SIKKIM) P. LTD.	GOLDEN REALTY & INFRASTRUCTURE LTD.	GTC INC B.V.
1.	Name of Associates/Joint Ventures	None	None	None	None	None
2.	Latest audited Balance Sheet Date	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end					
	i. No.	N.A.	N.A.	N.A.	N.A.	N.A.
	ii. Amount of Investment in Associates/Joint Venture	N.A.	N.A.	N.A.	N.A.	N.A.
	iii. Extend of Holding %	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Description of how there is significant influence	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.	N.A.
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.	N.A.	N.A.	N.A.	N.A.
7.	Profit / Loss for the year					
	i. Considered in Consolidation	N.A.	N.A.	N.A.	N.A.	N.A.
	ii. Not Considered in Consolidation	N.A.	N.A.	N.A.	N.A.	N.A.
Notes:						
1.	Names of associates or joint ventures which are yet to commence operations.	None	None	None	None	None
2.	Names of associates or joint ventures which have been liquidated or sold during the year.	None	None	None	None	None

Place : Mumbai  
Date : May 25, 2015

A. K. Joshi  
Managing Director  
DIN : 00379820

For and on behalf of the Board  
Bharat B. Merchant      Manoj Kumar Srivastava  
Director                      Company Secretary  
DIN : 00300384



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Steep increases in Excise and VAT coupled with strong enforcement of anti smoking campaign by several states is taking its toll on the cigarette industry. Though the decline on paper is only 5% in the financial year 2014-15, the actual decline is much more. This is because a huge amount of stock was pushed into the market in the last quarter which remained unconsumed. This is borne out by the fact that industry cleared only 30% of last year's average sale in the month of April 2015.

The popular priced 65mm filter category introduced in the earlier budget was growing and was providing as a backup to down graders. However despite this segment averaging 1500 million in 2014-15, could not stem the industry decline. However since July last year after an excise increase of 70% this segment too has become static and in some areas begun declining. has added more than 1800 million per month to industry volume in the lower price sectors. However, despite this gain the industry has declined by more than 500 million sticks which is about 5%

Another two areas that continues to plague the industry is the growing grey market and cheap branded smuggled cigarettes. These products sell at 20%-25% price of branded products and offer the trade more than 250% profit margin. It is interesting to note that the excise component alone is more than the selling price of the cigarette. North India in particular is affected by the huge influx of cheap branded cigarettes manufactured by a subsidiary of ITC in Nepal which sell at less than half the price of Indian cigarettes.

As a result your Company sales volume has also declined. Though some gains have been made in the 65mm filter category, there has been a sharp erosion in the 65m m plain segment where plain now has to compete with filter at the same price.

Several restructuring activities in sales and distribution have resulted in considerable savings without compromising on productivity. There is urgent need to focus more sharply on the lower priced 65mm filter segment as this is the only segment that is likely to register some growth in the coming years.

### **OPPORTUNITIES, THREATS AND FUTURE OUTLOOK:**

In the last two budgets, excise duty on the 65mm filter segment has almost doubled. Yet this segment is showing signs of holding onto its segment volume and possibly register some gains in this financial year. This is an opportunity for the industry in general and your company in particular. This segment has already exhibited good growth prospects and your company has already taken steps to maximize benefits from the same.

The grey market cigarettes continue to be the biggest threat to the organized sector. These units have been set up in most of the states and continue their illegal acts and now account for a sizable volume of the total industry. The management has taken up this issue with the government at the highest level.

Anti smoking campaign has been gaining momentum and is now resulting in a decline in the incidence of smoking, particularly in the above 50 age group. State governments have also been strictly enforcing no smoking zones. This campaign is also likely to adversely impact the industry.





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Banning of loose stick sale by Chandigarh, Punjab & Mumbai is likely to impact the industry too as a substantial cigarette volume accrues from this purchasing habit. Not everyone will shift to pack buying. Your company is exploring options of introducing two and three stick packs to address this issue.

#### **SEGMENT WISE / PRODUCT WISE PERFORMANCE**

Segment wise / product wise performance reporting is not applicable to the Company since it is a uni-product Company.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has a sound and well defined internal control system commensurate with the size and nature of its business activities, which records transactions and operations; ensures protection against misuse or loss of the Company's assets; ensures efficiency in operations of the plant and facilitates transparency and accuracy of financial reporting. Under the system, regular Internal Audit is conducted to review the existing financial and operating controls, working and the feedback generated is used in improvements. These reports are placed before the Audit committee for their review at regular intervals. The system is assisted by an Enterprise Resource Planning (ERP) package named Baan employed to ensure efficient operation of the business enterprise.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT**

Your Company endeavors to move ahead with its most valuable resources, its employees. Our progress as a Company is very intimately entwined with the well being of our manpower. Realizing the essence, we have and will continue in the future to have cordial and healthy relations with the Unions. We pledge to continue to maintain these good industrial relations through concerted positive efforts.

The Company had 309 employees as on March 31, 2015, comprising of 68 in management / supervisory cadres, 26 in the staff cadres and 215 as workmen as compared to 368 of the previous at the beginning of the year.

#### **FINANCIAL PERFORMANCE**

The performance of the Company is adversely affected due to various reasons as mentioned in the Directors' Report. The gross turnover for the year under review stood at ` 10308.66 Lacs as against ` 11617.65 Lacs of the previous year. The Net Loss for the year under review was ` 3063.33 Lacs as against ` 2190.07 Lacs of the previous year.

#### **CAUTIONARY STATEMENT**

The above statements are based on the current scenario and the input available to the Directors. Any extraneous developments may have an impact on the above perceptions.



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of system and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owner of the Company and of their own role as trustees on behalf of the shareholders. The Company firmly believes that its affairs shall be conducted by following the best practices and principles, irrespective of its relation to the customers, employees, stakeholders or the community. It endeavors to provide detailed information on various issues concerning the Company's business and financial performance to the shareholders.

The Company is in compliance with the requirement stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to Corporate Governance.

### BOARD OF DIRECTORS

Corporate Governance begins at the top of its Governance structure, its Board of Directors, which comprises of eminent experts who are committed to the key underlying principles and values that constitute the best standards of corporate governance.

The Board of the Company is primarily responsible for protecting and enhancing shareholders' value besides fulfilling the company's obligations towards other stakeholders. The role of the Board of Director to provide strategic superintendence over the Company's management. All statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustee of the Shareholders. The Board of the Company is independent in making its decision and committed to address conflict of interest and impress upon the functionaries of the company to focus on transparency, accountability, integrity equality and responsibility.

#### Composition:

The Board of Directors ("the Board") of the Company comprises an optimum combination of Executive and Non Executive Independent Directors headed by the Non executive Independent Chairman of the Board. The Board is in conformity with Clause 49 of the Listing Agreement with the Stock Exchange(s). The Board are Board are eminent professionals in business, law, finance and have vast experience in their respective fields which enable them to contribute effectively to the Company in their capacity as members of the Board. No director is related to any other director. The composition of the Board as on March 31, 2015 was as under:

Category	Name of Director	No. of Director	%
Executive Directors	Shri A.K.Joshi	2	40
	Shri Jaskaran S. Khurana		
Non Executive Independent Directors	Shri Bharat B. Merchant	3	60
	Shri V.K.Bhandari		
	Ms. Kokila Panchal		

#### Board Meetings and Attendance:

The Board of Directors oversees the overall functioning of the Company .Board meetings are governed by the structured agenda. All major agenda items are backed up with comprehensive background information to enable the Board to take informed decisions. Agenda papers are circulated at least seven days prior to the Board Meeting. The Board Members in consultation with the Chairman of the meeting may bring up any matter for the consideration of the Board. The dates of Board meetings are fixed in advance in consultation with all the directors individually as per their convenience with objective to ensure the presence of independent directors in the Board Meetings.

During the year, seven Board Meetings were held i.e. May 27, 2014, August 14, 2014, September 12, 2014, September 22, 2014, November 13, 2014, November 21, 2014, and February 13, 2015 respectively. The Board meets at least once in a quarter with a gap of not more than 120 days as prescribed under Clause 49 of the Listing Agreement and the Companies Act, 2013. However, additional meetings are held whenever necessary. The attendance record of the directors at the Board meetings as well as last Annual General Meeting (AGM) held on September 22, 2014 are as under:



Name of Directors	Position	No. of Board Meeting		AGM
		Held	attended	Attended
Shri A.K. Joshi	Managing Director	7	7	Yes
Shri Jaskaran S. Khurana	Executive Director	7	7	Yes
Shri Ved Berry*	Executive Director	1	1	No.
Shri Bharat B. Merchant	Non Executive Independent Director	7	7	Yes
Shri V.K. Bhandari	Non Executive Independent Director	7	7	Yes
Shri R.R. Kumar **	Non-Executive Independent Director	1	1	No
Ms. Kokila Panchal ***	Non-Executive Independent Director	NIL	NIL	NIL

\*Resigned w.e.f. 21.7.2014 and \*\*11.7.2014, respectively \*\*\* appointed w.e.f. 31.03.2015

None of the Directors is a director in the more than ten public companies or acts as independent directors in more than seven listed companies. None of the directors on the Board is a member of more than ten committees and chairman of the five committees as per Clause 49(II)(D)(2) of the Listing Agreement across all the companies in which he/she is a director. The disclosure regarding the directorship and committee positions have been given by the directors who are on the Board of the company as on March 31, 2015 are as follows:

Name of Directors	DIN	Number of directorships in other Indian Public Ltd. Companies \$		Number of Committee in other Companies \$\$	
		Chairman	Member Other than Chairman	Chairman	Member Other than Chairman
Shri A.K. Joshi	00379820	-	2	-	1
Shri Jaskaran S. Khurana	03034960	-	-	-	-
Shri Ved Berry	05285054	-	-	-	-
Shri Bharat B. Merchant	00300384	-	3	-	-
Shri V.K.Bhandari	00052716	-	7	4	6
Ms. Kokila Panchal	7144653	-	-	-	-

\$ director in private companies, foreign companies and companies under section 8 under the Companies Act, 2013 are excluded for the purpose of determining the number of directorship / chairmanship and membership of the committee pursuant to requirement of conditions of corporate governance.

\$\$ for the purpose of reckoning the limit of committees only chairmanship /membership of the audit committee and the stakeholder's relationship committee has been considered.

During the year under review the company has not entered into any material transactions with its Non-Executive Directors except related party transaction reported in the financial report. The Company has received the declaration from independent directors of the company confirming their independence pursuant to requirement of Clause 49 of the Listing Agreement.

#### DIRECTORS' PROFILE:

The brief profile of each Director of the Company are as under :

##### Shri. A. K. Joshi:

Shri A. K. Joshi (DOB-01.01.1958) is Managing Director of the Company. He is a graduate in Commerce and fellow member of the Institute of Chartered Accountants of India (ICAI) having 32 years of rich experience in the field of Banking, Finance and Accounts. He joined the Company in the year 1993 as Dy. General Manager (Finance & Accounts) and inducted on the Board as Executive Director on October 21, 2003 having over three decades of Industrial and corporate experience in different capacity. He is Member of the Audit Committee and Nomination & Remuneration Committee of the Company. He is also Director on the Board of the Golden Reality and Infrastructure Ltd. and Western Express Industries Ltd., the subsidiary of the Company



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**Shri Jaskaran S. Khurana**

Shri Jaskaran S. Khurana (DOB-22.09.1972) is Executive Director of the Company. He is a graduate in Commerce and Masters of Business Administration (MBA). He is looking after the export business and production of the Company and is expert in the field of finance/sales (domestic as well as International Business), production with more than eighteen years of rich experience. He has joined the Dalmia's Group in the year 2007, and the Company in the year 2010 and inducted on the Board as Executive Director on May 23, 2013 of the Company. He is also Member of the Stakeholders Relationship Committee of the Company.

**Shri Bharat B. Merchant:**

Shri Bharat B. Merchant (DOB-24.06.1948) is a Non-Executive Independent Director of the Company. He is graduate in Arts and did Master of Laws (LL.M) from Cornell University, USA. He is Solicitor and Advocate practicing since 1972. He is a Sole Proprietor of the firm M/s Thakordas and Madgavkar, Advocates & Solicitors, one of the leading legal firms in Mumbai and is actively engaged over forty five years in conducting arbitration, commercial litigation and attending corporate and property matters. He is a Member of the Bombay Incorporated Law Society. He was inducted on the Board on July 26, 2009 as Non Executive Independent Director of the Company. He is a Member of Board of Directors of the Company as also member of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee (NRC) of the Company.

**Shri Vijay Kumar Bhandari:**

Shri Vijay Kumar Bhandari (DOB-14.10.1943) is a Non-Executive Independent Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India (ICAI) having more than forty three years of rich experience in the fields of Banking and Finance. He worked in the Central Bank of India from 1971 to 2003 and retired as General Manager on October 31, 2003. Since then he is practicing as a Chartered Accountant in Mumbai. He was inducted on the Board on July 31, 2009 of the Company. He is also the Member of the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

**Ms. Kokila Panchal:**

Ms. Kokila Panchal (DOB-20.09.1948) is a Non-Executive Independent Director of the Company. She is Bachelor in Arts and Laws. She is an Advocate practicing over thirty years in the High Court Mumbai with an expertise in the Property matters. She was inducted on the Board on March 31, 2015 of the Company.

**COMMITTEES OF THE BOARD****A. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with and with the terms of reference of the matters as specified in the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 177 of the Companies Act, 2013.

**Terms of Reference :**

The board terms of reference of the Audit Committee are as follows :

- (i) Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial information reflects a true and fair position and that sufficient and credible information is disclosed.
- (ii) Recommending the appointment and removal of Statutory Auditors, fixation of audit fee and also approval for payment for any other services.
- (iii) Discussion with Statutory Auditors before the audit commences, nature and scope of audit as well post-audit discussion to ascertain any area of concern.
- (iv) Reviewing the financial statement and draft audit report including the quarterly financial information and reports.
- (v) Review of the annual financial statement before submission to the Board, focusing primarily on any change in accounting policies, qualifications in draft auditors' report, Compliance with Accounting Standard, Compliance with the stock exchanges and legal requirement concerning financial statements.
- (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relative etc. that may have potential conflict with the interest of the Company at large.
- (vii) Reviewing the Company's financial and risk policies.
- (viii) Disclosure of contingent liabilities.
- (ix) Reviewing, with the Management, external and internal auditors, the adequacy of internal control system.
- (x) Review and discussion with the Internal Auditors regarding the adequacy of the internal audit function, approval of the audit plan and its execution, structure, coverage and frequency of internal audit.



### Composition and Attendance :

During the year four meetings of the Audit Committee were held i.e May 27, 2014, August 14, 2014, November 13, 2014 and February 13, 2015. The necessary quorum was present in all the meetings. The Audit Committee consist of three Non Executive Independent Directors including one Non Executive Non Independent Director, the details of meeting and attendance as under :

Name	Composition	No. of Meetings	
		Held	Attended
Shri R. R. Kumar *	Member	1	1
Shri Bharat B. Merchant	Member	4	4
Shri V. K. Bhandari	Member	3	3
Shri A.K.Joshi	Member	3	3

\* resigned w.e.f. 11.07.2014

The Board of Directors in its meeting held on August 14, 2014 re-constituted the Audit Committee comprising with Shri Bharat B. Merchant, Shri V.K.Bhandari and Shri A.K. Joshi. All the members of Committee possess adequate knowledge of Accounts, Audit and Finance and Non Executive Independent Director of the Company except Shri A.K.Joshi, Managing Director. The Committee invites such of the executives/officers/Managers as it considers appropriate to be present at its meetings. The Statutory Auditors from Lodha & Co. attended all the Audit Committee meetings. Shri Manoj Kumar Srivastava, Company Secretary, attended all the meetings and acted as Secretary of the Audit Committee.

### B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 178 of the Companies Act, 2013, read with schedule IV of the Companies Act, 2013.

#### Terms of reference :

The Nomination & Remuneration Committee (NRC) is to determine overall Company's Policy on Remuneration Packages and other terms and conditions of the appointment of the Executive Directors Non Executive Director and senior management personnel of the Company as well as sitting fees to the Non Executive Directors of the Company within the overall ceiling pursuant to the Companies Act, 2013 including remuneration payable to Managing Director or Whole Time Directors fixed by members of the Company and recommends to the Board of Directors for their approval. The broad terms of reference of the Nomination and Remuneration Committee are as follows :

- Identifying 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 carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors key managerial personnel and other employee of the Company.
- Formulate the criteria for evaluation of Independent director and the Board.
- Devising the policy on Board diversity.
- Recommendation to the Board appointment of Key Managerial Personnel (KMP as defined by the Act) and other senior management of the Company.

### Composition and Attendance :

During the year, three meeting of the Nomination & Remuneration Committee was held i. e. May 27, 2014, November 13, 2014 and March 16, 2015. The details of meeting and attendance are as under :

Name	Category	No. of Meetings	
		Held	Attended
Shri R.R.Kumar *	Non Executive Independent Director	1	1
Shri Bharat B. Merchant	Non Executive Independent Director	3	3
Shri V. K. Bhandari	Non Executive Independent Director	3	3
Shri A.K.Joshi	Managing Director	2	2

\* resigned w.e.f.11.07.2014



The Board of Directors of the Company in its meeting held on August 14, 2014 re-constituted the Nomination and Remuneration Committee comprising with Shri Bharat B. Merchant Shri V.K.Bhandari and Shri A.K.Joshi. All the members of the committee are Non Executive Independent Directors except Shri A. K. Joshi Managing Director of the Company.

#### Remuneration Policy :

The Company's Remuneration Policy is driven by the success and performance of the individual employee and the Company. The objective of the remuneration policy of the Company for Directors and Senior management is to focus on enhancing the value, to attract and retain talent for achieving objective of the company. The Remuneration Policy of the Company has been posted on the company's website: [www.goldentobacco.in](http://www.goldentobacco.in).

The following guidelines which has been followed while formulating the remuneration policy :

- i. Ensuring 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.
- ii. Motivate KMP and Senior Management to achieve excellence in their performance.
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iv. Ensuring that the remuneration to Directors, KMP and Senior Management involves a balance between fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company's pays remuneration by way of salary, benefits perquisites and other allowances i.e. contribution to provident fund, superannuation fund and gratuity and encashment of leave etc as per the Policy and relevant applicable laws if any. at the end of services /tenure to its Managing Director and the Executive Directors and senior management personnel of the Company. The Remuneration payable to the Managing Director and Executive Directors is governed by the Remuneration package approved by the Board and Members of the Company. The Annual increment is decided by the Nomination and Remuneration Committee within the salary scale approved by the members of the Company. However, the Managing Director and Executive Directors of the Company get a Variable Performance Pay (VPP) based on their performance and as per the Company's Policy. During the year under review no VPP was paid or payable to the Managing Director /Executive Director etc.

The Non-Executive Independent Directors are paid remuneration by way of sitting fees. The Board of Directors has increased the sitting fees payable to the Non Executive Independent Directors on its meeting held on November 13,2014 at ₹ 10,000/- plus reimbursement of expenses for each meeting of the Board and its Committees meeting attended by them. Sitting fees is being paid to Non-Executive Directors in accordance with the provisions of the Companies Act, 2013 and Articles of Association. No other remuneration is being paid to them by the Company. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors. The remuneration paid/payable to the Executive Directors and Non-Executive directors for the period April 1, 2014 to March 31, 2015 are as follows:

Name	Salary & Perquisites (₹)	Sitting Fees	Variable Performance Pay (VPP)
Shri A.K. Joshi	81,70,046	-	-
Shri Jaskaran S. Khurana	42,71,460	-	-
Shri Ved Berry	12,91,605	-	-
Shri R.R. Kumar	-	20000	-
Shri Bharat B. Merchant	-	125000	—
Shri V.K.Bhandari	-	115000	-
Ms. Kokila Panchal	-	-	-



### Information of Directors' Shareholding as on March 31, 2015 :

Shri Bharat B. Merchant and Shri Vijay Kumar Bhandari, Non Executive Independent Directors holding 100 and 80 shares respectively in the Company. No other director or Key Managerial Personnel (KMP) holds any shares in the Company.

### C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 178 of the Companies Act, 2013.

The Committee oversees redressal of Shareholders and Investor grievances relating to transfer of shares, non receipt of balance sheet, non receipt of dividend etc. and inter-alia approves transmission of shares, sub division/consolidation / renewal /issue of duplicate share certificate etc.

#### Terms of Reference:

The broad terms and reference of the Committee is as follows:

- i. To review the report submitted by the Registrars and Share Transfer Agents (RTA) of the Company on quarterly basis.
- ii. To interact periodically with the Registrars and Share Transfer Agents (RTA) to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.
- iii. To follow-up on the implementation of suggestions for improvement.
- iv. To periodically report to the Board about serious concerns if any.
- v. To consider and resolve the grievances of the security holders of the company.

### COMPOSITION

The Composition of the Stakeholders Relationship Committee is comprised of three Directors. Details of the composition of the Committee and meetings held and attended by its members are given below:

Name of Director	Category	No. of Meetings	
		Held	Attended
Shri R. R. Kumar *	Non Executive Independent Director	1	1
Shri Bharat B. Merchant	Non Executive Independent Director	4	4
Shri V. K. Bhandari	Non Executive Independent Director	4	4
Shri Jaskaran S. Khurana	Executive Director	3	3

\* resigned w.e.f.11.07.2014

The Board of Directors in its meeting held on August 14, 2014 reconstituted the Stakeholders Relationship Committee comprising with Shri Bharat B. Merchant, Shri V.K. Bhandari and Shri Jaskaran S. Khurana. All the members are Independent Directors except Shri Jaskaran S. Khurana, Executive Director of the Company.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company believes that a Board, which is well informed /familiarized with the Company, can contribute significantly to effectively discharge its role of trusteeship. In pursuit to this the directors are updated on a continuing basis on changes/ development in the corporate and the industry as well including the changes in legal and economic environment, to enable them to take well informed and timely decisions. The familiarization programme was held on November 13, 2014 and the same is available on the Company's website [www.goldentobacco.in](http://www.goldentobacco.in).

#### Name, Designation and address of Compliance Officer:

Shri Manoj Kumar Srivastava, Company Secretary, Golden Tobacco Limited.



At Darjipura Post Amalityara,  
Vadodara-390022, GUJARAT.  
Ph. No. 0265-2540281, FAX-0265-2541700  
Email: [share@goldentobacco.in](mailto:share@goldentobacco.in), [csmanoj@goldentobaacco.in](mailto:csmanoj@goldentobaacco.in)  
website: [www.goldentobacco.in](http://www.goldentobacco.in)

**Investors' Complaints received and addressed during the year 2014-15 are as follows:**

Opening	Received During the year	Resolved during the year	Closing Balance
NIL	15	15	0

**General Body Meetings**

**(a) Annual General Meeting :**

The details of last three Annual General Meetings are as under:

Financial Year	Date	Day	Time	Venue	Special Resolution
2011-12	September 27, 2012	Thursday	3.30 P.M.	Registered Office	3
2012-13	September 27, 2013	Friday	3.30 P.M.	Registered Office	3
2013-14	September 22, 2014	Monday	12.30 P.M.	Registered Office	1

**I. Special Resolution:**

All the resolutions, including special resolutions set out in the respective notice were passed by the shareholders.

**II. Postal Ballot and E-voting:**

Approval of Members by Postal Ballot including e-voting was sought to authorize the Board of Directors to sell, transfer or otherwise dispose of the land owned by the Company at Vile Parle S.V. Road, Mumbai-400056, pursuant to section 180(1)(a) of the Companies Act, 2013 vide notice dated Sep.12,2014 . However, the same was not assented by requisite majority. The Postal Ballot exercise was conducted by Shri S. Samdani, practicing Company Secretary.

**(b) Extraordinary General Meeting :**

No Extraordinary General Meeting of the members was held during the year 2014-15

**Disclosures**

- (i) Material significant related party transactions which may have potential conflict with the interests of the Company: **NIL**
- (ii) Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large : **NIL**
- (iii) Details of Non-compliance by the Company, penalties strictures imposed on the Company by the Stock Exchanges or The SEBI or any statutory authority on any matter related to the capital market during the last three years 2012-13, 2013-14 and 2014-15 are respectively : **NIL**.
- (iv) The Company has adopted a Whistleblower Policy and has established the necessary vigil mechanism for employee and directors to report concerns about unethical behavior. No person has been detained access to the chairman of the audit committee. The said policy has also been put up on company's website [www.goldentobacco.in](http://www.goldentobacco.in)
- (v) The Company has framed developed Risk Management Policy including for identifying elements of risk which may threaten the existence of the Company which is already operational.
- (vi) The Code of Conduct applicable to directors and senior management personnel of the Company and the same has been complied with and they have confirmed their adherence to the provisions of the said Code.
- (vii) All mandatory requirements are complied with and the non mandatory provisions are adopted wherever necessary.





## Means of Communication

The quarterly financial results of the Company are forwarded to the Stock Exchanges immediately on being approved by the Board of Directors and are also published in widely circulated National Daily and Local Gujarati Daily. The Financial results are also displayed on the Company's website [www.goldentobacco.in](http://www.goldentobacco.in). The details of communications are as under :

Sl. No.	Particulars	Name of Newspaper	Quarter - I (Unaudited)	Quarter - II (Unaudited)	Quarter - III (Unaudited)	Quarter and Financial Year ended March 31, 2015 (Audited)
1.	English Newspapers in which quarterly results were published.	Business Standard (Ahmedabad edition)	August 15, 2014	November 14, 2014	February 14, 2015	May 26, 2015
2.	Vernacular Newspapers in which quarterly results were published.	Loksatta - Gujarati (Baroda edition)	August 15, 2014	November 14, 2014	February 14, 2015	May 26, 2015
3.	Name of Stock Exchange(s)	BSE & NSE	August 14, 2014	November 13, 2014	February 13, 2015	May 25, 2015

## Code of Conduct :

The Company's Code of Conduct as adopted by the Board of Directors, is applicable to Directors and senior management employees of the Company. The Code is derived from the three interlinked fundamental principles i.e. Good Corporate Governance, Good Corporate Citizenship and extremely personnel conduct in relation to the Company's business and reputation. The Code is available on [www.goldentobacco.in](http://www.goldentobacco.in).

## Code of Conduct for Prevention of Insider Trading-2015

The Board of Directors of the Company has formulated, approved and adopted the Golden Tobacco Limited - Code of Conduct for Prevention of Insider Trading -2015 inter alia prohibiting purchase/sale of shares by Directors and designated employees, while in the possession of Unpublished Price Sensitive Information (UPSI) in relation to the Company's Shares. The Company Secretary acts as the "Compliance Officer" to implement the provisions of the aforesaid Insider Trading Regulations, 2015.

## DECLARATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT :

All the Directors and senior Management of the Company have affirmed compliance with the Golden Tobacco Code of Conduct for the financial year ended March 31, 2015 as required under Clause 49 of the Listing Agreement.

**A.K.Joshi**  
Managing Director

## GENERAL SHAREHOLDERS INFORMATION

### I. Annual General Meeting

The 59th Annual General Meeting is scheduled to be held on :

**Day, Date and Time** : Friday, September 25, 2015 at 12.15 P.M.

**Venue** : At Darjipura, Post- Amaliyara, Vadodara, 390022. GUJARAT

**Book Closure Date** : Monday, September 21, 2015 to Friday 25, September, 2015 (both days inclusive)

**Dividend** : Nil

As required under Clause 49(IV)(G)(I) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment /reappointment at the forthcoming Annual General Meeting are given in the annexure to the notice of the Annual General Meeting to be held on September 25, 2015.

**II. Registered Office** : At DARJIPURA, POST-AMALIYARA, DIST- VADODARA, GUJARAT-390022

**III. Financial Calendar** : 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2016



**IV. Events for the Financial Year 2015-16 are as under:**

Audited Annual Results for the year ended March 31, 2015	On 25th May,2015
Unaudited First Quarter Results	By 15 <sup>th</sup> August, 2015
Unaudited Second Quarter Results	By 15 <sup>th</sup> November, 2015
Unaudited Third Quarter Results	By 15 <sup>th</sup> February, 2016
Audited Fourth Quarter Results	By 30 <sup>th</sup> May, 2016

**V. Listing on Stock Exchanges**

Name and Address of the Stock Exchange	Stock Code No.
<b>National Stock Exchange of India Ltd.</b> Exchange Plaza,5 <sup>th</sup> floor, Plot No.C/1, 'G' Block, Bandra – Kurla Complex, Mumbai 400 051.	5251
<b>Bombay Stock Exchange Ltd.</b> Phiroz Jeejeebhoy Towers,Dalal Street,Mumbai 400 021	500151

**VI. ISIN No. :** INE973A01010

**VII. CIN :** L16000GJ1955PLC067605

**VIII. Market Price Data for the financial year 2014-15 :**

Month	BSE		BSE - SENSEX		NSE		NSE - NIFT	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-14	27.15	26.35	22680.46	22284.96	27.80	25.20	6780.15	6656.80
May-14	31.10	28.40	24353.59	24163.62	29.50	28.25	7272.50	7118.45
Jun-14	27.90	26.75	25460.96	25179.55	27.70	26.55	7623.65	7531.60
Jul-14	22.80	21.20	26118.88	25853.69	22.40	21.00	7791.85	7711.15
Aug-14	24.85	23.10	26674.38	26573.69	24.10	23.45	7967.80	7939.20
Sep-14	24.20	22.40	26851.33	26481.31	23.90	22.45	8030.90	7923.85
Oct-14	28.35	24.10	27894.32	27438.28	28.25	23.85	8330.75	8198.05
Nov-14	38.75	36.35	28822.37	28483.99	38.90	36.20	8617.00	8516.25
Dec-14	62.80	57.10	27527.24	27346.00	62.80	57.25	8291.00	8243.75
Jan-15	53.00	49.15	29844.16	29070.48	52.05	49.55	8996.60	8775.10
Feb-15	50.45	45.10	29254.02	28837.06	50.20	46.10	8856.95	8717.45
Mar-15	37.45	36.60	28180.64	27868.21	37.90	35.10	8550.45	8454.15

**IX. Distribution of Shareholding as on March 31, 2015**

No. of Shares	No. of Shareholders	% of shareholders	No. of shares	% of shareholding
1-500	28698	94.02	2971372	16.87
501-1000	927	3.04	724141	4.11
1001-2000	426	1.40	643855	3.66
2001-3000	137	0.45	348417	1.98
3001-4000	63	0.21	222300	1.26
4001-5000	58	0.19	273098	1.55
5001-10000	97	0.32	719606	4.09
10001 and above	117	0.38	11706013	66.48
<b>TOTAL</b>	<b>30523</b>	<b>100.00</b>	<b>17608802</b>	<b>100.00</b>



### VIII. Shareholding Pattern as on March 31, 2015

Sr.No.	Shareholders	No. of Demat Shares	No. of Physical Shares	Total	% Shares
1.	Promoters	4581725	-	4581725	26.02
2.	Financial Institutions / Banks	5145	9015	14160	0.08
3.	Mutual Funds	190	850	1040	0.01
4.	FII's	29957	-	29957	0.17
4.	Bodies Corporate	5440256	18304	5458560	31.00
5.	Non-Resident	54762	14620	69382	0.39
6.	General Public	6010538	1442690	7453228	42.33
7.	Trusts	750	-	750	0.00*
	<b>Total</b>	<b>16123323</b>	<b>1485479</b>	<b>17608802</b>	<b>100.00</b>

\* Negligible

### IX. GDR's/ADR's

The Company has not issued any GDR's/ADR's and there was no warrant or any convertible instruments outstanding.

### X. Share Transfer System

On receipt of the applications for transfers, deletion of names, transmission etc. in physical form and if the same are found to be in order are normally registered by our Registrar and Transfer Agent (RTA) within the stipulated period as mentioned in the Listing Agreement of the Stock Exchanges. Also the shares under objections are returned within the stipulated time frame.

#### Registrar and Transfer Agent (RTA)

Share Transfer and all other Investor's /Shareholder's related activities are attended and processed by our Registrar and Transfer Agent for lodgment of transfer deeds and any other documents with M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078. Tell. No.(022) 25946970 Fax: (022) 2594 6969.

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

### XI. Dematerialization of Shares & Liquidity :

The process of conversion of Shares from physical form to electronic form known as dematerialization. For dematerialization of shares, the shareholders have to open a Demat account with Depository Participant (DP). The shareholder is required to fill in a Demat Request Form (DRF) and submit the same along with Share Certificate(s) to the DP. The DP will allocate a Demat request number and shall forward the request, both physically and electronically, through NSDL/CDCL to the R & T A. On receipt of the Demat request electronically and after verification, the shares are dematerialized and an electronic credit of shares is given in the account of the shareholder. As on March 31, 2015, 16123323 i.e. 91.56% of the shares of the Company are in dematerialized form.

### XII. PLANT LOCATION OF THE COMPANY : At Darjipura, Post –Amaliyara, Vadodara, Gujarat-390022.

### XIII. ADDRESS FOR CORRESPONDENCE

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned above. The Shareholders having securities in the dematerialized form should give instruction relating to change of address, nomination and /or power of attorney executed by the shareholders directly to their respective Depository Participants. Alternatively shareholders may contact to the Company Secretary at the registered office of the Company or email at [share@goldentobacco.in](mailto:share@goldentobacco.in), [csmanoj@goldentobacco.in](mailto:csmanoj@goldentobacco.in)

**XIV. COMPLIANCE:** In compliance with Listing Agreement executed with the Stock Exchanges, the Company has obtained the certificate regarding compliance of conditions of Corporate Governance from M/s. Lodha & Co. Chartered Accountants, Mumbai, which appears as a part of the Annual Report of the Company.

**For Golden Tobacco Limited**

Place : Mumbai  
Date : May 25, 2015

**A.K.JOSHI**  
MANAGING DIRECTOR



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**CERTIFICATE OF CEO/CFO**  
(Under Clause 49(B))

To,  
The Board of Directors,  
Golden Tobacco Ltd.

1. We have reviewed financial statement and cash flow statement of Golden Tobacco Limited for the year ended March 31, 2015 and to the best of our knowledge and belief :
  - i. This statement does not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - ii. 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, if any.
2. There are to the best of our knowledge and belief, no transaction has been entered into by the Company during the year under review, which are fraudulent, illegal or violative of the Company's Code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control system pertaining to financial reporting system. We have not come across any not worthy deficiencies in the design of operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee :
  - i. that there is no significant changes in internal control over financial reporting during the year ;
  - ii. that there are significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware or we are involved.

**For Golden Tobacco Limited**

**Place : Mumbai**  
**Date : May 25, 2015**

**A.K.JOSHI**  
**MANAGING DIRECTOR**

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**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Board of Directors,  
Golden Tobacco Limited

We have examined the compliance of conditions of Corporate Governance by **Golden Tobacco Limited** ("the Company") for the financial year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements *except for Clause 49-IV(A) requiring all non Executive Directors as member of Nomination and Remuneration Committee (NRC) whereas the present committee is comprised of two non executive directors and one executive director for the period from October 1, 2014 to March 31, 2015.*

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

**For M/s LODHA & CO.**  
Firm Regn. No. 301051E  
Chartered Accountants  
**R. P. Baradiya**  
Partner  
Membership No. 44101

**Place : Mumbai**  
**Date : May 25, 2015**



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## **INDEPENDENT AUDITOR'S REPORT**

**To  
The Members of  
GOLDEN TOBACCO LIMITED**

### **Report on the Standalone Financial Statements**

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of 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 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015;
- (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Emphasis of Matter:**

Without qualifying, we draw attention to the following:

- (a) the appropriateness or otherwise of the preparation of these standalone financial statements on a going concern basis, in view the Company's net worth having been entirely eroded as also the restrictions placed by the Hon'ble Supreme Court to



deal with the properties of the Company and also by the Gujarat High Court particularly in respect of Vile Parle property. The Company has however, prepared the financial statements on a going concern basis as the management is hopeful to turn around the Company's business performance and expects favourable decision by the aforesaid courts and consequential early finalization of Modified Draft Rehabilitation Scheme (MDRS), inter alia, providing for early disposal of Company's surplus properties. (Refer note no. 25.(10) of the standalone financial statements)

- (b) The Company's Revised MDRS submitted to the Monitoring Agency for their consideration, which is pending and consequential impact, if any, including provisions/reliefs and payment of interest on various advances taken by the Company, etc. as and when the scheme is sanctioned (Refer note no. 25(1)(1.1) (c) of the standalone financial statements).
- (c) There is substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 2,12,32,345 (Previous year ` 3,55,10,361) as compared to its market value which, in the opinion of the management is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature (Refer note no.9.1 of the standalone financial statements).

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer note no.25(1) (1.1) (a) to (e) and 25 (7) (a) of the standalone financial statements)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For LODHA & COMPANY**  
**Chartered Accountants**  
Firm Registration No. 301051E

**R. P. Baradiya**  
**Partner**  
Membership No. 44101

**Place : Mumbai**  
**Date : May 25, 2015**



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**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GOLDEN TOBACCO LIMITED ON THE STANDALONE FINANCIAL STATEMENTS**

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

1. (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has carried out physical verification its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification *except a Flat having Gross Book Value of ` 66,44,825 (Net Book Value: ` 37,27,501) as on March, 2015 which, as explained by the Management, is in the wrongful possession of the family member of an ex-employee for a long time. The Company had already initiated legal proceedings against the said ex- employee and on his demise; the names of his family members were substituted. The Company is pursuing litigation so that the flat can be vacated at the earliest. We are, however, unable to comment as to when the said flat would be released to the Company and on the ultimate realisability of the carrying value thereof.*
2. (a) The inventories of the Company at its major locations have been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit as on 31<sup>st</sup> March, 2015 have been verified by the management with reference to confirmation or statement of account or correspondence obtained from the third parties and /or subsequent receipt of inventory.  
  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
(c) The Company has maintained proper records of inventory and the discrepancies noticed between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased and sold are of the special nature in respect of which suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and nature of its business for purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the aforesaid internal control systems.
5. In our Opinion and according to the information and explanations given to us, the Company has not accepted any public deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
6. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 148 (1) of the Act have been maintained. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and complete.
7. (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.  
  
(b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Wealth Tax, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of any dispute except the following :



NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTE IS PENDING
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1993-98	261,308	Sales Tax Appellate Tribunal- Coimbatore
The Kerala Value Added Tax Act, 2003	Sales Tax	2008-09 to 2009-10	913,736	Commissioner Sales Tax- Kochi
The Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1993	Entry Tax	2003 to 2011	13,70,39,667	High Court- Bihar
The Tamilnadu Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	Various Year	3,03,59,060	Supreme Court
The Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Various Years	70,13,122	Joint Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax	1984-85 to 2007-08	1,149,564,577	Income tax Appellate Tribunal/ Bombay High Court
		1984-85 to 1986-87 & 2008-09	829,269,559	Income Tax Commissioner (Appeals)
		1987-88 to 1991-92	102,557,479	Assessing Officer
Central Excise Act, 1944	Excise Duty	1979,1986,1997 and 1998	29,58,17,161	Supreme Court of India
		2000,2003 and 2004	3,39,67,596	High Court, Mumbai
		1983,1994,1995,1999, 2002,2003,2007 and 2011	39,83,07,219	Customs, Excise, Service Tax Appellate Tribunal
		1979 to 2011	10,138,752	Commissioner of Central Excise

- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. The accumulated losses of the Company at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses during the current financial year as well as in the immediately preceding financial year.
  9. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us there has been no default in repayment of dues to banks except for a delay ranging from 3-90 days of ` 69,500,000 towards principal and Interest of ` 1,04,76,746. There are no dues to financial institutions or debenture holders.
  10. According to the information and explanations given to us, the terms and conditions on which the Company had given guarantee for loans taken by others from banks and financial institutions are, prima facie, not prejudicial to the interest of the Company.
  11. Based on the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Therefore, the provisions of the clause 4 (xi) of the Order are not applicable to the Company.
  12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & CO.**  
**Chartered Accountants**  
 Firm Registration No. 301051E  
**R. P. Baradiya**  
**Partner**  
 Membership No. 44101

Place : Mumbai  
 Date : May 25, 2015





## BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	As at March 31, 2015	(Amount in `) As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(1,277,449,484)	(928,728,190)
<b>2 Non-Current Liabilities</b>			
Long-Term Borrowings	3	158,107,614	293,368,049
Other Long Term Liabilities	4	1,905,905,860	1,891,635,499
<b>3 Current Liabilities</b>			
Short-Term Borrowings	5	369,223,081	380,338,361
Trade Payables		267,469,226	249,261,045
Other Current Liabilities	6	1,787,674,811	1,487,232,313
Short-Term Provisions	7	52,198,467	54,731,581
<b>TOTAL</b>		<b><u>3,439,009,787</u></b>	<b><u>3,603,718,870</u></b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
<b>Fixed Assets (Net)</b>			
Tangible Assets	8	190,457,835	243,927,261
Non-Current Investments	9	86,445,889	86,445,889
Long-term Loans and Advances	10	2,274,051,827	2,291,419,405
<b>2. Current Assets</b>			
Inventories	11	774,460,942	805,831,820
Trade Receivables	12	69,875,411	98,115,104
Cash and Bank Balances	13	17,697,122	44,010,726
Short Term Loans and Advances	14	22,563,781	24,077,168
Other Current Assets	15	3,456,980	9,891,497
<b>TOTAL</b>		<b><u>3,439,009,787</u></b>	<b><u>3,603,718,870</u></b>

**Significant accounting policies and  
Accompanying Notes form an integral  
part of financial statements**

1 - 25

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants

Firm Registration No. 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

**A. K. Joshi**

Managing Director

DIN : 00379820

**For and on behalf of the Board**

**Bharat B. Merchant**

Director

DIN : 00300384

**Manoj Kumar Srivastava**

Company Secretary

Place: Mumbai

Date : May 25, 2015



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>(Amount in `)</b>			
<b>Income</b>			
Revenue from operations			
Sale of Products		<b>1,030,866,144</b>	1,161,764,753
Less: Excise Duty		<b>(530,832,716)</b>	(473,016,890)
Other income from Operation	16	<b>15,853,262</b>	14,126,375
		<b>515,886,690</b>	702,874,238
Other income	17	<b>11,892,721</b>	26,976,995
Total Income		<b>527,779,411</b>	<b>729,851,233</b>
<b>Expenses</b>			
Cost of materials consumed	18	<b>262,980,489</b>	292,108,795
Purchases for resale		-	71,259,800
Manufacturing and Operating Costs	19	<b>18,987,648</b>	22,501,719
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	<b>(4,028,657)</b>	11,356,285
Employee Benefits Expense	21	<b>115,813,199</b>	124,326,143
Finance Costs	22	<b>230,744,823</b>	255,800,642
Depreciation and Amortization Expense	8	<b>12,098,311</b>	12,778,220
Less : Transferred from Revaluation Reserve	2	-	(1,914,555)
		<b>12,098,311</b>	10,863,665
Other Expenses	23	<b>197,516,693</b>	189,474,014
Total Expenses		<b>834,112,506</b>	<b>977,691,063</b>
Loss before tax		<b>(306,333,095)</b>	<b>(247,839,830)</b>
Tax Expense :			
Current tax		-	-
Loss for the year from continuing operations before Exceptional items		<b>(306,333,095)</b>	(247,839,830)
Exceptional items - Income/(Expenses)	25.9	-	28,832,209
<b>Loss for the year</b>		<b>(306,333,095)</b>	<b>(219,007,621)</b>
Earnings per equity share of the face value of ` 10 each :	25.11		
Basic & Diluted :			
Before Exceptional item		<b>(17.42)</b>	(14.08)
After Exceptional item		<b>(17.42)</b>	(12.45)
<b>Significant accounting policies and Accompanying Notes form an integral part of financial statements</b>	1 - 25		

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants  
Firm Registration No. 301051E

**R. P. Baradiya**  
Partner  
Membership No. 44101

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**For and on behalf of the Board**

**Bharat B. Merchant**  
Director  
DIN : 00300384

**Manoj Kumar Srivastava**  
Company Secretary

Place: Mumbai  
Date : May 25, 2015



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ` )

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A Cash flow from Operating Activities:</b>		
Net loss as per statement of profit & loss	(306,333,095)	(219,007,621)
Add : Exceptional (Income)/expense	-	(28,832,209)
Net loss as per statement of profit & loss before exceptional items	(306,333,095)	(247,839,830)
<b>Add: Adjustments for :</b>		
Depreciation & amortisation expenses	12,098,311	10,863,665
Interest Expenses	218,497,080	223,651,642
Provision for doubtful debts written back	6,533,974	(10,330,000)
Interest received (other than investment)	(2,121,988)	(2,400,704)
Dividend received on long term non trade investments	(892,836)	(886,596)
(Profit)/Loss on sale of fixed assets	-	(923,063)
Liabilities no longer required written back	(2,614,069)	(1,224,875)
Provision for doubtful debts	6,533,974	-
Foreign Exchange (Gain)/Loss, Net	2,182,560	1,607,152
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>(66,116,089)</b>	<b>(27,482,609)</b>
<b>Adjustments for changes in Working Capital :</b>		
- Trade and other Receivables	39,980,340	(22,221,270)
- Inventories	31,370,878	(13,030,527)
- Trade and Other Payable	58,892,876	189,620,151
<b>Cash generated from Operations</b>	<b>64,128,005</b>	<b>126,885,745</b>
Income Taxes Paid	-	(137,037)
<b>Net cash from/(used in) Operating Activities - A</b>	<b>64,128,005</b>	<b>126,748,708</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(1,017,084)	(2,611,931)
Sale of fixed Assets	-	1,031,650
Interest received (other than Investment)	2,121,988	2,400,704
Dividend received	892,836	886,596
<b>Net Cash from/(used in) Investing Activities - B</b>	<b>1,997,740</b>	<b>1,707,019</b>
<b>C Cash flow from Financing Activities:</b>		
(Repayment)/Proceeds of borrowings	(19,486,290)	(16,850,069)
Interest paid	(71,277,386)	(93,552,764)
<b>Net cash from/(used in) Financing Activities - C</b>	<b>(90,763,676)</b>	<b>(110,402,833)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(24,637,931)	18,052,894
Opening Cash and Cash Equivalents	26,210,836	8,157,942
<b>Closing Cash and Cash Equivalents</b>	<b>1,572,905</b>	<b>26,210,836</b>

Notes:

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3, Cash Flow Statement notified by Companies Act, 2013.
- 2 Previous year's figures have been regrouped/rearranged where necessary.

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants  
Firm Registration No. 301051E

**R. P. Baradiya**

Partner  
Membership No. 44101  
Place: Mumbai  
Date : May 25, 2015

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**For and on behalf of the Board**

<b>Bharat B. Merchant</b> Director DIN : 00300384	<b>Manoj Kumar Srivastava</b> Company Secretary
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**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2015**

**1 Share Capital**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount in `	Number	Amount in `
<b>Authorised</b>				
Equity Shares of ` 10 each	<b>25,000,000</b>	<b>250,000,000</b>	25,000,000	250,000,000
Preference Shares of ` 100 each	<b>1,000,000</b>	<b>100,000,000</b>	1,000,000	100,000,000
		<b>350,000,000</b>		350,000,000
<b>Issued</b>				
Equity Shares of ` 10 each	<b>17,608,802</b>	<b>176,088,020</b>	17,608,802	176,088,020
<b>Subscribed and Paid up</b>				
Equity Shares of ` 10 each	<b>17,598,016</b>	<b>175,980,160</b>	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	<b>99,948</b>	-	99,948
	<b>17,598,016</b>	<b>175,880,212</b>	17,598,016	175,880,212

**1.1 Rights of Equity Shareholders**

The Company has only one class of Equity Shares having par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

**1.2 Reconciliation of numbers of equity shares**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount in `	Number	Amount in `
Shares outstanding at the beginning of the year	<b>17,608,802</b>	<b>176,088,020</b>	17,608,802	176,088,020
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>17,608,802</b>	<b>176,088,020</b>	17,608,802	176,088,020

**1.3 Details of members holding equity shares more than 5%**

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
J. P. Financial Services Pvt Ltd	<b>1,090,000</b>	<b>6.19%</b>	1,090,000	6.19%

**1.4 During the previous five years, the Company had not issued bonus shares/bought back/issued share for consideration other than cash.**



## 2 Reserves and Surplus

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Securities Premium Account</b>		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
<b>Revaluation Reserve</b> (On revaluation of Land, Buildings and Plant & Machinery)		
Opening Balance	121,791,063	123,713,855
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	-	8,237
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	-	1,914,555
Closing Balance	121,791,063	121,791,063
<b>Deficit: Statement of Profit and Loss</b>		
Opening Balance	(1,584,140,156)	(1,365,132,535)
Add : Transitional Depreciation (Refer Note no.8.(f))	(42,388,199)	-
Add : Loss for the year transferred from Statement of Profit & Loss	(306,333,095)	(219,007,621)
Closing Balance	(1,932,861,450)	(1,584,140,156)
<b>Total</b>	<b>(1,277,449,484)</b>	<b>(928,728,190)</b>

## 3 Long Term Borrowings

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured :</b>		
Term Loans :		
from banks	3,052,703	85,023,713
from Bodies Corporate	130,054,911	183,344,336
<b>Unsecured Loans :</b>		
from a Body Corporate	25,000,000	25,000,000
<b>Total</b>	<b>158,107,614</b>	<b>293,368,049</b>

### 3.1 Repayment & other terms of the Borrowings as on March 31, 2015 are as follows :

(Amount in `)

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
<b>Secured Loans :</b>				
From a Bank :				
Secured by way of deposit of title deeds of property situated at Palghar, Dist Thane Maharashtra.	14.75% (fixed)	15,152,703	12,100,000	3,052,703
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.70% (floating)	74,500,000	74,500,000	-
<b>From Bodies Corporate</b>				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	980,472,519	850,417,608	130,054,911
<b>Total</b>		<b>1,070,125,222</b>	<b>937,017,608</b>	<b>133,107,614</b>



### 3.2 Repayment & other terms of the Borrowings as on March 31, 2014 are as follows :

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
<b>Secured Loans :</b>				
<b>From Banks</b>				
Term loan availed from Bank is secured by way of deposit of title deeds of property situated at Palghar Dist. Thane, Maharashtra.	14.75% (fixed)	28,523,713	13,000,000	15,523,713
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.70% (floating)	69,500,000	-	69,500,000
<b>From Bodies Corporate</b>				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	980,472,519	797,128,183	183,344,336
<b>Total</b>		<b>1,078,496,232</b>	<b>810,128,183</b>	<b>268,368,049</b>

### 4 Other Long Term Liabilities

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Unpaid Dividend*	7,115,143	7,115,143
Statutory Dues Payable*	69,882,851	69,882,851
Advance Received towards Property Development (Also refer Note No. 25.7(a))*	1,320,000,000	1,320,000,000
Advance Received towards Project Development (Also refer Note No. 25.7(a))	407,500,000	407,500,000
Other Liabilities	101,407,866	87,137,505
<b>Total</b>	<b>1,905,905,860</b>	<b>1,891,635,499</b>

\* Considering MDRS filed pending sanction. (Also refer Note No. 25(1)(1.1)(c))

### 5 Short Term Borrowings

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Working Capital Facilities : from banks	369,223,081	376,338,361
<b>Unsecured</b>		
Inter Corporate Deposits (Refer note no. 5.2 below)	-	4,000,000
<b>Total</b>	<b>369,223,081</b>	<b>380,338,361</b>

#### 5.1 Working Capital Facilities :

- Working capital facilities and non fund based limits of ` 1000 lacs (Previous Year ` 1000 lacs) are secured by hypothecation of inventories and book debts and further secured by way of mortgage of second charge on immovable property at Baroda and first charge on immovable property at Guntur.
- Guarantees given by the Company's Bankers are secured/to be secured by hypothecation of stocks, book debts, fixed deposits with banks and certain machineries, equitable mortgage of certain immovable properties at Baroda subject to prior charge in favour of Trustees for the debenture holders and /or pledge of fixed deposit receipts.

5.2 Inter corporate deposits are repayable on demand and rate of interest is 12% per annum.

5.3 In respect of 12% Secured Redeemable Non-Convertible Debentures privately placed with IFCI Limited Company had in the previous year repaid the entire amount of debentures. However, till date the Company has not received the "No Due



Certificate" from IFCI, therefore, the Company could not file the form for satisfaction of charge which was created on Company's property situated at village Dhanot in the State of Gujarat and a first charge by way of hypothecation of the Company's movable properties subject to prior charge on specified movables in favour of the Company's Bankers for Working Capital facilities and was further secured by equitable mortgage of the Company's immovable properties at Baroda, Gujarat ranking pari passu with the Bankers who have given working capital term loan.

## 6 Other Current Liabilities

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long term debt: Bank	17,100,000	13,000,000
: Others	53,289,425	46,733,378
Interest accrued and due on borrowings: Bank	10,476,746	-
: Others	402,142,852	277,753,588
Interest accrued but not due on borrowings/others	44,396,743	32,043,059
Overdue borrowings : Bank	69,500,000	-
: Others	797,128,183	750,394,805
Security deposits (refer note no. 25.7(b))	163,649,142	166,699,142
Advances from customers	48,060,327	31,967,099
Due to a subsidiary company	3,103,935	3,106,935
Excise duty accrued but not due	76,245,191	73,209,570
Statutory dues payable	42,462,612	29,877,436
Book Overdraft in Current Account with a Bank	6,916,752	-
Other liabilities	53,202,903	62,447,301
<b>Total</b>	<b>1,787,674,811</b>	<b>1,487,232,313</b>

## 7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for :		
Gratuity (refer note no. 7.1 below)	42,030,868	45,234,878
Leave	10,167,599	9,496,703
<b>Total</b>	<b>52,198,467</b>	<b>54,731,581</b>

7.1 Provision for gratuity liability of ` 4,20,30,868 (Previous year ` 4,52,34,878), non funded, has been made during the year based on actuarial valuation carried out using Projected Unit Method and assumptions used for such valuation are as follows :

Particulars	As on March 31, 2015	As on March 31, 2014
- Discount Rate	7.98%	9.29%
- Expected rate of Return on Assets	NIL	NIL
- Mortality Rate	Indian Assured Lives Mortality (2006-08)ultimate : 2.00%	Indian Assured Lives Mortality (2006-08)ultimate : 2.00%
- Future salary increases consider inflation, seniority, promotion and other relevant factors.	5.00%	5.00%

**8 Fixed Assets**
**(Amount in `)**

Particulars	Gross Block				Balance as at 31st March, 2015	Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2014	Adjustment during the year	Additions during the year	Disposals during the year		Balance up to 31st March, 2014	Debited to Deficit*	Charge for the year	Disposals during the year	Balance as at 31st March, 2015	Balance as at 31st March, 2015
Tangible Assets											
Land & Building (At Book value)	242,689,042	-	-	-	<b>242,689,042</b>	67,483,895	-	5,361,735	-	<b>72,845,630</b>	<b>169,843,412</b>
Electric Installations (At Cost)	2,965,868	-	-	-	<b>2,965,868</b>	2,781,888	183,980	-	-	<b>2,965,868</b>	-
Plant and Equipment (At Book value)	854,211,745	-	886,094	-	<b>855,097,839</b>	796,467,278	38,991,760	5,044,617	-	<b>840,503,655</b>	<b>14,594,184</b>
Furniture and Fixtures (At Cost)	7,379,276	-	-	-	<b>7,379,276</b>	6,995,971	383,305	-	-	<b>7,379,276</b>	-
Vehicles (At Cost)	5,924,933	-	-	-	<b>5,924,933</b>	5,407,413	83,370	135,487	-	<b>5,626,270</b>	<b>298,663</b>
Computer	9,936,698	-	130,990	-	<b>10,067,688</b>	9,399,523	132,830	291,568	-	<b>9,823,921</b>	<b>243,767</b>
Factory equipment (At Cost)	25,598,487	-	-	-	<b>25,598,487</b>	18,528,923	491,748	1,190,584	-	<b>20,211,255</b>	<b>5,387,232</b>
Office equipment (At Cost)	11,383,922	-	-	-	<b>11,383,922</b>	9,097,819	2,121,206	74,320	-	<b>11,293,345</b>	<b>90,577</b>
<b>Total</b>	<b>1,160,089,971</b>	-	<b>1,017,084</b>	-	<b>1,161,107,055</b>	<b>916,162,710</b>	<b>42,388,199</b>	<b>12,098,311</b>	-	<b>970,649,220</b>	<b>190,457,835</b>

**(Amount in `)**

Particulars	Gross Block				Balance as at 31st March, 2014	Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2013	Adjustment during the year	Additions during the year	Disposals during the year		Balance up to 31st March, 2013	Adjustment during the year	Charge for the year	Disposals during the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014
Tangible Assets											
Land & Building (At Book value)	241,763,971	-	925,071	-	<b>242,689,042</b>	61,926,487	-	5,557,408	-	<b>67,483,895</b>	<b>175,205,147</b>
Electric Installations (At Cost)	2,968,792	-	-	2,924	<b>2,965,868</b>	2,755,097	-	29,703	2,912	<b>2,781,888</b>	<b>183,980</b>
Plant and Equipment (At Book value)	677,104,423	176,570,450	1,188,390	651,518	<b>854,211,745</b>	615,388,233	176,570,450	5,151,854	643,259	<b>796,467,278</b>	<b>57,744,467</b>
Furniture and Fixtures (At Cost)	7,379,276	-	-	-	<b>7,379,276</b>	6,911,298	-	84,673	-	<b>6,995,971</b>	<b>383,305</b>
Vehicles (At Cost)	6,602,396	-	-	677,463	<b>5,924,933</b>	5,841,454	-	190,350	624,391	<b>5,407,413</b>	<b>517,520</b>
Factory & Office equipment (At Cost)	49,172,672	-	498,470	2,752,035	<b>46,919,107</b>	37,958,587	-	1,764,232	2,696,554	<b>37,026,265</b>	<b>9,892,842</b>
<b>Total</b>	<b>984,991,530</b>	<b>176,570,450</b>	<b>2,611,931</b>	<b>4,083,940</b>	<b>1,160,089,971</b>	<b>730,781,156</b>	<b>176,570,450</b>	<b>12,778,220</b>	<b>3,967,116</b>	<b>916,162,710</b>	<b>243,927,261</b>

**Notes :**

- Gross value of Land and Building includes a sum of ` 25,30,760 (Previous Year ` 25,30,760) being the cost of Land/Premises on ownership basis acquired in terms of agreement to purchase
- Gross value of Land and Building includes a sum of ` 250 (Previous Year ` 250) being the cost of shares in Co-operative Societies.
- Bifurcation of the Book value of Land and Building is not possible in view of the non-availability of separate value of certain Land and Building.
- Land and Building includes a Flat of ` 66,44,825 (Previous Year ` 66,44,825): Net Block ` 37,27,501 (Previous Year ` 39,18,323). In the possession of a legal heir of an Ex-Employee.
- Plant and Equipment includes certain machineries having Gross Book Value of ` 17,65,70,450, Accumulated Depreciation of ` 17,65,70,450 and Net Book Value of Rs. Nil lying with third party, earlier writtenoff, reinstated in view of execution of decree (passed by Hon'ble Supreme Court) pending with District Court, Sikkim. These amounts have been shown as adjustment during previous year.
- \* Pursuant to the Companies Act, 2013 ("the Act") coming into effect from 1st April, 2014, the Company has realigned the remaining useful life of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act, Consequently in case of assets which have completed their useful life, the carrying value (net of residual value) as at 1st April, 2014 amounting to ` 4,23,88,199 has been debited to deficit. Also, carrying value of the other assets (net of residual value) is being depreciated over the revised remaining useful lives. Consequently, the depreciation and amortization expense for the year ended 31st March, 2015 is higher by ` 2,587,499.





## 9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non Trade	No. of Shares / Units		Face Value	Extent of Holding (%)		Amount (₹)	
			As at March 31, 2015	As at March 31, 2014		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>A</b>	<b>Investments in Equity Shares- Long Term</b>								
	<b>In Subsidiary Companies : (Unquoted and fully paid up)</b>								
	Golden Realty & Infrastructure Limited (at cost)	Non-Trade	50,000	50,000	₹ 10	100%	100%	500,000	500,000
	Golden Investment (Sikkim) Private Limited#(at cost)	Non-Trade	5,998	5,998	₹ 10	99.97%	99.97%	59,980	59,980
	Western Express Industries Limited (at cost)	Non-Trade	7,500,000	7,500,000	₹ 10	100%	100%	23,120,000	23,120,000
	Raigadh Papers Limited (at depreciated value)	Non-Trade	10,000	10,000	₹ 100	6.66%	6.66%	1	1
GTC Inc., B.V.(at cost)	Non-Trade	40	40	Euro 455	100%	100%	1,089,270	1,089,270	
<b>B</b>	<b>In Other Body Corporate : (Unquoted , fully paid up)</b>								
	World Growth Fund Limited * (at depreciated value)	Non-Trade	10,000	10,000	₹ 10			1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	₹ 10			1	1
	Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	₹ 10			1	1
	J K Cigarettes Limited# (at depreciated value)	Trade	20,000	20,000	₹ 10			1	1
<b>C</b>	<b>In Other Body Corporate : (Quoted, fully paid up)</b>								
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	₹ 10			49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	₹ 10			1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	₹ 10			10,500,000	10,500,000
	ITC Limited (at cost)	Trade	7,680	7,680	₹ 1			772	772
	Godfrey Phillips India Limited(at cost)	Trade	1,140	228	₹ 2			758	758
	VST Industries Limited (at cost)	Trade	64	64	₹ 10			407	407
<b>Total</b>							<b>86,445,889</b>	<b>86,445,889</b>	
	Aggregate amount of Quoted Investments						61,676,634	61,676,634	
	Aggregate amount of Un-quoted Investments						24,769,255	24,769,255	
	Aggregate Market Value of Quoted Investments						40,444,289	29,076,301	

# Shares lying with Income Tax Department

\*Share certificates are yet to be received

9.1 There is a substantial diminution in the carrying value of certain long term quoted investment as compared to its market value which in the opinion of the management is temporary and therefore, no provision is considered necessary at this stage as the same are long term and strategic in nature.

## 10 Long term loans and advances

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>Unsecured, Considered good</b>				
Capital Advance		-		2,572,474
Security Deposits		5,615,368		7,690,881
Balances with Excise/Sales tax authorities		185,411,179		181,782,910
Loans and Advances				
To Subsidiaries (Refer note no. 10.1 & 10.2 below)		1,920,172,846		1,934,141,328
To Others		54,401,678		56,782,633
Payment of Tax (Net of Provisions of ₹ 32,73,11,216; Previous year ₹ 32,70,58,216)		108,450,756		108,449,179
Considered Doubtful	38,347,925		35,813,951	
Less: Provision for doubtful loans and advances	38,347,925	-	35,813,951	-
<b>Total</b>		<b>2,274,051,827</b>		<b>2,291,419,405</b>

10.1 The Company has given an advance of ₹ 8,43,53,073 (Previous Year ₹ 9,99,70,868) to and made an investment of ₹ 2,31,20,000 (Previous Year ₹ 2,31,20,000) in Western Express Industries Limited (WEIL), a wholly owned subsidiary Company, which has accumulated losses far in excess of its paid up capital and reserves & surplus. As explained, the management is hopeful of recovering / realising the same in due course of time in view of expected revival of activities / developments in the said subsidiary.



Further, as a nominee of the Company, WEIL had acquired 100% ownership of Raigadh Papers Limited (RPL) for a consideration of ₹ 1,20,00,000 in the year 2007. RPL is having extensive land at Raigadh, whose value, based on an independent valuer's opinion exceeds the aggregate amount of advance given/investment made. The acquisition of ownership of RPL has strengthened the asset base of WEIL significantly and has provided adequate financial coverage to the aforesaid advance and investment by the Company in WEIL. In view of what is stated above, no provisioning has been considered necessary.

10.2 Refer Note no. 25.7(c) regarding advances to a subsidiary of ₹ 183,18,77,637 (Previous Year ₹ 183,07,23,882)

## 11 Inventories \*

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Materials	212,540,902	247,639,748
Work-in-progress	34,153,841	27,706,213
Finished goods (Including goods in transit of ₹ 68,13,011 ; Previous year ₹ 49,32,449)	98,101,479	103,624,023
Packing Materials	47,063,978	44,369,519
Stock in Trade (Immovable Property) (refer note no. 25.7(a))	352,198,748	352,198,748
Stores and spares	30,401,994	30,293,569
<b>Total</b>	<b>774,460,942</b>	<b>805,831,820</b>

\* Valued at cost or net realisable value whichever is lower except Stock-in-trade(Immovable Property) refer note no. 24.F

11.1 The Company has provided excise duty/customs duty of ₹ 7,62,45,191 (Previous year ₹ 7,32,09,570) on the goods lying in bonded premises as on the Balance Sheet date and included the same in the inventory value.

## 12 Trade Receivables

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Secured (Secured Against Machinery in the Company's Possession)				
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment				
Considered good		1,452,981		1,452,981
Unsecured				
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment				
Considered good		12,443,840		3,615,161
Considered doubtful	41,466,178		37,741,178	
Less : Provision for doubtful debts	41,466,178	-	37,741,178	-
		12,443,840		3,615,161
Others				
Considered good		55,978,590		93,046,962
<b>Total</b>		<b>69,875,411</b>		<b>98,115,104</b>


**13 Cash and Bank Balances**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and Cash Equivalents:</b>		
Balances with banks	1,055,544	24,794,326
Cash on hand	517,361	1,416,510
<b>Total</b>	<b>1,572,905</b>	<b>26,210,836</b>
<b>Earmarked Bank balances:</b>		
Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	16,053,585	17,729,258
Other Bank Balance	70,632	70,632
<b>Total</b>	<b>16,124,217</b>	<b>17,799,890</b>
<b>Total</b>	<b>17,697,122</b>	<b>44,010,726</b>

**14 Short term loans and advances**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, Considered good:</b>		
Balances with Excise authorities	2,043,791	2,351,619
Advances to suppliers	1,828,698	1,707,609
Other Loans and Advances recoverable in cash or in kind or for valid to be received	18,691,292	20,017,940
<b>Total</b>	<b>22,563,781</b>	<b>24,077,168</b>

**15 Other Current Assets**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on fixed deposits	1,173,590	1,739,087
Export Incentive receivable	1,125,069	3,384,207
Insurance claims receivable	528,896	4,103,651
Prepaid Expenses	629,425	664,552
<b>Total</b>	<b>3,456,980</b>	<b>9,891,497</b>

**16 Other Income from operations**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Other operating revenues from Scrap Sale	4,395,972	2,831,614
Export Incentives	11,457,290	11,294,761
<b>Total</b>	<b>15,853,262</b>	<b>14,126,375</b>


**17 Other Income**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Income	2,121,988	2,400,704
Credits in respect of excess interest charged by Banks	944,609	5,375,084
Dividend income from long term investments	892,836	886,596
Liabilities no longer required written back	2,614,069	1,224,875
Provision for doubtful debts written back	275,000	10,330,000
Profit on sale of fixed assets (net)	-	923,063
Rental Income	3,127,165	3,525,438
Miscellaneous Income	1,917,054	2,311,235
<b>Total</b>	<b>11,892,721</b>	<b>26,976,995</b>

**18 Cost of Materials Consumed**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw Materials consumed	189,545,811	205,339,976
Packing Materials consumed	73,434,678	86,768,819
<b>Total</b>	<b>262,980,489</b>	<b>292,108,795</b>

**19 Manufacturing and Operating Costs**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Consumption of stores and spare parts	4,432,889	5,685,658
Repairs to machinery	1,608,713	1,850,428
Power and fuel	12,946,046	14,965,633
<b>Total</b>	<b>18,987,648</b>	<b>22,501,719</b>

**20 Changes in Inventories of Finished Goods & Work in Progress**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Opening Stock:</b>		
Finished Goods	103,624,023	92,959,161
Work in Progress	27,706,213	28,507,246
Stock in Trade (immovable Property)	352,198,748	352,198,748
<b>Total</b>	<b>483,528,984</b>	<b>473,665,155</b>
<b>Closing Stock:</b>		
Finished Goods	98,101,479	103,624,023
Work in Progress	34,153,841	27,706,213
Stock in Trade (immovable Property)	352,198,748	352,198,748
<b>Total</b>	<b>484,454,068</b>	<b>483,528,984</b>
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	(3,103,573)	21,220,114
<b>Total</b>	<b>(4,028,657)</b>	<b>11,356,285</b>


**21 Employee Benefits Expense**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and wages	99,080,177	105,248,574
Contributions to provident and other funds	8,077,580	9,298,151
Staff welfare expenses	8,655,442	9,779,418
<b>Total</b>	<b>115,813,199</b>	<b>124,326,143</b>

**22 Finance Costs**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Expenses	218,497,080	223,651,642
Interest on Statutory dues	12,247,743	32,149,000
<b>Total</b>	<b>230,744,823</b>	<b>255,800,642</b>

**23 Other Expenses**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent	5,738,924	8,108,803
Repairs & Maintenance - Building	4,582,434	4,395,840
Insurance	1,762,019	1,877,971
Rates and Taxes	1,742,445	1,740,571
Travelling & Conveyance Expenses	17,313,456	18,818,662
Legal & Professional charges	38,673,876	29,031,978
Director's sitting Fees	260,000	166,383
Loss on Variation in Foreign Exchange Rates (Net)	2,102,233	1,607,152
Selling and Distribution Expenses	81,331,248	81,321,027
Provision for Doubtful Debts/Advances	6,533,974	747,665
Commission on sales	2,182,560	2,378,308
Miscellaneous Expenses	35,293,524	39,279,654
<b>Total</b>	<b>197,516,693</b>	<b>189,474,014</b>

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## 24. SIGNIFICANT ACCOUNTING POLICIES:

- A.** The financial statements are prepared under the historical cost convention (except for revaluation of certain Fixed Assets), on the accounting principles of a going concern, in accordance with the applicable accounting standards notified by Companies Act, 2013 and on accrual basis.

All income and expenses to the extent considered receivable / payable with reasonable certainty are accounted for on accrual basis.

### **B. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result may some time differ from these estimates. Any revision to accounting estimates is recognized prospectively.

### **C. FIXED ASSETS**

- I.**
- a) Certain Land & Buildings and Plant & Equipment were revalued from time to time and are stated at updated book values less depreciation, where applicable.
  - b) Other assets are stated at cost less depreciation/amortisation. Cost comprises of all expenses incurred upto commissioning/putting the assets to use.

#### **II. IMPAIRMENT OF ASSETS**

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to the statement of profit and loss. If at the Balance Sheet date, there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

### **D. DEPRECIATION / AMORTISATION**

Depreciation on Fixed Assets is provided on written down value method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 (hereinafter referred to as the 'Act').

### **E. INVESTMENTS**

Noncurrent investments are carried at cost less write offs, if any, for diminution other than temporary in the value of such investments, determined for each investment individually.

### **F. VALUATION OF INVENTORIES**

- a) (i) Stock in Trade-Immovable Properties is valued at lower of estimated market value at the time of conversion as per the expert opinion received in the matter and estimated net realisable value.
- (ii) Other Inventories are valued at lower of cost and estimated net realisable value. Obsolete, defective and unserviceable stocks are provided for.
- b) Cost of Inventories is computed on moving weighted average /FIFO basis.
- c) Cost of finished goods, work-in-progress and other materials includes conversion and other costs incurred in bringing the inventories to their present location and condition.
- d) Advertisement and Sales promotion materials/items are charged to revenue as and when purchased.

### **G. REVENUE RECOGNITION**

- a) Sale of goods is recognised when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales include Excise Duty and are net of Discounts / Margins (as considered appropriate by the management), Value Added Tax and Damaged & Dented stocks. Damaged & Dented stocks are accounted/ provided for as and when inspected and destroyed.
- b) Export sales are accounted for on the basis of the date of Bill of Lading / Mates Receipt.
- c) Export Benefit Claims are accounted in the year of export.



## H. EMPLOYEE BENEFITS

- (a) Contributions towards provident fund and superannuation fund are made under defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The superannuation fund is administered by the Trustees of the GTL Management Staff Superannuation Scheme and is funded under Group Superannuation Scheme of Life Insurance Company Limited. The Company is required to contribute a specific percentage of payroll cost towards retirement benefits. The contributions are charged to Statement of profit and loss in the respective year.
- (b) Leave entitlement liability is provided for on the basis of actuarial valuation carried out at the year-end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.
- (c) Gratuity liability is defined benefit plan and is provided for on the basis of actuarial valuation carried out at the year-end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

## I. RESEARCH AND DEVELOPMENT EXPENSES

Research & Development expenses of revenue nature are charged to the Statement of profit and loss and that of capital nature are shown as an addition to the respective Fixed Assets.

## J. TRANSLATION OF FOREIGN CURRENCY ITEMS

- a) Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transaction.
- b) Assets, liabilities and capital commitments denominated in foreign currency are restated at the rate of exchange prevailing at the year end.
- c) In case of forward contracts, the premium/discount is dealt with in the Statement of profit and loss over the period of the contracts.
- d) The exchange differences are adjusted to Statement of profit and loss.

## K. BORROWING COSTS

Borrowing Costs attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the Statement of profit and loss.

## L. TAXATION

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable/virtual certainty that these would be realized in future.

## M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Disputed show cause notices / show cause-cum-demand notices are not considered as contingent liabilities. Contingent assets are not recognized or disclosed in the financial statements.

## 25. NOTES TO FINANCIAL STATEMENTS :

### 1) Pending Litigations/contingent liabilities not provided for in respect of :

- 1.1) (a) Disputed Excise claims/demands, of ` 86,00,72,408 (Previous year ` 5,90,50,96,427) excluding interest liability, if any, against and/or relating to the Company and counter claims by the Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the Company has paid ` 12,18,41,680 (Previous year ` 12,18,41,680) (included in Loans & Advances) under protest. In the opinion of the management, appropriate provisions have been made in the books of account in respect of Excise claims/ demands that may become payable based on the legal advice /present status of various matters. Further, various show cause notices/show cause-cum-demand notices/attachment notice have been received



Including reminded back from Excise Authorities by the Company and/or in relation to the Company. Since these notices are in the nature of explanations required, the Company does not consider them to constitute any liability. All these notices have appropriately been replied/attended to.

- (b) Excluding the claims/demands against the Company not acknowledged as debts as mentioned in (a) above:
- (i) Income Tax in respect of earlier years under dispute for which appeals/ rectification petitions have been / are being preferred by the Company and / or pending final assessments: ` **2,18,73,53,745** (Previous Year ` **2,19,61,70,375**) including interest up to the date of respective demands and excluding further interest liability, if any, and penalty of ` **1,59,96,64,738** (Previous Year ` **1,60,84,81,368**)
  - (ii) Other Income Tax proceedings in respect of earlier years decided in the Company's favour by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : ` **1,69,05,24,679** (Previous Year ` **1,69,05,24,679**).
  - (iii) The Hon'ble Supreme Court on SLP filed by Income Tax department has ordered that pending further orders from this court, the Company shall not encumber or in any way alienate the property.
- (c) As per the direction of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), Delhi, the Company has resubmitted the Revised Modified Draft Rehabilitation Scheme (MDRS) to the monitoring Agency on 14.11.2014 for their consideration, which is pending in view of the restriction by the Supreme Court to deal with properties and by Gujarat High Court particularly in respect of Vile Parle property which forms one of the major source of Finance for finalizing MDRS. The consequential impact, if any, would be considered, including provisions/ reliefs and payment of interest on various advances taken by the Company etc. arising on implementation of the scheme as and when sanctioned.
- (d) The Company expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.
- (e) Other disputed amounts for which the Company is contingently liable :

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
i) Disputed Demands of employees/ex-employees	<b>1,81,20,242</b>	1,81,20,242
ii) Disputed Sales Tax	<b>52,63,848</b>	29,00,552
iii) Disputed Entry Tax	<b>23,47,84,080</b>	23,33,93,500
iv) Disputed Land Revenue Tax	<b>3,77,324</b>	3,76,977
v) Disputed E.S.I.C (Employees' State Insurance)	<b>18,86,378</b>	18,86,378
vi) Services/materials suppliers/advance forfeited and other business related disputed matters	<b>38,85,92,190</b>	36,98,72,900
vii) The Company has received notices from certain States in USA with regard to claims against cigarettes sold in those States. However, as per an expert legal opinion obtained, the Company is not liable for claims, whatsoever-amount unascertainable.		
f) Guarantees and counter guarantees given by the Company to Banks/Financial Institutions / Others in respect of loans / guarantees to / for other companies (excluding in respect of Excise Duty referred to in Note no.(a) above) ` <b>10,55,73,000</b> plus interest, if any (Previous Year ` <b>10,55,73,000</b> plus interest, if any).		

The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements.

#### 1.2) Capital Commitment :

Estimated amount of contracts remaining to be executed on Capital account and not provided for ` **NIL** (Previous Year ` **60,89,448**) (Net of advances of ` **NIL** (Previous Year of ` **25,72,474**))





### 1.3) Other Commitments :

Disclosure in respect of Operating Leases :

Assets taken on lease :

- (a) The Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.
  - (b) The rental expense in respect of Operating Leases is charged as rent under Note 23.
- 2) Land & Buildings and Plant & Equipment were revalued as on 30<sup>th</sup> June, 1980, 30<sup>th</sup> June, 1984, 30<sup>th</sup> June, 1986 (only Land and Buildings), 30<sup>th</sup> June, 1988 and 31<sup>st</sup> March, 1993. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of ` **14,66,98,190** for Land & Buildings and ` **64,35,94,544** for Plant & Equipment (Previous Year ` **14,66,98,190** and ` **64,35,94,544** respectively) remain substituted for the historical costs in the gross block of Fixed Assets (Refer Note 8 of the Standalone financial Statements).
- 3) (a) In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- (b) The Accounts of certain Trade Receivables, Trade Payables, Non-operative Banks / Lenders and Loans & Advances are however, subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 4) Other Liabilities includes ` **3,07,90,749** (Previous Year ` **3,07,90,749**) on account of income tax refund received pertaining to earlier years as the disputed matters are yet to be decided.
- 5) The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small, Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sr. No.	Particulars	CURRENT YEAR	PREVIOUS YEAR
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

- 6) As a matter of prudence, the following net deferred tax asset as on March 31, 2015 has not been recognized

Particulars	CURRENT YEAR	PREVIOUS YEAR
<b>Deferred Tax Assets:</b>		
Unabsorbed loss and depreciation	<b>68,61,43,191</b>	60,53,28,430
Expenses allowable U/s. 43B of Income Tax Act, 1961 on payment basis (including VRS and Provision for Doubtful Debts)	<b>9,76,72,389</b>	11,11,40,328
<b>Deferred Tax Liability:</b>		
Depreciation	<b>1,79,14,044</b>	84,92,858
<b>Net Deferred Tax Assets</b>	<b>76,59,01,536</b>	70,79,75,900

7) The Company as a part of development activities of Realty Division :-

- (a) The Company had entered into Memorandum of Understanding (MOU) in December, 2009 with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. (Developers) and had received advances in earlier years aggregating to ` 1,32,00,00,000 (Previous Year ` 1,32,00,00,000) to jointly develop its Vile Parle property. However, the aforesaid parties have disputed and not paid balance payment which was due in March, 2011 as per the said MOU / final demand notice to the Developers.

One of the minority shareholder of the Company filed a suit in the City Civil Court, Mumbai, challenging the MOU entered into by the Company with the Developers. The Court vide its Order dated 26.04.2011 granted ad-interim stay in respect of operation of the MOU.

Title deeds of the property are held in Escrow Account with the Solicitor till the completion of obligations specified in the MOU.

The Company has submitted MDRS to the Operating Agency (OA) appointed by BIFR sought for refunding above advances and also the advances of ` 40,75,00,000 received from a strategic investor against Vile Parle Property along with interest, if any as decided by BIFR by selling the said property. (Reference is invited to Note no. 25[1.1b(iii)] about the Hon'ble Supreme Court's Order for not to encumber or in any way alienate the property).

The Hon'ble High Court Gujarat at Ahmadabad vide it's order dated 05-05-2015 restrained the Company from transferring its Vile Parle property pursuant to a petition filed by a group of minority shareholders.

- (b) The Company had entered into a development agreement in September, 2007 and supplemental agreement in October, 2008 & March, 2014 with a developer to jointly develop its Hyderabad property. During the year, the Company has received an interest free security deposit ` NIL (Previous year ` 4,00,00,000), balance as on March 31, 2015 ` 9,00,00,000 (Previous Year ` 9,00,00,000). Further the plan approval of the project is pending because of environmental clearance from the concerned authority, the application for the same has already been filed and the approval is expected shortly, however other approvals are already obtained.
- (c) The Company gave advances aggregating to ` 1,83,18,77,637 (Previous Year ` 1,83,07,23,882) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development Agreement in this regard.

8) **Related Party Disclosures :**

Related party disclosures as required by AS – 18 “Related Party Disclosures” are given below:

I. **List of related parties :**

1. **Parties where Control Exists – Subsidiary Companies :**

Western Express Industries Limited  
 Golden Investment (Sikkim) Private Limited  
 Golden Realty & Infrastructure Limited  
 GTC Inc B.V, Netherland  
 Raigadh Papers Limited –Fellow Subsidiary

2. **Other Parties with whom the Company has entered into transactions during the year :**

(i) **Key Management Personnel**

Shri A. K. Joshi	Managing Director
Shri. Jaskaran S. Khurana	Executive Director
Shri. Ved Berry	Executive Director (up to 21 <sup>st</sup> July 2014)
Shri Manoj Kumar Srivastava	Company Secretary

(ii) **Relatives of Key Management Personnel**

Shri Amit Joshi	- Son of Shri A. K. Joshi
Shri Ashwin Joshi	- Son of Shri A.K. Joshi
Smt. Ivleen Khurana	- Wife of Shri Jaskaran Khurana
Smt. Benu Berry	- Wife of Shri Ved Berry



- II. During the year, the following transactions were carried out with the above related parties in the ordinary course of business and outstanding balances as on March 31, 2015

(In `)

Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Golden Realty &amp; Infrastructure Limited :</b>		
Loans & Advances given	3,19,53,755	24,20,76,276
Amount received	3,08,00,000	9,47,00,000
<b>Western Express Industries Limited :</b>		
Loans & Advances given	10,30,205	5,10,825
Amount received	1,66,48,000	-
<b>Golden Investment (Sikkim) P Ltd :</b>		
Loans & Advances given	3,000	2,000
<b>GTC Inc. B.V.:</b>		
Loans & Advances given	4,95,558	47,277
Amount received	-	-
<b>Shri. A. K. Joshi : Managerial Remuneration</b>	<b>81,70,046</b>	<b>80,35,463</b>
<b>Shri. Jaskaran S. Khurana : Managerial Remuneration</b>	<b>42,71,460</b>	<b>47,85,039</b>
<b>Shri. Ved Berry : Managerial Remuneration</b>	<b>12,91,605</b>	<b>42,31,496</b>
<b>Shri. Manoj Kumar Srivastava : Remuneration</b>	<b>9,62,685</b>	<b>8,99,068</b>
<b>Shri. Amit Joshi : Car Hire Charges</b>	<b>1,80,000</b>	<b>1,80,000</b>
<b>Shri. Ashwin Joshi : Car Hire Charges</b>	<b>1,80,000</b>	<b>1,80,000</b>
<b>Smt. Ivleen Khurana : Car Hire Charges</b>	<b>3,60,000</b>	<b>3,60,000</b>
<b>Smt. Benu Berry : Car Hire Charges</b>	<b>1,10,466</b>	<b>3,60,000</b>

(In `)

Balances	As at March 31, 2015	As at March 31, 2014
<b>Golden Realty &amp; Infrastructure Limited :</b>		
Receivable	183,18,77,637	183,07,23,882
Investment	5,00,000	5,00,000
<b>Western Express Industries Limited :</b>		
Receivable	8,43,53,073	9,99,70,868
Investment	2,31,20,000	2,31,20,000
<b>Golden Investment (Sikkim) P Ltd :</b>		
Payable	31,03,935	31,06,935
Investment	59,980	59,980
<b>GTC Inc. B.V.:</b>		
Receivable	39,42,136	34,46,578
Investment	10,89,270	10,89,270
<b>Shri A. K. Joshi - Payable</b>	<b>13,58,348</b>	<b>13,33,784</b>
<b>Shri. Jaskaran S. Khurana - Payable</b>	<b>6,85,804</b>	<b>12,71,971</b>
<b>Shri Ved Berry - Payable</b>	<b>-</b>	<b>6,71,971</b>
<b>Shri. Manoj Kumar Srivastava :Payable</b>	<b>1,47,539</b>	<b>1,37,623</b>
<b>Shri Amit Joshi :Payable</b>	<b>45,000</b>	<b>30,000</b>
<b>Shri Ashwin Joshi : Payable</b>	<b>45,000</b>	<b>30,000</b>
<b>Smt. Ivleen Khurana : Payable</b>	<b>88,450</b>	<b>60,000</b>
<b>Smt. Benu Berry : Payable</b>	<b>-</b>	<b>60,000</b>

Notes :

1. Related parties have been identified by the management and relied upon by the auditors.
2. No amount pertaining to related parties has been provided for as doubtful debts. Also, no amount has been written off/written back in respect of aforesaid parties during the year.



9) Exceptional Items-Income/(Expenses) comprises of :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Gain on assignment of old receivables which were written off/provided for in earlier years	-	6,17,01,128
Provision in respect of Non Movable inventory in view of change in statutory requirement	-	(3,28,68,919)
Net Exceptional Income / (Expense)	-	2,88,32,209

10) The Company has prepared the financial statements on a going concern basis as the Management is hopeful to turn around business performance and expects favourable decision by the Hon'ble Supreme Court and Hon'ble Gujarat High Court, which would expedite the finalization of the MDRS, enabling the Company, inert-alia, for early disposal of its surplus properties.

11) The computation of Earnings Per Share :

Particulars	CURRENT YEAR	PREVIOUS YEAR
<b>(a) Numerator :</b>		
Net Loss as per Statement of profit and loss (after tax) before Exceptional Item	<b>(30,63,33,095)</b>	(24,78,39,830)
Less/(Add) : Exceptional Item	-	2,88,32,209
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item	<b>(30,63,33,095)</b>	(21,90,07,621)
<b>(b) Denominator :</b>		
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	<b>1,75,88,021</b>	1,75,88,021
<b>(c) Earnings Per Equity Share</b>		
Basic and Diluted Before Exceptional Item	<b>(17.42)</b>	(14.08)
After Exceptional Item	<b>(17.42)</b>	(12.45)
<b>(d) Nominal Value Per Equity Share</b>	<b>10</b>	10

12) Research and Development Expenses/ Cost charged :

Particulars	CURRENT YEAR	PREVIOUS YEAR
a) to appropriate heads of expenses	<b>60,86,732</b>	40,44,707
b) to Miscellaneous Expenses, amongst		
Other expenses, include the following :		
Salaries, Wages, Bonus & Gratuity	<b>39,61,803</b>	36,21,345
Contribution to Provident and Other Funds	<b>3,09,467</b>	3,81,274
Workmen and Staff Welfare Expenses	<b>44,237</b>	42,088
Stores & Spare parts Consumed	<b>2,039</b>	6,730
Machinery Repairs and Maintenance	-	50,562



- (13) Expenses incurred for purchase of Tobacco, amongst other incidental expenses and maintenance charges of purchasing centers and depots, include :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Salaries, Wages and Bonus	19,09,490	41,30,060
Contribution to Provident and Other Funds	2,15,014	4,20,840
Gratuity	-	6,51,601
Workmen and Staff Welfare Expenses	15,913	14,253
Power and Fuel	3,03,464	3,63,220
Machinery Repairs & Maintenance	15,735	-
Building Repairs and Maintenance	9,75,083	1,37,966
Rates and Taxes	15,24,523	15,47,887
Insurance	2,22,345	2,18,644
Rent	99,000	99,000

- 14) The respective consumption figures are net of the following sales and profit/(loss), if any, remains adjusted therein:

(a) Raw Materials	-	-
Packing Materials	-	53,314

- (b) Consumption of raw materials, packing materials and stores & spare parts includes write-offs/diminutions in the value of stocks on account of un-serviceability / obsolescence / damages / shortages.
- (c) Consumption of raw materials, packing materials and stores & spare parts has been arrived at on the basis of opening stock plus purchases less closing stock as physically verified and sale, if any.

- 15) Payments to Auditors:

Particulars	CURRENT YEAR	PREVIOUS YEAR
(i) Audit Fees	7,87,500	7,50,000
(ii) In other capacity for :		
(a) Company Law matters/Management Services	2,01,600	1,92,000
(b) Tax Audit	1,57,500	1,50,000
(c) Certification fees	3,30,000	3,30,000
	14,76,600	14,22,000
(iii) Reimbursement of expenses [including service tax of ` 59,328 (Previous Year ` 1,75,759)]	1,42,114	3,17,074
	16,18,714	17,39,074

- 16) "Selling and Distribution Expenses" includes :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Rent	1,06,800	96,000
Entry Tax/Octroi/Toll Tax	18,63,933	19,04,266

17) **ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III :**

A: Information in respect of Sales :

(Amount in `)

Particulars	Sales	Closing Inventory	Opening Inventory
Cigarettes	<b>1,03,06,11,246</b> (1,06,64,93,389)	<b>9,81,01,479</b> (10,36,24,023)	<b>10,36,24,023</b> (9,29,59,161)
Raw Tobacco	<b>NIL</b> (9,12,80,150)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)
Processed Tobacco	<b>NIL</b> (38,94,722)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)
Stock in Trade (Immovable Property)	<b>NIL</b> (NIL)	<b>35,21,98,748</b> (35,21,98,748)	<b>35,21,98,748</b> (35,21,98,748)
Others	<b>2,54,898</b> (96,492)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)
<b>Total</b>	<b>1,03,08,66,144</b> <b>(1,16,17,64,753)</b>	<b>45,03,00,227</b> <b>(45,58,22,771)</b>	<b>45,58,22,771</b> <b>(44,51,57,909)</b>

B : Sales include transfer for own consumption of cigarettes at Sales values ` 96,350 (Previous year ` 1,68,798)

C. Raw Materials Consumed # : (as certified by the management)

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Tobacco	<b>11,81,05,528</b>	12,16,88,360
Cigarette Paper	<b>1,57,92,024</b>	2,07,20,717
Filter Rods	<b>4,50,76,609</b>	5,00,08,780
Others	<b>1,05,71,650</b>	1,29,22,119
<b>Total</b>	<b>18,95,45,811</b>	<b>20,53,39,976</b>

# Only data relating to the Company's principal products and main materials have been indicated above.

D. Value of Imports calculated on C.I.F. basis :

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Raw Materials	<b>1,44,91,291</b>	2,24,28,884
(b) Stores and Spare Parts	<b>NIL</b>	1,25,612
(c) Packing Materials	<b>56,53,076</b>	5,55,978

E. Value of Imported and Indigenous Raw Materials, Stores and Spare Parts consumed and percentage thereof to the total consumption :(as certified by the management)

Particulars	Raw Materials		Stores and Spare Parts	
	`	%	`	%
Imported	<b>1,73,93,749</b> (1,81,84,640)	<b>9.18</b> (8.86)	<b>1,03,583</b> (1,56,240)	<b>2.34</b> (2.75)
Indigenous	<b>17,21,52,062</b> (18,71,55,336)	<b>90.82</b> (91.14)	<b>43,29,306</b> (55,29,418)	<b>97.66</b> (97.25)
<b>Total</b>	<b>18,95,45,811</b> <b>(20,53,39,976)</b>	<b>100.00</b> <b>(100.00)</b>	<b>44,32,889</b> <b>(56,85,658)</b>	<b>100.00</b> <b>(100.00)</b>

(Figures in brackets in Note no. A and E pertain to Previous Year)



18) (i) Expenditure in Foreign Currency : (On actual payment basis)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Travelling, Legal & Professional and Subscription etc.	10,84,565	15,88,076
Advertisement Expenses	3,44,274	10,98,245
(ii) Earning in Foreign Currency :		
(a) Exports of Goods on F.O.B. basis (including exports through/by third parties)	23,66,76,857	31,48,97,120
(b) Recovery towards Freight and Insurance on Export	32,89,167	70,65,618
<b>Total</b>	<b>23,99,66,024</b>	<b>32,19,62,738</b>

19) Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows :

Particulars	Type of foreign currency	As at 31-03-2015		As at 31-3-2014	
		Amount in foreign currency	Amount in `	Amount in foreign currency	Amount in `
Trade Receivable	US\$	6,099	3,79,297	6,950	4,14,289
Advances from Customer	US\$	7,38,754	4,59,43,112	4,50,257	2,68,39,819

20) As per Accounting Standards (AS) 17 "Segment Reporting", segment information has been provided in the notes to Consolidated Financial Statements.

21) The Previous Year's figures have been rearranged, reinstated and/or regrouped wherever necessary to conform to the Current Year's presentation.

**Signatures to Notes 1 to 25**

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants  
Firm Registration No. 301051E

**R. P. Baradiya**  
Partner  
Membership No. 44101

Place: Mumbai  
Date : May 25, 2015

**For and on behalf of the Board**

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**Bharat B. Merchant**  
Director  
DIN : 00300384

**Manoj Kumar Srivastava**  
Company Secretary



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## **INDEPENDENT AUDITORS' REPORT**

**To  
The Members of  
GOLDEN TOBACCO LIMITED**

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

We have audited the accompanying consolidated financial statements of **Golden Tobacco Limited** ("the Parent Company") and its subsidiaries collectively referred to as 'the Group, which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Parent 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 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and 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 the 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 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 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 Parent 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 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 auditor's 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 Parent Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Parent Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date, and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.





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**Emphasis of Matter:**

Without qualifying, we draw attention to the following:

- (a) the appropriateness or otherwise of the preparation of these consolidated financial statements on a going concern basis, in view the Parent Company's net worth having been entirely eroded as also the restrictions placed by the Hon'ble Supreme Court to deal with the properties of the Parent Company and also by the Gujarat High Court particularly in respect of Vile Parle property. The Parent Company has however, prepared the financial statements on a going concern basis as the management is hopeful to turn around the Group's business performance and expects favourable decision by the aforesaid courts and consequential early finalization of MDRS, inter alia, providing for early disposal of Parent Company's surplus properties. (Refer note no.25.(1)(1.1)(c) of the consolidated financial statements).
- (b) The Parent Company's Revised Modified Draft Rehabilitation Scheme (MDRS) submitted to the Monitoring Agency for their consideration, which is pending and consequential impact, if any, including provisions/reliefs and payment of interest on various advances taken by the Parent Company, etc. as and when the scheme is sanctioned (Refer note no.25.(1)(1.1)(c) of the consolidated financial statements).
- (c) There is substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 1,78,63,139 (Previous year ` 3,55,10,361) as compared to its market value which, in the opinion of the management is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature.

**Other Matters:**

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ` 1,06,63,943 as at March 31, 2015 (as at March 31, 2014 ` 1,05,87,571), total revenues and net cash flows of ` Nil and ` 396,904 respectively, for the year ended March 31, 2015 (total revenues and net cash flows of ` Nil and ` 243,649 for the year ended March 31, 2014), as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 reports of the other auditors..

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Parent Company and its subsidiaries incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (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 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 Parent Company and its subsidiary incorporated in India as on 31st March, 2015 taken on record by the Board of Directors of the Parent Company and its subsidiaries incorporated in India, none of the directors of the Group's companies are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Group has disclosed the impact of pending litigations on its consolidated financial position in the aforesaid consolidated financial statements (Refer note no. 25.(1)(1.1)(d) to the consolidated financial statements.
  - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiaries incorporated in India.

**For LODHA & COMPANY**  
**Chartered Accountants**  
Firm Registration No. 301051E

**R. P. Baradiya**  
**Partner**

Membership No. 44101

**Place : Mumbai**  
**Date : May 25, 2015**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GOLDEN TOBACCO LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit and based on the reports of the other auditors, we state that:

- (a) The Parent Company and its subsidiaries incorporated in India has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Parent Company and its subsidiaries incorporated in India has carried out physical verification of its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification *except a Flat having Gross Book Value of ₹ 66,44,825 (Net Book Value: ₹ 37,27,501) as on March, 2015 which, as explained by the Management, is in the wrongful possession of the family member of an ex-employee for a long time. The Parent Company had already initiated legal proceedings against the said ex-employee and on his demise; the names of his family members were substituted. The Parent Company is pursuing litigation so that the flat can be vacated at the earliest. We are, however, unable to comment as to when the said flat would be released to the Parent Company and on the ultimate realisability of the carrying value thereof.*
- (a) The inventories of the Parent Company at its major locations have been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit as on 31<sup>st</sup> March, 2015 have been verified by the management with reference to confirmation or statement of account or correspondence obtained from the third parties and /or subsequent receipt of inventory.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Parent Company has maintained proper records of inventory and the discrepancies noticed between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(d) During the year, subsidiaries incorporated in India do not hold any inventory. Therefore, the provisions of the clause 4 (ii) of the Order are not applicable.
- During the year, the Parent Company and its subsidiaries incorporated in India has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased and sold are of the special nature in respect of which suitable alternative sources do not exist for



obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Parent Company and its subsidiaries incorporated in India and nature of its business for purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the aforesaid internal control systems.

5. In our Opinion and according to the information and explanations given to us, the Parent Company and its subsidiaries incorporated in India has not accepted any public deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
6. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 148 (1) of the Act have been maintained by the parent Company. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and complete.

According to the information and explanations given to us, during the year, there were no manufacturing activities in the subsidiaries incorporated in India. Therefore, provisions of clause 4(vi) of the Order is not applicable.

7. (a) The Parent Company and its subsidiaries incorporated in India is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable except Professional tax of ₹ 8,360 and ₹ 703,758 Interest on delayed payment of Tax Deducted at Source.
- (b) According to the records of the Parent Company and its subsidiaries incorporated in India, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Wealth Tax, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of any dispute except the following :

(i) In respect of Parent Company

NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN ₹)	FORUM WHERE DISPUTE IS PENDING
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1993 to 1998	261,308	Sales Tax Appellate Tribunal- Coimbatore
The Kerala Value Added Tax Act, 2003	Sales Tax	2008-09 to 2009-10	913,736	Commissioner Sales Tax- Kochi
The Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1993	Entry Tax	2003 to 2011	13,70,39,667	High Court- Bihar
The Tamilnadu Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	Various Year	3,03,59,060	Supreme Court
The Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Various Years	70,13,122	Joint Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax	1984-85 to 2007-08	1,149,564,577	Income tax Appellate Tribunal/ Bombay High Court
		1984-85 to 1986-87 & 2008-09	829,269,559	Income Tax Commissioner (Appeals)
		1987-88 to 1991-92	102,557,479	Assessing Officer



NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTE IS PENDING
Central Excise Act, 1944	Excise Duty	1979,1986,1997 and 1998	29,58,17,161	Supreme Court of India
		2000,2003 and 2004 1983,1994,1995,1999, 2002,2003,2007 and 2011	3,39,67,596 39,83,07,219	High Court, Mumbai Customs, Excise, Service Tax Appellate Tribunal
		1979 to 2011	10,138,752	Commissioner of Central Excise

(ii) In respect of subsidiaries incorporated in India :

NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTE IS PENDING
The Income Tax Act, 1961	Income Tax	Assessment Year 1993-94	682,280	Commissioner of Income Tax (Appeals)
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1991-92	51,488	Commercial Tax Officer

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiaries incorporated in India.
8. The accumulated losses of the Parent Company and its subsidiaries incorporated in India at the end of the financial year are more than 50% of its net worth. The Parent Company and its Indian subsidiaries incorporated in India has incurred cash losses during the current financial year as well as in the immediately preceding financial year.
  9. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us there has been no default in repayment of dues to banks except for a delay ranging from 3-90 days of ` 69,500,000 towards principal and Interest of ` 1,04,76,746. There are no dues to financial institutions or debenture holders.
  10. According to the information and explanations given to us, the terms and conditions on which the Parent Company and subsidiaries incorporated in India had given guarantee for loans taken by others from banks and financial institutions are, prima facie, not prejudicial to the interest of the Parent Company subsidiaries incorporated in India.
  11. Based on the information and explanations given to us by the management, the Parent Company and its subsidiaries incorporated in India has not obtained any term loans during the year. Therefore, the provisions of the clause 4 (xi) of the Order are not applicable.
  12. During the course of our examination of the books and records of the Parent Company and its subsidiaries incorporated in India, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Parent Company and its subsidiaries incorporated in India, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai  
Date : May 25, 2015

**For LODHA & CO.**  
**Chartered Accountants**  
Firm Registration No. 301051E  
**R. P. Baradiya**  
**Partner**  
Membership No. 44101



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at March 31, 2015	(Amount in `) As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(1,868,399,504)	(1,515,986,463)
2 Minority Interest		998	1,003
<b>3 Non-Current Liabilities</b>			
Long-Term Borrowings	3	158,607,614	293,868,049
Other Long Term Liabilities	4	1,905,905,860	1,891,635,499
<b>4 Current Liabilities</b>			
Short-Term Borrowings	5	370,223,081	380,338,361
Trade Payables		269,367,140	249,989,065
Other Current Liabilities	6	2,410,626,978	2,861,987,072
Short-Term Provisions	7	52,198,467	54,731,581
<b>TOTAL</b>		<b><u>3,474,410,846</u></b>	<b><u>4,392,444,379</u></b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>Fixed Assets (Net)</b>			
Tangible Assets	8	197,140,269	250,611,858
Non-Current Investments	9	62,878,173	62,878,173
Long-term Loans and Advances	10	2,324,984,197	3,094,759,955
<b>2 Current Assets</b>			
Inventories	11	774,460,942	805,831,820
Trade Receivables	12	69,875,411	98,115,104
Cash and Bank Balances	13	18,754,123	46,278,804
Short Term Loans and Advances	14	22,810,697	24,077,168
Other Current Assets	15	3,507,034	9,891,497
<b>TOTAL</b>		<b><u>3,474,410,846</u></b>	<b><u>4,392,444,379</u></b>

Significant accounting policies and  
Accompanying Notes form an integral  
part of consolidated financial statements

1 - 25

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants

Firm Registration No. 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

**A. K. Joshi**

Managing Director

DIN : 00379820

**For and on behalf of the Board**

**Bharat B. Merchant**

Director

DIN : 00300384

**Manoj Kumar Srivastava**

Company Secretary

Place: Mumbai

Date : May 25, 2015



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>(Amount in `)</b>			
<b>Income</b>			
Revenue from operations			
Sale of Products		<b>1,030,866,144</b>	1,161,764,753
Less: Excise Duty		<b>(530,832,716)</b>	(473,016,890)
Other income from Operation	16	<b>15,853,262</b>	14,126,375
		<b>515,886,690</b>	702,874,238
Other income	17	<b>12,493,076</b>	27,255,451
Total Income		<b>528,379,766</b>	730,129,689
<b>Expenses</b>			
Cost of materials consumed	18	<b>262,980,489</b>	292,108,795
Purchases for resale		-	71,259,800
Manufacturing and Operating Costs	19	<b>18,987,648</b>	22,501,719
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	<b>(4,028,657)</b>	11,356,285
Employee Benefits Expense	21	<b>115,813,199</b>	124,326,143
Finance Costs	22	<b>254,301,302</b>	459,905,206
Depreciation and Amortization Expense	8	<b>12,100,474</b>	12,778,566
Less : Transferred from Revaluation Reserve		-	(1,914,555)
		<b>12,100,474</b>	10,864,011
<b>Other Expenses</b>	23	<b>200,265,430</b>	191,082,931
Total Expenses		<b>860,419,885</b>	1,183,404,890
Loss before tax		<b>(332,040,119)</b>	(453,275,201)
Tax Expense :			
Current Tax		-	-
Loss for the year from continuing operations before Exceptional items		<b>(332,040,119)</b>	(453,275,201)
Exceptional items -Income/(Expense)	25.5	<b>22,500,000</b>	109,550,377
Loss before Minority Interest		<b>(309,540,119)</b>	(343,724,824)
Minority Interest(Loss)		<b>5</b>	5
Loss for the year		<b>(309,540,114)</b>	(343,724,819)
Earnings per equity share of the face value of ` 10 each :	25.11		
Basic & Diluted :			
Before Exceptional item		<b>(18.88)</b>	(25.77)
After Exceptional item		<b>(17.60)</b>	(19.54)

**Significant accounting policies and  
Accompanying Notes form an integral part  
of consolidated financial statements**

1 - 25

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants  
Firm Registration No. 301051E

**R. P. Baradiya**  
Partner  
Membership No. 44101

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**For and on behalf of the Board**

**Bharat B. Merchant**  
Director  
DIN : 00300384

**Manoj Kumar Srivastava**  
Company Secretary

Place: Mumbai  
Date : May 25, 2015



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>(Amount in `)</b>		
<b>A Cash flow from Operating Activities:</b>		
Net (loss) as per statement of Profit & loss after exceptional before minority interest	(309,540,119)	(343,724,824)
Add: Exceptional Items- Income/(Expense)	(22,500,000)	(109,550,377)
Loss before exceptional items	(332,040,119)	(453,275,201)
<b>Add: Adjustments for :</b>		
Depreciation and Amortization	12,100,474	10,864,011
Provision for Doubtful debts provided for/ (written back)	-	(10,330,000)
Interest Expenses	254,301,302	459,905,206
Interest received (other than investment)	(2,667,143)	(2,634,990)
Dividend received on Investment	(948,036)	(930,276)
(Profit)/Loss on sale of fixed assets	-	(923,063)
Liabilities no longer required written back	(2,614,069)	(1,225,365)
Effect of Foreign Currency Translation	(484,727)	(892,533)
Foreign Exchange (Gain)/Loss, net	2,342,581	1,607,152
<b>Operating Profit/(loss) before Working Capital changes</b>	<b>(70,009,737)</b>	<b>2,164,941</b>
<b>Adjustments for changes in Working Capital :</b>		
- Trade and other Receivables	807,371,111	973,043,128
- Inventories	31,370,878	(13,030,528)
- Trade and Other Payable	199,092,705	494,562,303
<b>Cash generated from Operations</b>	<b>967,824,957</b>	<b>1,456,739,844</b>
Income Taxes Paid	(242,292)	(137,039)
<b>Net cash from/(used in) Operating Activities - A</b>	<b>967,582,665</b>	<b>1,456,602,805</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(1,017,084)	(2,611,931)
Sale of fixed Assets	-	1,039,887
Dividend received	948,036	930,276
Interest received (other than Investment)	2,667,143	2,634,990
<b>Net Cash from/(used in) Investing Activities - B</b>	<b>2,598,095</b>	<b>1,993,222</b>
<b>C Cash flow from Financing Activities:</b>		
(Repayment)/Proceeds from long term borrowings	(944,486,830)	(1,085,429,843)
Interest paid	(51,542,937)	(355,618,828)
<b>Net cash from/(used in) Financing Activities - C</b>	<b>(996,029,767)</b>	<b>(1,441,048,671)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(25,849,007)	17,547,356
Opening Cash and Cash Equivalents	28,478,914	10,931,558
<b>Closing Cash and Cash Equivalents</b>	<b>2,629,906</b>	<b>28,478,914</b>

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3, Cash Flow Statement notified by Companies Act, 2013.
- 2 Previous year's figures have been regrouped/rearranged where necessary.

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants  
Firm Registration No. 301051E

**R. P. Baradiya**

Partner  
Membership No. 44101  
Place: Mumbai  
Date : May 25, 2015

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**For and on behalf of the Board**

<b>Bharat B. Merchant</b> Director DIN : 00300384	<b>Manoj Kumar Srivastava</b> Company Secretary
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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2015**

**1 Share Capital**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount in `	Number	Amount in `
<b>Authorised</b>				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
<b>Total</b>		350,000,000		350,000,000
<b>Issued</b>				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
<b>Subscribed and Paid up</b>				
Equity Shares of ` 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
<b>Total</b>	17,598,016	175,880,212	17,598,016	175,880,212

**2 Reserves and Surplus**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital Reserve</b>		
a) on profit on sale of Investments	10,848,900	10,848,900
b) on account of monies received against forfeited shares	90,000	90,000
c) Capital Reserve on Consolidation		
i) Reserves capitalized by a subsidiary company on issue of bonus shares	25,000,000	25,000,000
ii) goodwill capitalized in view of write off by the subsidiary	26,880,000	26,880,000
iii) In respect of investment made by a subsidiary	2,457,673	2,457,673
iv) General reserve of a subsidiary company	4,021,711	4,021,711
v) Investment allowance reserve of a subsidiary company	5,657,500	5,657,500
Closing Balance	74,955,784	74,955,784
<b>Securities Premium Account</b>		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
<b>Revaluation Reserve</b> (On revaluation of Land, Buildings and Plant & Machinery)		
Opening Balance	123,531,987	125,019,548
Add : of a subsidiary on Consolidation	-	435,231
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	-	8,237
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	-	1,914,555
Closing Balance	123,531,987	123,531,987
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	(1,858,157)	(965,624)
Add: Movement during the year	(484,727)	(892,533)
Closing Balance	(2,342,884)	(1,858,157)
<b>Deficit: Statement of Profit and Loss</b>		
Opening Balance	(2,246,236,980)	(1,902,512,161)
Add : Transitional description (Refer Note no. 8.1)	(42,388,199)	-
Add : Loss for the year transferred from Statement of Profit & Loss	(309,540,114)	(343,724,819)
Closing Balance	(2,598,165,293)	(2,246,236,980)
<b>Total</b>	<b>(1,868,399,504)</b>	<b>(1,515,986,463)</b>





### 3 Long Term Borrowings

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured :</b>		
Term Loans :		
from banks	3,052,703	85,023,713
from Bodies Corporate	130,054,911	183,344,336
<b>Unsecured Loans :</b>		
from Body Corporate	25,500,000	25,500,000
<b>Total</b>	<b>158,607,614</b>	<b>293,868,049</b>

### 4 Other Long Term Liabilities

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Unpaid Dividend*	7,115,143	7,115,143
Statutory Dues Payable*	69,882,851	69,882,851
Advance Received Towards Property Development (also refer note no.25.7(a))*	1,320,000,000	1,320,000,000
Advance Received Towards Project Development (also refer note no. 25.7(a))*	407,500,000	407,500,000
Other Liabilities	101,407,866	87,137,505
<b>Total</b>	<b>1,905,905,860</b>	<b>1,891,635,499</b>

\*Considering MDRS filed pending sanction.( also refer note no.25(1)(1.1)(c))

### 5 Short Term Borrowings

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Working Capital Facilities :		
from banks	369,223,081	376,338,361
<b>Unsecured :</b>		
Intercorporate Deposits	1,000,000	4,000,000
<b>Total</b>	<b>370,223,081</b>	<b>380,338,361</b>

### 6 Other Current Liabilities

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long term debt	70,389,425	1,011,313,152
Interest accrued and due on borrowings: Banks	10,476,746	277,753,588
: Others	425,685,523	-
Interest accrued but not due on borrowings/others	44,396,743	47,059
Overdue borrowings: Banks and others	1,263,620,353	1,121,807,741
Advance Received towards development rights	177,500,000	-
Security Deposits (also refer note no.25.7(b))	163,649,142	166,699,142
Advances from Customers	48,060,327	31,967,099
Excise Duty accrued but not due	76,245,191	73,209,570
Statutory Dues Payable	43,183,630	30,598,454
Book Overdraft in a Current Account with a Bank	29,914,563	49,871,177
Other Liabilities	57,505,335	98,720,090
<b>Total</b>	<b>2,410,626,978</b>	<b>2,861,987,072</b>

### 7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for :		
Gratuity	42,030,868	45,234,878
Leave	10,167,599	9,496,703
<b>Total</b>	<b>52,198,467</b>	<b>54,731,581</b>



## 8 Fixed Assets

(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	Balance as at 1st April, 2014	Adjustment during the year	Additions during the year	Disposals during the year	Balance as at 31st March, 2015	Balance up to 31st March, 2014	Debited to Deficit*	Charge for the year	Disposals during the year	Balance as at 31st March, 2015	Balance as at 31st March, 2015
Tangible Assets Land & Building (At Book value)	249,371,475	-	-	-	249,371,475	67,483,894	-	5,361,735	-	72,845,629	176,525,846
Electric Installations (At Cost)	2,965,868	-	-	-	2,965,868	2,781,888	183,980	-	-	2,965,868	-
Plant and Equipment (At Book value)	854,211,745	-	886,094	-	855,097,839	796,467,624	38,991,760	5,044,617	-	840,504,001	14,593,838
Furniture and Fixtures (At Cost)	7,379,276	-	-	-	7,379,276	6,995,971	383,305	-	-	7,379,276	-
Vehicles (At Cost)	5,924,933	-	-	-	5,924,933	5,407,413	83,370	135,487	-	5,626,270	298,663
Computer	9,936,698	-	130,990	-	10,067,688	9,399,523	132,830	291,568	-	9,823,921	243,767
Factory equipment (At Cost)	25,598,487	-	-	-	25,598,487	18,528,923	491,748	1,190,584	-	20,211,255	5,387,232
Office equipment (At Cost)	11,416,187	-	-	-	11,416,187	9,127,575	2,121,206	76,483	-	11,325,264	90,923
<b>Total</b>	<b>1,166,804,669</b>	<b>-</b>	<b>1,017,084</b>	<b>-</b>	<b>1,167,821,753</b>	<b>916,192,811</b>	<b>42,388,199</b>	<b>12,100,474</b>	<b>-</b>	<b>970,681,484</b>	<b>197,140,269</b>

(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	Balance as at 1st April, 2013	Adjustment during the year	Additions during the year	Disposals during the year	Balance as at 31st March, 2014	Balance up to 31st March, 2013	Adjustment during the year	Charge for the year	Disposals during the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014
Tangible Assets Land & Building (At Book value)	248,446,404	-	925,071	-	249,371,475	61,926,486	-	5,557,408	-	67,483,894	181,887,581
Electric Installations (At Cost)	2,968,792	-	-	2,924	2,965,868	2,755,097	-	29,703	2,912	2,781,888	183,980
Plant and Equipment (At Book value)	677,104,423	176,570,450	1,188,390	651,518	854,211,745	615,388,233	176,570,450	5,152,200	643,259	796,467,624	57,744,121
Furniture and Fixtures (At Cost)	7,379,276	-	-	-	7,379,276	6,911,298	-	84,673	-	6,995,971	383,305
Vehicles (At Cost)	6,602,396	-	-	677,463	5,924,933	5,841,454	-	190,350	624,391	5,407,413	517,520
Factory & Office equipment (At Cost)	49,204,937	-	498,470	2,752,035	46,951,372	37,988,343	-	1,764,232	2,696,554	37,056,021	9,895,351
<b>Total</b>	<b>991,706,228</b>	<b>176,570,450</b>	<b>2,611,931</b>	<b>4,083,940</b>	<b>1,166,804,669</b>	<b>730,810,911</b>	<b>176,570,450</b>	<b>12,778,566</b>	<b>3,967,116</b>	<b>916,192,811</b>	<b>250,611,858</b>

Notes :

- 8.1 Pursuant to the Companies Act, 2013 ("the Act") coming in to effect from 1st April, 2014, the Company has realigned the remaining useful life of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Consequently in case of assets which have completed their useful life, the carrying value (net of residual value) as at 1st April, 2014 amounting to ` 4,23,88,199 has been debited to deficit. Also, carrying value of the other assets (net of residual value) is being depreciated over the revised remaining useful lives. Consequently, the depreciation and amortization expense for the year ended 31st March, 2015 is higher by ` 2,587,499.



## 9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non trade	No. of Shares / Units		Face Value	Amount ( ` )	
			As at March 31st 2015	As at March 31st 2014		As at March 31st 2015	As at March 31st 2014
	<b>Investments in Equity Shares- Long Term</b>						
<b>A</b>	<b>In Other Body Corporate : (Unquoted , fully paid up)</b>						
	World Growth Fund Limited (at depreciated value)	Non-Trade	10,000	10,000	` 10	1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	` 10	1	1
	Filter and Filteraids Limited (at depreciated value)	Trade	1,800	1,800	` 10	1	1
	J K Cigarettes Limited (at depreciated value)	Trade	20,000	20,000	` 10	1	1
	Premier Paper Mills Limited (at depreciated value)	Trade	40,000	40,000	` 100	5	5
	Dalmia Finance Limited (at cost)	Non-Trade	120,000	120,000	` 10	1,200,000	1,200,000
	Tendoring Services Pvt. Limited (at depreciated value)	Non-Trade	311	311	` 100	1	1
<b>B</b>	<b>In Other Body Corporate : (Quoted, fully paid up)</b>						
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	` 10	49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	` 10	1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	` 10	10,500,000	10,500,000
	ITC Limited (at cost)	Trade	15,360	15,360	` 1	1,544	1,544
	Godfrey Phillips India Limited (at cost)	Trade	2280	456	` 2	1,515	1,515
	VST Industries Limited (at cost)	Trade	64	64	` 10	407	407
	<b>Total</b>					<b>62,878,173</b>	<b>62,878,173</b>

## 10 Long term loans and advances

(Amount in ` )

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, Considered good</b>		
Advances given towards acquisition of Development rights (refer note no. 25.7(c))	1,960,944,969	2,709,438,000
Capital Advance	-	2,572,474
Security Deposits	5,615,368	7,690,881
Balances with Excise/Sales tax authorities	185,411,179	181,782,910
Loans and Advances for value to be received in cash or in kind	60,740,278	80,974,234
Payment of Tax (Net of Provision of ` 32,98,38,675; Previous year ` 32,95,85,675)	112,272,403	112,301,456
Unsecured, Considered Doubtful	39,318,252	36,784,278
Less: Provision for doubtful loans and advances	(39,318,252)	(36,784,278)
<b>Total</b>	<b>2,324,984,197</b>	<b>3,094,759,955</b>

## 11 Inventories

(Amount in ` )

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Materials	212,540,902	247,639,748
Work-in-progress	34,153,841	27,706,213
Finished goods (Including goods in transit of ` 68,13,011 ; Previous year ` 49,32,449)	98,101,479	103,624,023
Packing Materials	47,063,978	44,369,519
Stock in Trade (Immovable Property)	352,198,748	352,198,748
Stores and spares	30,401,994	30,293,569
<b>Total</b>	<b>774,460,942</b>	<b>805,831,820</b>


**12 Trade Receivables**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured (Secured Against Machinery in the Group's Possession)</b> Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	<b>1,452,981</b>	1,452,981
<b>Unsecured</b> Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	<b>12,443,840</b>	3,615,161
Considered doubtful	<b>41,466,178</b>	37,741,178
Less : Provision for doubtful debts	<b>(41,466,178)</b>	(37,741,178)
	<b>12,443,840</b>	3,615,161
Others Considered good	<b>55,978,590</b>	93,046,962
<b>Total</b>	<b>69,875,411</b>	<b>98,115,104</b>

**13 Cash and Bank Balances**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and Cash Equivalents</b> Balances with banks	<b>1,612,527</b>	27,062,404
Cash on hand	<b>1,017,379</b>	1,416,510
	<b>2,629,906</b>	28,478,914
<b>Earmarked Bank balances</b> Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	<b>16,053,585</b>	17,729,258
Other Bank Balances	<b>70,632</b>	70,632
<b>Total</b>	<b>16,124,217</b>	17,799,890
<b>Total</b>	<b>18,754,123</b>	<b>46,278,804</b>

**14 Short term loans and advances**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Balances with Excise authorities	<b>2,043,791</b>	2,351,619
Advances to suppliers	<b>1,828,698</b>	1,707,609
Other Loans and Advances recoverable in cash or in kind of for value to be received	<b>18,938,208</b>	20,017,940
<b>Total</b>	<b>22,810,697</b>	<b>24,077,168</b>


**15 Other Current Assets**

(Amount in `)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on fixed deposits	1,223,645	1,739,087
Export Incentive receivable	1,125,068	3,384,207
Insurance claim receivable	528,896	4,103,651
Prepaid Expenses	629,425	664,552
<b>Total</b>	<b>3,507,034</b>	<b>9,891,497</b>

**16 Other Income from operations**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Other operating revenues from Scrap Sale	4,395,972	2,831,614
Export Incentives	11,457,290	11,294,761
<b>Total</b>	<b>15,853,262</b>	<b>14,126,375</b>

**17 Other Income**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Income	2,667,143	2,634,990
Credits in respect of excess interest charged by Banks	944,609	5,375,084
Dividend income from long term investments	948,036	930,276
Liabilities no longer required written back	2,614,069	1,225,365
Provision for doubtful debts written back	275,000	10,330,000
Profit on sale of fixed assets (net)	-	923,063
Rental Income	3,127,165	3,525,438
Miscellaneous Income	1,917,054	2,311,235
<b>Total</b>	<b>12,493,076</b>	<b>27,255,451</b>

**18 Cost of Materials Consumed**

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw Materials consumed	189,545,811	205,339,976
Packing Materials consumed	73,434,678	86,768,819
<b>Total</b>	<b>262,980,489</b>	<b>292,108,795</b>


**19 Manufacturing and Operating Costs**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Consumption of stores and spare parts	4,432,889	5,685,658
Repairs to machinery	1,608,713	1,850,428
Power and fuel	12,946,046	14,965,633
<b>Total</b>	<b>18,987,648</b>	<b>22,501,719</b>

**20 Changes in Inventories of Finished Goods & Work in Progress**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Opening Stock:</b>		
Finished Goods	103,624,023	92,959,161
Work in Progress	27,706,213	28,507,246
Stock in Trade (immovable Property)	352,198,748	352,198,748
<b>Total</b>	<b>483,528,984</b>	<b>473,665,155</b>
<b>Closing Stock</b>		
Finished Goods	98,101,479	103,624,023
Work in Progress	34,153,841	27,706,213
Stock in Trade (immovable Property)	352,198,748	352,198,748
<b>Total</b>	<b>484,454,068</b>	<b>483,528,984</b>
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	(3,103,573)	21,220,114
<b>Total</b>	<b>(4,028,657)</b>	<b>11,356,285</b>

**21 Employee Benefits Expense**
**(Amount in `)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and wages	99,080,177	105,248,574
Contributions to provident and other funds	8,077,580	9,298,151
Staff welfare expenses	8,655,442	9,779,418
<b>Total</b>	<b>115,813,199</b>	<b>124,326,143</b>



## 22 Finance Costs

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Expenses	242,053,559	426,773,406
Interest on Statutory dues	12,247,743	33,131,800
<b>Total</b>	<b>254,301,302</b>	<b>459,905,206</b>

## 23 Other Expenses

(Amount in `)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent	5,747,324	8,117,203
Repairs & Maintenance - Building	4,582,434	4,395,840
Insurance	1,762,019	1,877,971
Rates and taxes	1,822,929	1,821,055
Travelling & Conveyance Expenses	17,313,456	18,818,662
Legal & Professional charges	40,536,041	29,928,406
Director's sitting Fees	260,000	181,883
Loss on Variation in Foreign Exchange Rates (Net)	2,342,581	1,607,152
Selling and Distribution Expenses	81,331,248	81,321,027
Provision for Doubtful Debts/Advances	6,533,974	747,665
Commission on sales	2,182,560	2,378,308
Miscellaneous Expenses	35,850,864	39,887,759
<b>Total</b>	<b>200,265,430</b>	<b>191,082,931</b>



## 24. SIGNIFICANT ACCOUNTING POLICIES:

### A. Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard – 21 on “Consolidated Financial Statements” notified by Companies Act, 2013.

### B. Principles of Consolidation

The Consolidated Financial Statements relate to Golden Tobacco Limited, (The Parent Company) and its subsidiaries. The name, country of incorporation and proportion of ownership interest are as under :

Name of the Subsidiary Company	Country of Incorporation	Share Parent Percentage
1 Golden Investment (Sikkim) Pvt. Limited	India	99.97 %
2 GTC INC.B.V	Netherland	100.00 %
3 Golden Realty & Infrastructure Limited	India	100.00 %
4 Western Express Industries Limited	India	100.00 %
5 Raigadh Papers Limited	India	100.00 %

### C. Consolidation Procedures

For preparation of Consolidated Financial Statements, the financial statements of the Parent Company and its Subsidiaries have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. Impact of Inter-Company transactions has been eliminated on consolidation.

- D. The accounting policies followed by the Parent Company and its subsidiaries are disclosed in their respective financial statements.

## NOTES- 25 :

### 1) Pending Litigations/contingent liabilities not provided for in respect of:

- 1.1) (a) Disputed Excise claims/demands, of ` **86,00,72,408** (Previous year ` 5,90,50,96,427) excluding interest liability, of any, against and/or relating to the Parent Company and counter claims by the Parent Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the Parent Company has paid ` **12,18,41,680** (Previous year ` 12,18,41,680) (included in Loans & Advances) under protest. In the opinion of the management, appropriate provisions have been made in the books of account in respect of Excise claims/demands that may become payable based on the legal advice /present status of various matters. Further, various show cause notices/show cause-cum-demand notices/attachment notice including in respect of Vile Parle Property, Mumbai have been received from Excise Authorities by the Parent Company and/or in relation to the Parent Company. Since these notices are in the nature of explanations required, the Parent Company does not consider them to constitute any liability. All these notices have appropriately replied/attended to.
- (b) Excluding the claims/demands against the Parent Company and its subsidiaries not acknowledged as debts as mentioned in (a) above :
- (i) Income Tax in respect of earlier years under dispute for which appeals/ rectification petitions have been/ are being preferred by the group and / or pending final assessments ` **2,19,18,50,567** (Previous Year ` 2,20,04,81,197) including interest upto the date of respective demands and excluding further interest liability if any and penalty of ` **1,59,96,64,738** (Previous Year ` 1,60,84,81,368).
- (ii) Other Income Tax proceedings in respect of earlier years decided in the Parent Company's favour by the Appellate Authorities against which the Department is in further appeals excluding further interest liability, if any : ` **1,69,05,24,679** (Previous Year ` 1,69,05,24,679).
- (iii) The Hon'ble Supreme Court on SLP filed by Income Tax department has ordered that pending further orders from this court, the Parent Company shall not encumber or in any way alienate the property.





- (c) As per the direction of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), Delhi, the Parent Company has resubmitted the Revised Modified Draft Rehabilitation Scheme (MDRS) to the monitoring Agency on 14.11.2014 for their consideration, which is pending in view of the restriction by the Supreme Court to deal with properties and by Gujarat High Court particularly in respect of Vile Parle property which forms one of the major source of Finance for finalizing MDRS. The consequential impact, if any, would be considered, including provisions/reliefs and payment of interest on various advances taken by the parent Company etc. arising on implementation of the scheme as and when sanctioned.
- (d) The Parent Company and its subsidiaries expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.
- (e) Other disputed amounts for which the group is contingently liable :

Particulars	CURRENT YEAR	PREVIOUS YEAR
i) Disputed Demands of employees/ ex-employees of Parent Company	1,81,20,242	1,81,20,242
ii) Disputed Sales Tax	53,15,336	29,52,040
iii) Disputed Entry Tax of Parent Company	23,47,84,080	23,33,93,500
iv) Disputed Land Revenue & other Taxes of Parent Company	3,77,324	3,76,977
v) Disputed E.S.I.C. (Employees' State Insurance)	18,86,378	18,86,378
vi) Services/materials suppliers/advance forfeited and other business related disputed matters (excluding differential interest, if any)	40,20,43,019	38,33,23,729

- (f) The Parent Company has received notices from certain States in USA with regard to claims against cigarettes sold in those States. However, as per an expert legal opinion obtained, the Parent Company is not liable for any claims, whatsoever-amount unascertainable.
- (g) Guarantees and counter guarantees given by the Parent Company to Banks/Financial Institutions/Others in respect of loans / guarantees to / for other companies (excluding in respect of Excise Duty referred to in Note no.(a) above) : ` 10,55,73,000 plus interest, if any (Previous Year ` 10,55,73,000 plus interest, if any). The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial statements.

### 1.2) Capital Commitments :

Estimated amount of Contracts remaining to be executed on Capital account in Parent Company and not provided for ` NIL (Previous Year ` 60,89,448); Net of Advances of ` NIL (Previous Year ` 25,72,474).

### 1.3) Other Commitments :

Disclosure in respect of Operating Leases

Assets taken on lease :

- (a) The Parent Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.
- (b) The rental expense in respect of Operating Leases are charged as rent under Note 23.
- 2) Land & Buildings and Plant & Machinery were revalued as on 30<sup>th</sup> June, 1980, 30<sup>th</sup> June, 1984, 30<sup>th</sup> June, 1986 (only Land and Buildings), 30<sup>th</sup> June, 1988 and 31<sup>st</sup> March,1993. The total increase as a result of these revaluations were transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of ` 14,66,98,190 for Land & Buildings and ` 64,35,94,544 for Plant & Equipment (Previous Year ` 14,66,98,190 and ` 64,35,94,544, respectively) remain substituted for the historical costs in the gross block of Fixed Assets (Refer note 8).
- 3) (a) In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.



- (b) The Accounts of certain Trade Receivables, Trade Payables, Non-operative Banks / Lenders and Loans & Advances are however, subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 4) As a matter of prudence the net deferred tax asset in respect of Parent/subsidiaries Company as on 31<sup>st</sup> March, 2015 has not been recognized.
- 5) Exceptional Items-Income/(Expenses) comprises of :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Gain on assignment of old receivables which were written off/provided for in earlier years	-	6,17,01,128
Liability no longer payable written back	-	8,07,18,168
Advances written back towards liquidated damages	<b>2,25,00,000</b>	-
Provision in respect of Non Movable inventory on reassessment in view of lower manufacturing since a long time	-	(3,28,68,919)
<b>Net Exceptional Income / (Expense)</b>	<b>2,25,00,000</b>	10,95,50,377

- 6) Other Liabilities includes ` **3,07,90,749** (Previous Year ` **3,07,90,749**) on account of income tax refund received pertaining to earlier years as the disputed matters are yet to be decided.
- 7) The Parent Company as a part of development activities of Realty Division :-

- (a) The Parent Company had entered into a Memorandum of Understanding (MOU) in December, 2009 with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. (Developers) and had received advances in earlier years aggregating to ` **1,32,00,00,000** (Previous Year ` 132,00,00,000) to jointly develop its Vile Parle property. However, the aforesaid parties have disputed balance payment which was due in March, 2011 as per the said MOU / final demand notice to the Developers.

One of the minority shareholder of the Parent Company filed a suit in the City Civil Court, Mumbai, challenging the MOU entered into by the Parent Company with the Developers. The Court vide its Order dated 26.04.2011 granted ad-interim stay in respect of operation of the MOU.

Title deeds of the property are held in Escrow Account with the Solicitor till the completion of obligations specified in the MOU.

The Parent Company has submitted MDRS to the Operating Agency (OA) appointed by BIFR sought for refunding above advances and also the advances of ` 40,75,00,000 received from a strategic investor against Vile Parle Property along with interest, if any as decided by BIFR by selling the said property. (Reference is invited to Note no. 25[1.1b(iii)] about the Hon'ble Supreme Court's Order for not to encumber or in any way alienate the property).

The Hon'ble High Court Gujarat at Ahmadabad vide it's order dated 05-05-2015 restrained the Company from transferring its Vile Parle property pursuant to a petition filed by a group of minority shareholders.

- (b) The Parent Company had entered into a development agreement in September, 2007 and supplemental agreement in October, 2008 & March, 2014 with a developer to jointly develop its Hyderabad property. During the year, the Parent Company received an interest free security deposit of ` **Nil**. (Previous year ` 4,00,00,000), balance as on March 31, 2015 ` **9,00,00,000** (Previous Year ` 9,00,00,000). Further the plan approval of the project is pending because of environmental clearance from the concerned authority, the application for the same has already been filed and the approval is expected shortly, however other approvals are already obtained.
- (c) The group has given advances aggregating to ` **1,96,09,44,969**(Previous Year ` 270,94,38,000) to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development agreement in this regard. Out of the said advance, amount aggregating to ` 115,60,93,031 (Previous Year ` 407,600,000) received back in view of addendum to Development agreement in respect of the plot .Management expects to commence construction activities on the aforesaid land in due course and therefore in the opinion of the management, the aforesaid advances are realisable.



## 8 Segment Reporting :-

Disclosures under Accounting Standards-17 "Segment Reporting" are as under :

(Amount in `)

Particulars	Year Ended 31 <sup>st</sup> March,2015	Year Ended 31 <sup>st</sup> March,2014
<b>Segment Revenue :</b>		
(a) Tobacco Products	50,00,33,428	68,87,47,863
(b) Realty	—	—
(c) Others/Unallocable	—	—
<b>Total</b>	<b>50,00,33,428</b>	<b>68,87,47,863</b>
Add : Other Income		
(a) Tobacco Products	2,77,45,983	4,11,03,370
(b) Realty	5,45,155	2,34,776
(c) Others/Unallocable	55,200	43,680
<b>Total</b>	<b>2,83,46,338</b>	<b>4,13,81,826</b>
<b>Net/Sales income from operations</b>	<b>52,83,79,766</b>	<b>73,01,29,689</b>
<b>Segment Results Profit/(Loss) before tax and interest from segment :</b>		
(a) Tobacco Products	(7,55,88,272)	79,60,466
(b) Realty	(5,84,699)	1,07,657
(c) Others/Unallocable	(15,65,846)	(14,38,118)
<b>Total</b>	<b>(7,77,38,817)</b>	<b>66,30,005</b>
Less : Interest expenses	25,43,01,302	45,99,05,206
Add : Exceptional Income/(Expenses)	2,25,00,000	10,95,50,377
Provision for Taxation	—	—
Total Profit/(Loss) after taxation	(30,95,40,119)	(34,37,24,824)
Minority Interest (loss)	(5)	(5)
Net Profit/(Loss)	(30,95,40,114)	(34,37,24,819)
<b>Segment Assets :</b>		
(a) Tobacco Products	114,82,85,518	129,88,01,939
(b) Realty Division	231,39,04,748	306,19,02,933
(c) Others/Unallocable	1,22,19,582	3,17,39,507
<b>Total Assets</b>	<b>347,44,09,848</b>	<b>439,24,44,379</b>
<b>Segment Liabilities :</b>		
(a) Tobacco Products	132,28,43,131	126,84,14,767
(b) Realty Division	384,18,13,205	446,18,16,714
(c) Others/Unallocable	22,73,802	23,18,146
<b>Total Liabilities</b>	<b>516,69,30,138</b>	<b>573,25,49,627</b>
<b>Capital Expenditure :</b>		
(a) Tobacco Products	10,17,084	26,11,931
(b) Realty Division	—	—
(c) Others/Unallocable	—	—
<b>Total Capital Expenditure</b>	<b>10,17,084</b>	<b>26,11,931</b>
<b>Depreciation/Amortisation :</b>		
(a) Tobacco Products	1,20,98,311	10,863,665
(b) Realty Division	—	—
(c) Others/Unallocable	2,163	346
<b>Total Depreciation/Amortization</b>	<b>1,21,00,474</b>	<b>1,08,64,011</b>

(b) The Group has its operating activities mainly in India and all its assets are mostly located in India.

9) Related Party Disclosures :

Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below:

A. List of related parties with whom transactions have been carried out during the year :

(i) Key Management Personnel (KMP)

Shri A. K. Joshi	-	Managing Director
Shri Jaskaran S. Khurana	-	Executive Director
Shri Ved Berry	-	Executive Director (up to 21 <sup>st</sup> July 2014)
Shri Manoj Kumar Srivastava	-	Company Secretary

(ii) Relatives of Key Management Personnel

Shri Amit Joshi	-	Son of Mr. A. K. Joshi
Shri Ashwin Joshi	-	Son of Mr. A. K. Joshi
Smt. Ivleen Khurana	-	Wife of Shri Jaskaran Khurana
Smt. Benu Berry	-	Wife of Shri Ved Berry

B. During the year, the following Transactions were carried out and balances outstanding with the related parties in the ordinary course of business :

Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Shri A. K. Joshi</b> - Managerial Remuneration	<b>81,70,046</b>	80,35,463
<b>Shri Jaskaran S. Khurana</b> - Managerial Remuneration	<b>42,71,460</b>	47,85,039
<b>Shri Ved Berry</b> - Managerial Remuneration	<b>12,91,605</b>	42,31,496
<b>Shri Amit Joshi</b> : Car Hire Charges	<b>1,80,000</b>	1,80,000
<b>Shri Ashwin Joshi</b> : Car Hire Charges	<b>1,80,000</b>	1,80,000
<b>Smt. Ivleen Khurana</b> : Car Hire Charges	<b>3,60,000</b>	3,60,000
<b>Smt. Benu Berry</b> : Car Hire Charges	<b>1,10,466</b>	3,60,000
<b>Shri. Manoj Kumar Srivastava</b> : Remuneration	<b>9,62,685</b>	8,99,068
<b>Balances</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Shri A. K. Joshi</b> : Payable	<b>13,58,348</b>	13,33,784
<b>Shri Jaskaran S. Khurana</b> : Payable	<b>6,85,804</b>	12,71,971
<b>Shri Ved Berry</b> : Payable	-	6,71,971
<b>Shri Amit Joshi</b> : Payable	<b>45,000</b>	30,000
<b>Shri Ashwin Joshi</b> : Payable	<b>45,000</b>	30,000
<b>Smt. Ivleen Khurana</b> : Payable	<b>88,450</b>	60,000
<b>Smt. Benu Berry</b> : Payable	-	60,000
<b>Shri. Manoj Kumar Srivastava</b> : Payable	<b>1,47,539</b>	1,37,623

Notes:

- 1 Related parties have been identified by the management and relied upon by the auditors.
- 2 No amount pertaining to Related Parties has been provided for as doubtful debts except disclosed above. Also, no amount has been written off/written back in respect of aforesaid parties during the year.



10) The computation of Earnings Per Share :

Particulars	CURRENT YEAR ₹	PREVIOUS YEAR ₹
(a) <b>Numerator :</b>		
Net Loss as per Statement of profit and loss (after tax and minority interest) before Exceptional Item	<b>(33,20,40,114)</b>	(45,32,75,196)
Add/Less : Exceptional Item- Income/(Expenses)	<b>2,25,00,000</b>	10,95,50,377
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item	<b>(30,95,40,114)</b>	(34,37,24,819)
(b) <b>Denominator :</b>		
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	<b>1,75,88,021</b>	1,75,88,021
(c) Earnings per Equity Share		
Basic and diluted		
Before Exceptional Item	<b>(18.88)</b>	(25.77)
After Exceptional Item	<b>(17.60)</b>	(19.54)
(d) Nominal Value per Equity Share	<b>₹ 10</b>	₹ 10

11) The Previous Year's figures have been rearranged, reinstated and / or regrouped wherever necessary to conform the Current Year's presentation.

**Signatures to Notes 1 to 25**

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants

Firm Registration No. 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

Place: Mumbai

Date : May 25, 2015

**For and on behalf of the Board**

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**Bharat B. Merchant**  
Director  
DIN : 00300384

**Manoj Kumar Srivastava**  
Company Secretary

**ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

(As prescribed under Schedule III of the Companies Act.2013)

(AMOUNT IN `)

Name of the entity in the	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount consolidated	As % of profit or loss	Amount
<b>Parent</b> GOLDEN TOBACCO LIMITED	67.33	(1,139,590,485)	98.96	(306,333,095)
<b>Subsidiaries - Indian</b>				
WESTERN EXPRESS INDUSTRIA LTD.	4.27	(72,219,983)	0.03	(110,397)
RAIGADH PAPERS LTD.*	(0.22)	3,701,266	0.24	(731,710)
GOLDEN INVESTMENT (SIKKIM) P. LTD.	(0.18)	3,000,481	0.01	(14,235)
GOLDEN REALTY & INFRASTRUCTURE LTD.	28.56	(483,267,101)	0.53	(1,641,178)
<b>Subsidiaries - Foreign</b>				
GTC INC B.V.	0.24	(4,142,472)	0.23	(709,504)
<b>Minority Interest</b>	-	(998)	-	5
<b>Joint Ventures</b>				
None	-	-	-	-
<b>TOTAL</b>	<b>100.00</b>	<b>(1,692,519,292)</b>	<b>100.00</b>	<b>(309,540,114)</b>

\* Subsidiary of Western Express Industries Ltd.

Place: Mumbai  
Date : May 25, 2015

**A. K. Joshi**  
Managing Director  
DIN : 00379820

**For and on behalf of the Board**

**Bharat B. Merchant**  
Director  
DIN : 00300384

**Manoj Kumar Srivastava**  
Company Secretary



**GOLDEN TOBACCO LIMITED**

Regd. Office: At. Darjipura, Post- Amaliyara, Vadodara – 390 022, Gujarat.  
Phone --+91 265 2540597, 2540281, Fax : 0265 2541700, Toll Free No : 1800 223 951  
E-mail: [share@goldentobacco.in](mailto:share@goldentobacco.in), Website : [www.goldentobacco.in](http://www.goldentobacco.in)  
CIN:L16000GJ1955PLC067605

FORM MGT-11

**PROXY FORM**

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

Name of the member (s): _____
Registered Address: _____
_____
Email Id: _____
Folio No./ DPID-Client ID: _____

I/We, being the member (s) of ..... Shares of the above named Company, hereby appoint:

- Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him
- Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him
- Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him

and whose signature (s) are appended below as my/our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 59th Annual General Meeting of the Company to be held on Friday, 25th September, 2015 at 12:15 P.M. at Darjipura, Post Amaliyara, Vadodara, Gujarat 390022 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolutions</b>
<b>Ordinary Business:</b>
1. <b>To receive, consider and adopt:</b>
a. the Audited Financial Statements for the year ended March 31, 2015 together with Reports of the Board of Directors' and the Auditors' thereon.
b. the Audited Consolidated Financial Statements for the year ended March 31, 2015 together with Reports of the Auditors' thereon.
2. To appoint a Director in place of Shri A. K. Joshi, who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify appointment of M/s Lodha & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 61th Annual General Meeting and to authorize the Board to fix their remuneration.
<b>Special Business:</b>
4. To appoint Ms. Kokila Panchal (DIN:07144653) as Director:
5. To appoint Ms. Kokila Panchal (DIN:07144653) as an Independent Director pursuant to the Companies Act, 2013:
6. To re-appoint Shri. A.K. Joshi as Managing Director of the Company and to fix his Remuneration:

Signed this on \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of Shareholder: .....

Affix  
Signature  
Revenue  
Stamp

Note: This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.



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**GOLDEN TOBACCO LIMITED**

CIN: L16000GL1955PLC067605

Registered Office : At. Darjipura, Post-Amaliyara, Vadodara – 390 022. (Gujarat).

**ATTENDANCE SLIP**

Sr. No :	
----------	--

<b>Registered Folio No. / DP ID / Client ID</b>	
<b>Name and Address of the Member (s)</b>	
<b>No. of Share(s)</b>	
<b>Name of Proxy (In Block Letters)</b>	
<b>Signature of the Member(s)/ Proxy</b>	

1. I/ We hereby record my/our presence at the 59th Annual General Meeting of the Company on Friday, September 25, 2015, at 12:15 p.m. at Registered Office: At Darjipura, Post-Amaliyara, Vadodara – 390 022.(Gujarat).

Note : Members / Proxies are requested to bring the attendance slip with them.





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Regd. Office : At Darjipura, Post-Amaliyara  
Vadodara, Gujarat-390022(India)  
Email : [share@goldentobacco.in](mailto:share@goldentobacco.in)  
Website : [www.goldentobacco.in](http://www.goldentobacco.in)  
CIN : L16000GJ1955PLC067605