



Golden Tobacco Limited

60th Annual Report 2015-2016

GOLDEN TOBACCO LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Shri Pawan Kumar Malsaria

COMPANY SECRETARY

Shri 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.

CONTENTS

PAGE NO.

Notice	02
Board's Report with Annexures	10
Management Discussion and Analysis Report	31
Corporate Governance Report	33
Independent Auditors' Report	44
Balance Sheet	48
Profit & Loss Account	49
Cash Flow Statement	50
Notes forming Part of Financial Statements	51
Consolidated Financial Statements	71

60TH ANNUAL GENERAL MEETING

Day, Date & Time	: Wednesday, September 21, 2016 at 12.15 PM
Venue	: At Darjipura, Post Amaliyara, Vadodara - 390 022 Gujarat
Book Closure Date	: September 16, 2016 to September 21, 2016 (Both Days inclusive)



NOTICE

NOTICE is hereby given that the SIXTIETH ANNUAL GENERAL MEETING of the Members of GOLDEN TOBACCO LIMITED will be held on Wednesday, the September 21, 2016 at 12.15 P.M. at the Registered Office of the Company at Darjipura, Post-Amaliyara, Vadodara -390022, Gujarat to transact the following business as ORDINARY BUSINESS:

1. To receive, consider and adopt :

- the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors' and the Auditors' thereon and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 together with Reports of the Auditors' thereon.

2. To appoint a Director in place of Shri Jaskaran S. Khurana (DIN:03034960) who retires by rotation and, being eligible, offers himself for reappointment.

3. To ratify Appointment of Statutory Auditors and fix their remuneration :

To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratify the appointment of M/s Lodha & Co. Chartered Accountants (Firm Regn. No. 301051E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 61st AGM of the Company to be held in the calendar year 2017 to such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors of their Company.

SPECIAL BUSINESS:

4. To approve Related Party Transactions pursuant to regulation 23(8) of SEBI (Listing Obligation and Disclosure Regulation 2015) :

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

“RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements Regulations 2015 (Listing Regulation) read with applicable provisions, if any of the Companies Act, 2013 including any statutory modification(s) or enactment thereof for the time being enforce) and also pursuant to the consent of the Audit Committee and the Board of Directors vide its resolution passed in their respective meeting held on May 23, 2016, the approval of the Company, be and is, hereby accorded to the related party transactions entered into with a subsidiary Companies of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is, hereby authorized to perform and execute all such deeds, acts and things , including delegate such authorities and powers as may be deemed necessary or expedient to give effect to this resolutions including matters connected therewith or incidental thereon.”

5. To Re-appoint Shri Jaskaran S. Khurana (DIN:03034960) as an Executive Director of the Company:

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 Jaskaran S. Khurana (DIN: 03034960), as an Executive Director of the Company w.e.f. May 23,2016 for a period of three years i.e up to May 22, 2019.

RESOLVED FURTHER THAT in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the office of the Executive 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 Jaskaran S. Khurana 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 23, 2016**

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 21ST SEPTEMBER, 2016. 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 Annual General Meeting.
3. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this Annual General Meeting 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 Annual General Meeting will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and also voting through ballot at the AGM, for remote e-voting the Company has engaged the services of Central Depository Services Ltd.(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 Friday, the September 16, 2016 (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 Annual General Meeting.
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 Annual General Meeting. Members, who cast their votes by remote e-voting prior to the Annual General Meeting, 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. Shri Jaskaran S. Khurana (DIN:03034960) Executive Director retires by rotation at the AGM and being eligible, offering him self for reappointment as a retiring director. Brief resume of Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of Companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Listing Regulations as 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 Friday, **September 16, 2016 to Wednesday, September 21, 2016** (both days inclusive).
13. Members may note that all unpaid/unclaimed dividend up to 1993-94 declared by the Company has been transferred to the General Revenue Account of the Central Government. Unpaid dividend pertaining to the year 1994-95 will be considered in the fresh reference before BIFR and would be paid accordingly.
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.

15. 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 under the section Investor Relations.
16. 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.
17. The physical copies of the Notice of AGM along with Annual Report of 2015-16 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.
18. 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.
19. Members, who wish to obtain information on the Company or view the Financial Statements, may visit the Company's website www.goldentobacco.in or send their queries at least ten days before AGM to the Company Secretary at the Registered Office of the Company.
20. 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 16, 2016 may obtain the login ID and password by sending a request to CDSL at 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.
21. The e-voting period commences on Sunday, September 18, 2016 (9.00 a.m. IST) and ends on Tuesday, September 20, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, the September 15, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Central Depository Services Ltd (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.
22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, 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.
23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.goldentobacco.in and on the website of Central Depository Services Ltd (CDSL) 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.
- (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 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:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> 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. The Sequence Number/default PAN is printed on Address Slip of Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0'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.
DOB	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.
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"> 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).

- (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) 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 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, 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, csmanoj@goldentobacco.in



ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 :

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

ITEM NO. 4

As you are aware that the Company had given advances to Golden Realty and Infrastructure Limited, a wholly owned subsidiary to acquire certain development rights in a land situated in New Delhi for Joint Development pursuant to development agreement aggregating to ` 164,84,77,637 (as on March 31, 2016) (previous year ` 183,18,77,637).

In view of policy of Delhi Development Authority (DDA) as well litigation, development could not take place and party to the Joint development Agreement has started refunding the amount to the Company.

However by abundant precaution in terms of Regulations 23(8) of the Listing Regulations 2015 read with applicable provisions, if any of the Companies Act, 2013 your directors seek your approval to the resolution as appearing in item No. 4 of the accompanying Notice by way of an ordinary Resolution. Except Shri A. K. Joshi and Shri Bharat B. Merchant no other directors or their relatives shall be deemed to be concerned or interested financially or otherwise in the resolution.

ITEM NO. 5

Keeping in view rich experience and expertise of Shri Jaskaran S. Khurana upon recommendation of the Nomination & Remuneration Committee - the Board of Directors on its meeting held May 23, 2016 have reappointed him as Executive Director and Chief Operations of the Company. He will work under the control and superintendence of the Board of Directors of the Company on the following remunerations:

Remuneration & Terms of Appointment:

I. Basic Salary (PM)

` 1,41,639/- (in the grade of ` 1,38,215 to ` 50,000- to ` 4,50,000)

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: ` 1500/-, Books & Periodicals up to ` 3000/-, Business Promotion up to : ` 3000/-, Car Scheme: up to ` 75000/-, Special Pay: ` 55,291/- and Additional Pay: ` 1,22,500/-.

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) Personal accident and medical insurance as per Company policy;
- (vi) Use of car for Company's business and telephone at residence;
- (vii) Medical expenses incurred for self and all dependent family members subject to a ceiling of one month's basic salary per year;
- (viii) 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;
- (ix) Hospitalization reimbursement in accordance with the scheme and rules of the Company;
- (x) Variable Performance Pay (VPP) as per the Company's Policy, subject to maximum of ` 12.00 Lacs (twelve Lacs) Per Annum.

RESOLVED FURTHER THAT in the event of absence of or inadequacy of profit in any financial year during the tenure of the office of Shri Jaskaran S. Khurana as Executive Director of the Company, the remuneration shall be governed as provided

under Section II of Part II of schedule V and other provisions applicable of the Companies Act, 2013 and rules framed there under from time to time or approved by the Central Government as the case may be.

RESOLVED FURTHER THAT Shri Jaskaran S. Khurana shall not be paid any sitting fees for attending meetings of the Board of Directors or its Committees thereof and his appointment shall be liable to retire by rotation”

RESOLVED FURTHER THAT Shri A.K. Joshi, Managing Director and Shri Manoj Kumar Srivastava, Company Secretary of the Company, be and are, hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to this resolution including filing of the form with the Registrar of Companies.

IV. TERMINATION

The aforesaid reappointment may be terminated by either party giving at least three 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.

Documents referred in this resolution will be available to the Shareholders for inspection between 11.00 A.M. to 1.00 PM on all working days (except Saturday and Sunday) at the registered office of the Company up to the date of AGM.

ADDITIONAL INFORMATION

Pursuant to Clause (A) of Part II Section II of schedule V of the Companies Act, 2013 details required are as follows:

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	2015-16	2014-15	2013-14
Profit /(Loss) (Before Tax) before extra Ordinary items	(3656.59)	(3063.33)	(2478.39)
Profit /(Loss) (Before Tax) after extra Ordinary items	(3656.59)	(3063.33)	(2190.08)
Dividend	NIL	NIL	NIL
Effective Capital	15811.75	11516.99	6677.17

(4) Export performance and Net Foreign Exchange Earning:

(` In lacs)

Particulars	2015-16	2014-15	2013-14
Export (FOB) Value	2055.12	2366.76	3148.97
Net Foreign Earned	2060.76	2399.66	3219.63

(5) Foreign Investment & Foreign Collaboration during the year:

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

II. INFORMATION ABOUT THE APPOINTEE :

1. Background of the Managerial Personnel :

Shri Jaskaran S. Khurana is a Executive Director the Company. He is B.Com and MBA. Having a bright academic career and reach experience of more than 18 years in the field of domestic sales and International Marketing to his credit. He joined the Dalmia’s Group in the year 2007 and in the Company as Chief Operation Officer (COO) in the year 2010 and inducted on the Board as Whole Time Director on May 23, 2013. He is Member of the Stakeholders Relationship Committee (SRC) and Risk Management Committee (RMC) of the Board of the Company.



2. Job Profile and Suitability :

Shri Jaskaran S. Khurana is Executive Director and heading the Domestic and Export business of the Company as also he is head of the Production Department. Looking his performance and responsibilities taken to his shoulders, professional background and vast experience, on recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors in its meeting held on May 23, 2016 reappointed him as Executive Director and Chief Operations of the Company for three years w.e.f. May 23, 2016.

3. Past and proposed Remuneration : (Per Annum)

(₹ in Lacs)

Particulars	Present Salary (2015-16)	Proposed Salary (2016-19)
Salary & Perquisite*	66.65	66.65

*plus retiral benefits and Variable Performance Pay (VPP) as per Company's Policy as provided in explanatory statement.

III. Recognition or awards:

The Company has no information to offer.

No any Director or Key Managerial Personnel nor their relatives except Shri Jaskaran S. Khurana shall be deemed to be concerned or interested, financially or otherwise, in this resolution.

Keeping in view of his vast experience, expertise and knowledge the Board opinioned that the re appointment of Shri Jaskaran S. Khurana as a Executive Director would be the best interest of the Company and the your Directors recommend and seek your approval to the resolution as set out in the item No. 5 of the accompanying Notice by way of Special Resolution.

ADDITIONAL INFORMATION OF APPOINTEE

PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015:

Name	Shri Jaskaran S. Khurana
Date of Birth & Age	September 22, 1972 (44 Years)
Date of Appointment	May 23, 2016
Qualifications	B.Com (H), MBA
DIN	03034960
PAN	AAEPK6100F
Shares holding in the Company	NIL
Disclosure of relationships between directors inter-se	NIL
Listed Companies (other than Golden Tobacco Limited) in which he holds directorship and committee membership	NIL

By order of the Board,
For GOLDEN TOBACCO LIMITED,

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 23, 2016
Registered Office:
At Darjipura, Post-Amaliyara,
Vadodara, Gujarat- 390022,

BOARD'S REPORT

To,
The Members,

Your Directors present the 60th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

Particulars	Current Year ended 31 st March,2016	Previous year ended 31 st March,2015
Profit/(Loss) before Interest, Depreciation, Exceptional item and Tax	(1081.98)	(634.90)
(Less):Interest-Net	(2470.53)	(2307.45)
(Less):Depreciation	(104.08)	(120.98)
Profit/(Loss) before Taxation	(3656.59)	(3063.33)
Provision for Taxation	NIL	NIL
Profit/(Loss)after Taxation	(3656.59)	(3063.33)
Exceptional Item-Income/(expense)	NIL	NIL
(Loss) for the year	(3656.59)	(3063.33)
(Loss) brought forward from previous year	(19328.61)	(15841.40)
Depreciation charge in useful life	(NIL)	(423.88)
(Loss) carried over to Balance Sheet	(22985.20)	(19328.61)

PERFORMANCE OF THE COMPANY

During the year, the industry volume declined by 15-20% which affected the Company's volume drastically. Increased grey market & illegal Cigarettes activities coupled with the increased excise and VAT are the factors which have adversely affected the organized sector of legal Cigarettes Industries at large. Moreover, the export performance of the Company was not achieved at the desired level mainly due to the drop in demand of international market due to change in the policy of the various countries which affected the exports of cigarettes business.

However the Company has initiated new measures to spread its wings in several new international markets with new brands to increase the export sales.

At the domestic front, the Company has launched a few more brands during the financial year and is exploring untapped markets to regain the lost volume.

Presently the Company is also focusing on domestic sales & marketing of the new pack size of 1, 2 and 3 cigarettes pack in view of the banned on sale of loose cigarettes by some states which in turn would increase the overall sales as well as contribution of the Company. Hence, your directors are optimistic of better performance in the current financial year.

BIFR STATUS

The Hon'ble Supreme Court vide its order dated May 12, 2016 in Civil Appeal No. 5038 of 2016 in the SLP No. 26747 of 2012 filed by the Income Tax Department, held that the Modified Draft Rehabilitation Scheme (MDRS) filed by the Company is not maintainable.

NEW REFERENCE TO BIFR

In the light of aforesaid order of the Hon'ble Supreme Court in the matter of Income Tax Department read with applicable provisions, if any of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Board of Directors of the Company in its meeting held on May 23, 2016 has formed an opinion that the Company's net worth is totally eroded as on March 31, 2016 and accordingly, decided to file a new reference before the Hon'ble BIFR under section 15(1) and other applicable provisions, if any of the SICA. The management expects sanction of a suitable Rehabilitation Package for revival of the Company.



REAL ESTATE BUSINESS:

The Company in the year 1982 has been authorized vide its Memorandum and Articles of Association to enter into a real estate business and accordingly, started its real estate business from the year 2007-2008 when its Hyderabad property was offered for Joint Development and executed a Joint Development Agreement with M/s Ashoka Builders Hyderabad. The commencement of the project was delayed due to several issues. Now all the approval has been obtained and the commencement of project is expected shortly. Earlier the Company has invested in real estate business through its wholly owned subsidiary Company to acquire certain development rights in respect of the property situated at New Delhi and the commencement for development of the said property is expected shortly. With regard to the Vile Parle Mumbai, property, the Company had executed a Memorandum of Understanding (MOU) with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. in December 2009 to jointly develop the said property. However, the development could not be proceeded with due to failure on part of the said parties to make remaining payment as agreed. Consequently, there were litigations between the parties on various issues. However, the Hon'ble Supreme Court vide its order dated May 12, 2016 decided that the said MOU was in violation of the sanctioned scheme. Hence, MOU loses its legal force and no rights would accrue to the parties.

The Hon'ble Supreme Court in its aforesaid order also held that the Income Tax Department shall be entitled to take necessary steps for attachment and sale of the Company's properties including its Vile Parle, Mumbai property up to the principal amount, which is presently disputed and pending before various forum i.e. High Court/ ITAT etc. and also excise department demand up to admitted dues, subject to right of the secured creditors in the said properties. The Hon'ble Supreme Court has permitted parties to approach the Hon'ble BIFR for seeking clarification in respect of waiver of interest and penalties under the Income Tax Act.

In view of the aforesaid recent development, presently the Company is unable to carry on its real estate business as well as its present business up to its desired level of operations.

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, 2016 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. Few working capital parameters and consequent obligation towards its bankers could not be fulfilled and lenders due to accumulated cash losses in the Company. However, the management is taking necessary steps to regularize the same.

DEPOSITS :

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Loans, guarantees and investments covered under section 186 of the Companies Act, 2013 ("the Act") forms part of the Notes to the financial statements

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to section 188 (1) of the Act. In the prescribed form AOC-2 is annexed as per Annexure - 6 of the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

The Company does not fall in any of the criteria of Corporate Social Responsibility ("CSR") as specified in section 135 (1) of the Companies Act, 2013 and accordingly, the Company is not required to comply with provisions 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 Act read with Regulation 24 of Listing Regulations. A separate report of Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are annexed with the report and forms part of Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS :

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report is annexed with the report and forms part of this Annual 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 AND KEY MANAGERIAL PERSONNEL (“KMP”) :

As per provisions of the Companies Act, 2013 Shri Jaskaran S. Khurana retires by rotation at the ensuing 60th AGM and being eligible, seek reappointment. The Board recommends his re-appointment.

The Board of Directors has on the recommendation of the Nomination and Remuneration Committee (NRC) on its meeting held on May 23, 2016 re-appointed Shri Jaskaran S. Khurana as Whole Time Director and designated as Executive Director and Chief Operations of the Company for a period of three years effective from May 23, 2016, subject to the approval of the Members and other requisite authorities including Central Government.

Shri A.K.Joshi, Managing Director, Shri Pawan Kumar Malsaria, Chief Financial Officer and Shri Manoj Kumar Srivastava, Company Secretary of the Company is a Key Managerial Personnel (KMP) of the Company pursuant to the Companies Act, 2013.

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.

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 (KMP) 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 transactions are available in the financial statement.

DIRECTORS APPOINTMENT AND REMUNERAION POLICY:

The Company's policy is to have an appropriate mix of executive and non executive and independent director to maintain the independence of the Board and separate its function of governance and management. As on March 31, 2016 the Board consist five members, two of whom are executive directors and three are independent directors. The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration including criteria for determining, qualifications, positive attribute independence of a director and other matters as required pursuant to section 178(3) of the Companies Act, 2016 the remuneration policy is stated Corporate Governance report which form of part the annual report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Regulation 22 of the Listing Regulations read with the Act, 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 actions 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

POLICY AND DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE :

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

AUDITORS:

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s Lodha & Co., Chartered Accountants, Mumbai were appointed as statutory auditors of the Company at the Annual General Meeting held on September 22, 2014 to hold office till the Annual General Meeting to be held in the calendar year 2017. The appointment of the auditor shall be placed for ratification every Annual General Meeting. Accordingly, the appointment of Lodha & Co. as statutory auditors of the company is placed for ratification by the shareholders.

The Auditors report for the financial year 2015-16 does not contain any qualifications, reservations, or adverse remark. The auditor's report is enclosed with the financial statement in this annual report.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Act and rules framed there under M/s Devesh Vimal & Co. Practising Company Secretaries was appointed as secretarial auditor to conduct the secretarial audit of the Company for the financial year 2015-16. The secretarial audit report does not contain any qualification, reservations or adverse remark. The Board has appointed M/s. Devesh Vimal & Co. as Secretarial Auditor of the Company for the financial year 2016-17. The Secretarial audit report is enclosed as per annexure-1 which forms part the Board's report.

EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return for the financial year 2015-16 in form MGT-9 is enclosed as per annexure-2 of the Board's report.

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 is enclosed as per annexure-3 of the Board's report.

SUBSIDIARY COMPANIES

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 fellow subsidiary of Western Express Industries Limited as on March 31, 2016.

Pursuant to section 129(3) of the Companies Act, 2013, the Board and the Audit Committee has reviewed the affairs of the subsidiary companies. There is no Associate Company 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 section 136 of the Companies Act, 2013 the audited financial statement and related information of the Company and audited accounts of each subsidiaries will be provided on request. These documents will be available for inspection during business hours at the registered office of the Company. A statement containing the salient features of the financial statement of subsidiaries in the prescribed format AOC-1 is annexed as per annexure 4 which forms the Board's report.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Regulation 33 & 34 of Listing Regulations read with other applicable provisions, the Company has prepared a Consolidated Financial Statements accordance with Accounting Standard 21 of the ICAI for the financial year ended March 31, 2016 financial statement of the Company annexed which forms part of the annual report.

INDUSTRIAL RELATIONS:

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

BUSINESS RESPONSIBILITY REPORTING :

Pursuant to the Listing Regulations the Business Responsibility Report (BRR) is applicable only to top 100 Companies, based on the market capitalization of the preceding financial year i.e. March 31, 2015. Accordingly, the same is not applicable to your Company.

Your Company's Human Resources Management Systems and process are aimed to create a responsive market focused and customer centric and endeavors to move ahead with its most valuable resources, its employees. Your Company is engaged with a constructive relationship with employees and always believed that motivated employees are the core source are the competitive advantage and these are the continuous investments providing training and development programs an emphasis on productivity and efficiency and underline safe working practices etc.

HUMAN RESOURCES DEVELOPMENT

Your Company's Human Resources Management Systems and process are aimed to create a responsive market focused and customer centric and endeavors to move ahead with its most valuable resources, its employees. Your Company is engaged with a constructive relationship with employees and always believed that motivated employees are the core source are the competitive advantage and these are the continuous investments providing training and development programs an emphasis on productivity and efficiency and underline safe working practices etc.

PARTICULARS OF EMPLOYEES:

Pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. A statement containing the names of employee in the financial year and in receipt of a remuneration of Rs. Sixty Lakhs or more or posted for part of the year and in receipt of Rs. Five Lakhs or more a month enclosed as per **annexure 5** of the Board' report.

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 Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with guidance note issued by the SEBI/Stock Exchanges from time to time, the Company has been reporting all the updates /major cases / litigations and other matters etc. from time to time as and when necessary to the Stock Exchanges.

FRESH LISTING AGREEMENT:

The Securities Exchange Board of India (SEBI) on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with the aim to consolidate and streamline the provisions of the Listing Regulations for different segment of capital market to ensure better enforceability. The said regulations w.e.f. December 1, 2015. Accordingly, all listed entities were required to enter in a Listing Agreement within six month from the effective date. Your Company has entered into a fresh Listing Agreement with BSE Ltd. and National Stock Exchange of India Ltd. The Annual listing fee for the period 2016-17 have been paid to both the stock exchanges.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with Listing Regulations, the Board 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 roles mainly on Board dynamic and relationship, information flow, decision making, relationship with shareholders, company performance and strategy, tracking Board and Committee effectiveness etc.

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 views 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.



CERTIFICATE ON CORPORATE GOVERNANCE

Pursuant to requirement of Listing Regulation a Certificate 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 annual report.

MEETING OF THE BOARD OF DIRECTORS:

During the year under review, five meetings of the Board were held i.e. on May 25, 2015, August 12, 2015, September 25, 2015, November 06, 2015, and February 11, 2016. Details of meetings of the Board and their attendance are mentioned in the corporate governance report which forms part of annual report.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent directors under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independent laid down in section 149 (6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT 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. All new independent directors inducted into a Board attend an orientation programme. The details of familiarization programme are provided in the corporate governance report and also available on the Company's website..www.goldentobacco.in.

CODE OF CONDUCT OF PREVENTION OF INSIDER TRADING :

The Board of Directors of the Company has adopted the Insider Trading Policy in accordance with requirement of Listing Regulations. The Company has adopted Golden Tobacco Limited - Code of Conduct for Prevention of Insider Trading Policy - 2015 and lays down guidelines and procedure to be followed and disclosure to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting and maintain the highest ethical standards of dealing the Company's securities. The insider trading policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for Prevention of Insider Trading is available on Company's website.

AUDIT COMMITTEE:

The composition of the Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations 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 Regulation. 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 Director or Whole Time Directors as approved by the members of the Company and recommends to the Board of Directors for their consideration and 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 (SRC) is in line with the section 178 of the Companies Act, 2013 and Listing Regulation. The Committee is to look after the Stakeholders grievances and redress 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.

RISK MANAGEMENT COMMITTEE:

The composition of the Risk Management Committee is not applicable to your Company. However, the Company has voluntarily constituted the Risk Management Committee (RMC) which is in line with the section 134(3) of the Companies Act, 2013 read with regulation 21 of the Listing Regulations. The Company has framed Risk Management Policy which inter-alia covers financials,

operational, regulatory and Legal and product and market risk etc. and to formulate a procedure for mitigation of risk which may threaten the existence of the Company. The details of meetings and their attendance are included in the Corporate Governance 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;
- 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; and
- 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 2015-16.

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 23, 2016

Bharat B. Merchant
Independent Director

A. K. Joshi
Managing Director



ANNEXURE 1 TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

(Form No. MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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) Other laws applicable specifically to the Company are as follows:
 - (a) The Tobacco Board Act, 1945
 - (b) Cigarettes and Other Tobacco Products Amendment Rules, 2014 ("COTPA")
 - (c) Water (Prevention and Control of Pollution) Act, 1974

- (d) Air (Prevention and Control of Pollution) Act, 1981
- (e) Hazardous Waste (Management and Handling) Rules, 1989
- (f) The Environment Protection Act, 1986
- (g) Indian Boiler Regulations Act, 1950

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 BSE 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.

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.

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.

Note: Please report specific observations / qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period.

We further report (by way of information) that during the audit period, the Company has:

- (a) not issued any securities and accordingly
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 read with SEBI (Share Employee Benefits) Regulations, 2014 were not applicable during the audit period.
- (b) neither got delisted Equity Shares nor bought back any security of the Company and accordingly
 - 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 audit period.
- (c) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India mandatorily applicable during the audit period were complied with.
- (d) made applications to the Central Government and approval is awaited.
- (e) appointed Shri Pawan Kumar Malsaria as a Chief Financial Officer (CEO) w.e.f. 11th February, 2016
- (f) Complied with the SEBI (Prohibition of Insider Trading) Regulations 2015 effective from 120th day from date of publication i.e. 15th January, 2015 re-enacted in repealment of the SEBI (Prohibition of Insider Trading) Regulations, 1992
- (g) has informed us in respect of names of directors appearing in signatory details on MCA portal even if they have ceased to be Director that:
 - The Company have already filed requisite forms in due course at appropriated time in respect of resignation of aforesaid directors and accordingly these name should not have appeared on MCA portal and
 - It may be due to transitory stage of up gradation of MCA Portal.



- (h) informed us that the Hon'ble Supreme Court has passed the order in respect of the SLP filed by Director General Of Income Tax (Admin) & Anr against the Company on 12th May, 2016 and interalia held that :
- The Company's Modified Draft Rehabilitation Scheme (MDRS) is not maintainable as the scheme sanctioned by BIFR expired on 31st March, 2011
 - the MOU entered into by the Company with M/s Sheth Developers Pvt. Ltd. and M/s Suraksha Realty Pvt. Ltd. in Respect of the Company's Vile Parle property has no legal force and accordingly no right would accrue.
 - Income Tax Department is entitled to take steps for attachment and sale of properties including Vile Parle property against the disputed principal amount. The Hon'ble Supreme Court has permitted parties to approach the BIFR to seek clarification for waiver of interest and penalties. However such sale shall be subject to payment of undisputed excise demands and the right of the secured creditors in respect of the mortgaged properties.
- (i) informed us that Accumulated losses of the Company have exceeded its net worth as at the end of Audit Period and Accordingly, the Company shall take appropriate steps for making reference to BIFR.

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

**Place : Vadodara
Date : May 23, 2016**

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

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

Annexure-A

**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 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 record 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 appropriate 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 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**

**Place : Vadodara
Date : May 23, 2016**

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

ANNEXURE 2 TO THE BOARD'S REPORT**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

(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 end of the year i.e 01.04.2015				No. of Shares at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1.	A : Promoters									
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
	Sub - Total (A) (1)	4,581,725	-	4,581,725	26.02	4,581,725	-	4,581,725	26.02	0
2	Foreign									
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
	Sub - Total (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	4,581,725	-	4,581,725	26.02	4,581,725	-	4,581,725	26.02	0
B.	Public Shareholding									
1	Institutions									
a.	Mutual Funds / UTI	190	850	1040	0.01	190	850	1040	0.01	0.00
b.	Financial Institutions /Bank	5145	9015	14160	0.08	145	9015	9160	0.05	-0.03
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	29957	0	29957	0.17	29957	0	29957	0.17	0
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
	Sub - Total (B) (1)	35292	0	48207	0.28	30292	0	43207	0.25	-0.03

Category of Shareholders		No. of Shares at the beginning of the year i.e 01.04.2015				No. of Shares at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Non - Institutions									
a.	Bodies Corporate	5440256	18304	5458560	31.00	5338414	18304	5356718	30.42	-0.58
b.	Individuals									
i.	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	3953812	1336019	5289831	30.04	4357364	1329749	5687113	32.3	2.26
ii.	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1967268	100051	2067319	11.74	1760761	70000	1830761	10.39	-1.35
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	750	0	750	0	750	0	750	0	0
ii.	Foreign Companies	0	0	0	0	0	0	0	0	0
iii.	Clearing members / Clearing House	72462	0	72462	0.41	45383	0	45383	0.26	-0.15
iv.	Non Residence indians (Repatriation)	54762	14620	69382	0.39	13705	3570	17275	0.1	-0.29
v.	Non Residence indians (Non Repatriation)	16816	3570	20386	0.12	31070	14620	45690	0.26	0.14
vi.	Directors & their relatives	180	0	180	0	180	0	180	0	0
	Sub - Total (B) (2)	11506306	1472564	12978870	73.70	11547627	1436243	12983870	73.73	0.03
	Total Public Shareholding (B) = (B)(1)+(B)(2)	11541598	1485479	13027077	73.98	11577919	1449158	13027077	73.98	0
	TOTAL (A)+(B)	16123323	1485479	17608802	100.00	16159644	1449158	17,608,802	100.00	0
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	16123323	1485479	17608802	100.00	16159644	1449158	17608802	100.00	0



ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholders at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	0.00	0.00
2	Dear Investment Pvt. Ltd.	800000	4.54	100.00	800000	4.54	0.00	0.00
3	Lakshmi Vishnu Investment Ltd.	500485	2.84	99.90	500485	2.84	0.00	0.00
4	Swastik Commercial Pvt.Ltd.	404000	2.29	99.01	404000	2.29	0.00	0.00
5	Swagatham Investment Ltd.	398600	2.26	99.85	398600	2.26	0.00	0.00
6	Chirawa Investment Ltd.	107078	0.61	86.85	107078	0.61	0.00	0.00
7	GHCL Ltd.	272146	1.55	0	272146	1.55	0.00	0.00
8	Mourya Finance Ltd.	270945	1.54	36.91	270945	1.54	0.00	0.00
9	WGF Financial Services Ltd.	159232	0.90	0	159232	0.90	0.00	0.00
10	Bharatpur Investments Ltd.	147538	0.84	0	147538	0.84	0.00	0.00
11	Sovereign Commercial Pvt.Ltd.	132843	0.75	99.37	132843	0.75	0.00	0.00
12	General Exports and Credit Ltd.	101972	0.58	0	101972	0.58	0.00	0.00
13	Moderate Investment & Comm. Ent.Ltd.	70650	0.40	99.08	70650	0.40	0.00	0.00
14	Sikar Investment Company Ltd.	6920	0.04	0	6920	0.04	0.00	0.00
15	Gems Commercial Co Ltd.	144500	0.82	0	144500	0.82	0.00	0.00
16	Carissa Investment Pvt. Ltd.	48235	0.27	0	48235	0.27	0.00	0.00
17	Dalmia Finance Ltd.	42528	0.24	0	42528	0.24	0.00	0.00
18	Hotex Company Ltd.	38800	0.22	0	38800	0.22	0.00	0.00
19	Mansarover Commercial Pvt. Ltd.	28760	0.16	0	28760	0.16	0.00	0.00
20	International Resources Ltd.	11455	0.07	0	11455	0.07	0.00	0.00
21	Little Rock Trade And Investment Ltd.	22500	0.13	0	22500	0.13	0.00	0.00
22	Harvalex Engineering And Processing Co.	51320	0.29	0	51320	0.29	0.00	0.00
23	Excellent Commercial Enterprise & Investment Ltd.	8640	0.05	0	8640	0.05	0.00	0.00
24	Lovely Investment Pvt. Ltd.	6503	0.04	0	6503	0.04	0.00	0.00
25	Pashupatinath Comm.Pvt.Ltd.	2569	0.01	0	2569	0.01	0.00	0.00
26	Comosum Investment Pvt. Ltd.	960	0.01	0	960	0.01	0.00	0.00
27	Lampa Trading Company Ltd.	720	0.00	0	720	0.00	0.00	0.00
28	Oval Investment Private Ltd.	392	0.00	0	392	0.00	0.00	0.00
29	Elegant Investment Pvt. Ltd.	340	0.00	0	340	0.00	0.00	0.00
30	Altar Investment Pvt. Ltd.	334	0.00	0	334	0.00	0.00	0.00
	TOTAL	4,581,725	26.02	71.87	4,581,725	26.02	0.00	0.00

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 01.04.2015 to 31.03.2016

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

Sr. No.	Top 10 Shareholders *	Shareholding at the beginning of the year 01-04-2015		Shareholding at the end of the year 31-03-2016	
		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.	Fideltiy Multitrade Pvt. Ltd.	553865	3.15	553865	3.15
3.	Lend Lease Company (India) Ltd.	490567	2.79	490567	2.79
4.	Rajasthan Globle Securities Ltd.	390945	2.22	547845	3.11
5.	Globe Capital Market Ltd.	379517	2.16	433748	2.46
6.	Noble Communications Pvt. Ltd	346112	1.97	346112	1.97
7.	SMS Holdings Pvt Ltd.	299724	1.70	299724	1.70
8.	KIFS Securities Ltd.	261967	1.49	0	0.00
9.	Narinder Pal Gupta	240000	1.36	0	0.00
10.	Vimal P. Khandwala	200000	1.14	200000	1.14
11.	Ashok Kumar Damani	0	0.00	253029	1.44
12.	KIFS International LLP	0	0.00	246967	1.40
	Total	4252697	24.15	4461857	25.34

* 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 of the Shareholder	Designation	Period	Shareholding at the beginning of the year (1.4.20145)		Cumulative shareholding during the year (31.3.2016)	
					No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company*
1.	IN30014210555467	Shri Bharat B. Merchant	Non Executive Independent Director	1-Apr-2015 to 31-Mar-2016	100	0.00	100	0.00
2.	IN30009510210253	Shri V. K. Bhandari	do	do	80	0.00	80	0.00
3.	-	Shri A. K. Joshi	MD	do	0	0	0	0
4.	-	Shri Jaskaran S. Khurana	ED & Chief operation	do	0	0	0	0
5.	-	Ms. Kokila Panchal	Non Executive Independent Director	do	0	0	0	0
6.	-	Shri Manoj Kumar Srivastava	Company Secretary	do	0	0	0	0
7.	-	Shri Pawan Kumar Malsaria	CFO	do	0	0	0	0
	Total				180	0.00	180	0.00

*negligible

V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness of the Company including interest outstanding / accrued but not due for payment				
(i) Principal Amount	1,439,348,303	25,000,000	-	1,464,348,303
(ii) Interest Due but not paid	412,619,598	-	-	412,619,598
(ii) Interest accrued but not due	44,396,743	-	-	44,396,743
Total (A)	1,896,364,644	-	-	1,921,364,644
Change in indebtedness during the financial year				
(i) Addition	-	-	-	-
(ii) Reduction	20,402,300.00	-	-	20,402,300.00
(iii) Net Change	-	-	-	-
Total (B)	-	-	-	-
Indebtedness at the end of the Financial year				
(i) Principal Amount	1,412,449,077	25,000,000	-	1,437,449,077
(ii) Interest Due but not paid	548,017,149	-	-	548,017,149
(ii) Interest accrued but not due	9,704,464	-	-	9,704,464
Total (C)	1,970,170,690	25,000,000	-	1,995,170,690

VI. 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
A. Company					
(i) Penalty					
(ii) Punishment					
(iii) Compounding					
B. Directors					
(i) Penalty					
(ii) Punishment					
(iii) Compounding					
C. Other Officers in Default					
(i) Penalty					
(ii) Punishment					
(iii) Compounding					

NIL



VII. 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	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7,396,819	4,556,879	11,953,698
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	375,402	202,350	577,752
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
5	Others:			
	(i) Company's Contribution to Provident Fund	334,786	203,960	538,746
	(ii) Company's Contribution to Superannuation Fund	100,000	100,000	200,000
	(iii) Gratuity	134,129	81,714	215,843
	(iv) Others	327,600	484,239	811,839
	Total (A)	8,668,736	5,629,142	14,297,878
	Ceiling as per the Act	-	-	13,428,125

B. REMUNERATION TO OTHER DIRECTORS / INDEPENDENT DIRECTORS

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Bharat B. Merchant	Shri. V. K. Bhandari	Ms. Kokila Panchal	
1	Independent Directors				
	Sitting Fee for attending Board Committee Meeting	170000	170000	60000	400000
	Commission	0	0	0	0
	Others, Please specify	0	0	0	0
	Total (1)	170000	170000	60000	400000
2	Other Non- Executive Directors				
	Sitting Fee for attending Board Committee Meeting	0	0	0	0
	Commission	0	0	0	0
	Others, Please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B) = (1+2)	170000	170000	60000	400000
	Total Managerial Remuneration	170000	170000	60000	400000
	Overall Ceiling as per the Act				1700000

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Manoj Kumar Srivastava Company Secretary	Pawankumar Malsaria CFO	
1	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	827,604	867,600	1,695,204
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32,400	32,400	64,800
	(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	113,486
	(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
	Total	1,057,069	1,168,799	2,225,868



ANNEXURE 3 TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the details as on March 31, 2016 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.

FUTURE PLAN OF ACTION:

1. Continuous endeavor to improve the efficiency in terms of creating differentiated / Innovative products for the Cigarette business, thereby healthy offer pipeline .
2. Continuous endeavor on smoke delivery reduction in cigarette brand
3. Develop and establish integrated Vaporiums
4. The Company will carried out the Research & Development on the above mentioned areas.

EXPENDITURE INCURRED ON THE RESEARCH AND DEVELOPMENT

During the year under review the Research and Development Expenditure are as follows:

- i. Revenue Expenditure : ` 43.39 lacs.
- ii. Research and Development Expenditure as Percentage of Total Turnover: 0.4%
- iii. Technology Imported : NIL
- iv. Capital Expenditure : NIL

ACTIVITIES RELATED TO EXPORTS AND FUTURE OUTLOOK:

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 hope full to enhance the export volume in the years to come.

During the year under review, the Company has exported assorted brands of cigarettes of about 436 million sticks aggregating to total FOB Value of ` **2055.12 Lacs.**

3. FOREIGN EXCHANGE EARNING AND OUTGO :

Particulars	` in Lacs	
	F.Y.2015-16	F.Y 2014-15
Foreign Exchange Earnings		
(i) Cigarettes	2060.76	2399.66
(ii) Tobacco	NIL	NIL
Expenditure in foreign currency	20.20	14.29



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
for the year ended March 31, 2016**

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 ` 72.13
3.	Share capital	75,000,000	15,000,000	60,000	500,000	1,312,718
4.	Reserves & surplus	(147,220,113)	(11,513,639)	2,926,221	(484,326,955)	(5,444,187)
5.	Total Assets	26,397,976	7,463,530	3,351,081	1,585,541,004	-
6.	Total Liabilities	98,618,089	3,977,169	364,860	2,069,367,959	4,131,469
7.	Investments	1,201,533	NIL	2	NIL	NIL
8.	Turnover	NIL	NIL	NIL	NIL	NIL
9.	Profit before taxation	(130)	(214,041)	(14,260)	(559,854)	(498,415)
10.	Provision for taxation	NIL	NIL	NIL	NIL	NIL
11.	Profit after taxation	(130)	(214,041)	(14,260)	(559,854)	(498,415)
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 23, 2016

A. K. Joshi **Bharat B. Merchant**
Managing Director Director
DIN : 00379820 DIN : 00300384

For and on behalf of the Board
Pawan Kumar Malsaria **Manoj Kumar Srivastava**
Chief Financial Officer Company Secretary

ANNEXURE 5 TO THE BOARD'S REPORT**Disclosure on the Remuneration of the Managerial Personnel:**

Pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are as under :

A. Pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are as follows:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year are as follows:

Name of the Directors	Ratio to median remuneration Median	% change in the remuneration over previous year
Shri A. K. Joshi	1.55	NIL
Shri Jaskaran S. Khurana	1.33	25.63%

b. The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and the Company Secretary in the financial year : **NIL**

c. The percentage increase in the median remuneration of employees in the financial year: **NIL**

d. The number of permanent employees on the rolls of Company as on March 31, 2016 : **277**

e. Comparison of the remuneration of the KMP's against the performance of the Company; Remuneration of the KMP's as % of the PAT for financial year 2015-16 is **NIL** (due to accumulated losses). The Company's PAT during the financial year was **NIL**

g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalization (` in lakhs)	6555.26	6476.06	1.22
Price Earnings Ratio	(1.79)	(2.11)	15.17

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: **N/A** (as the company never been any public offer)

During the previous financial year no increase/ increment was given to any of its employee and Managerial Personnel of the Company except to Shri Jaskaran S. Khurana, Executive Director due to additional responsibility of domestic sales and marketing given shoulder to him.

j. Comparison of remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

Each KMP is granted salary based on his qualification, experience, nature of job, industry norms earlier salary and some other factors. Accordingly the comparison of one against the other is not feasible. The performance of the Company is not up to the mark and not satisfactory during the year under review.

Particulars	Shri A. K. Joshi (Managing Director)	Shri Jaskaran S. Khurana (Executive Director)	Shri Pawan Malsaria (Chief Financial Officer)	Shri Manoj Kumar Srivastava (Company Secretary)
Remuneration in FY 15-16 (`)	81,74,606	50,30,789	1,52,430*	9,78,418
Revenue (`)	44,73,27,535	44,73,27,535	44,73,27,535	44,73,27,535
Remuneration as % of revenue	1.83	1.12	0.03	0.22

* w.e.f. February 11, 2016



K. The key parameters for any variable component of remuneration availed by the directors:

Upon the recommendation of the NRC and as per the policy of the Company the Executive Directors and Managing Director is entitled to get Variable performance Pay. The detail is provided in the corporate governance report.

l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **NIL**

m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company **Yes**.

B. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Employee	Shri A. K. Joshi	Shri Jaskaran S. Khurana
Designation	Managing Director	Executive Director
Qualification	B. Com., F.C.A.	B.Com(H), MBA
Age (Yrs.)	58	44
Experience (in years)	34	19
Date of Joining	01.02.1993	01.11.2010
Gross remuneration paid (`)	101,86,239	72,05,131
Previous employment and designation	Chinar Exports Ltd.	Dalmia Brothers Pvt. Ltd. (DGM)

ANNEXURE 6 TO THE BOARD'S REPORT**FORM NO. AOC -2****(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:**

Pursuant to section 188 (1) of the Companies Act, 2013 particulars of contracts/arrangements entered into by the Company with related parties are as follows:

1. Details of contracts or arrangements or transactions not at Arm's length basis. NIL

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

2. Details of contracts or arrangements or transactions with related party at Arm's length basis :

SL. No.	Particulars	Details				
		Nature of Transaction	Duration of Contract	Date of Board Approval	Salient feature of contract and Value paid/Payable	Advance paid, if any
1.	Shri Amit Joshi S/o of Shri A.K. Joshi					
2.	Shri Ashwin Joshi S/o Shri A.K. Joshi					
3.	Smt. Ivleen Khurana, W/of Shri Jaskaran Khurana			N/A		
4.	Smt. Ritu Srivastava, W/o Shri Manoj Kumar Srivastava					
5.	Smt. Savita Malsaria, W/o Shri Pawan Kumar Malsaria					

***Note:** Since related party transactions are in the ordinary course of business and on arm length basis, provisions of section 188(1) of the Companies Act, 2013 ("the Act") would not be applicable and accordingly particulars as contemplated under section 134(3)(h) read with section 188(1) of the Act, in the format under Rule 8(2) of the Companies (Accounts) Rules, 2014 are not applicable and accordingly not given.

For and on behalf of the Board

Place : Mumbai
Date : May 23, 2016

Bharat B. Merchant
Independent Director

A. K. Joshi
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry Structure and Developments

a) Economic Environment

The global economic recovery continued to be uneven in the year 2015-16, with low inflation turning to deflation in many countries, while advanced economies reported a pick-up in growth. The emerging market and developing economies continued to slow down from 4.6% in 2014-15 to 4.0% in 2015-16 with the Chinese economy slowing down by 7.3% in the previous year to 6.90% during the year 2015-16. The advanced economies, on the other hand, recorded a marginal growth from 1.8% from 2014-15 to 1.9% in the year 2015-16. The US economy posted a muted growth of 2.4% for the second year in a row due to weak exports and decline in investments.

The financial year 2015-16 was a challenging year for the capital markets as well, with the Sensex declining by 9% during the year as compared to 25% rise in the year 2014-15, reflecting the sluggish business environment, slower progress compared to expectations keeping in view the reforms agenda and muted growth in corporate earnings. On the positive side, Inflation remained well within the comfort zone aided by low global crude oil and commodity prices. The subdued inflation levels provided the much needed space for monetary accommodation, with the RBI reducing policy rates by a cumulative 75 basis points during the year. Despite a significant decline in exports, the Current Account Deficit stood at a comfortable level of 1.4% of GDP, primarily due to a lower import bill on account of the steep fall in crude oil prices and lower gold imports.

b) Tobacco Industry

The Indian cigarettes industry is passing through tough times. Steep increase in excise duties and VAT especially in last four years on cigarettes has widened the gap of taxability of indirect tax between cigarettes and other tobacco products like bidi, khaini chewing tobacco, gutkha as well as other cigarettes by 52 times in 2015-16 as against 22 times in the year 2005-06. Consequently, all the players in cigarette industries are facing pricing and margin pressures. However, the industry has been successful in maintaining a value growth albeit at the cost of volume decline. India's taxation policy and regulatory regime is somewhat skewed against cigarettes over the years. It has led to the share of legal cigarettes on decline from 21% in 1981-82 to 11% in 2015-16 even if overall tobacco consumption has increased in India. According to a study by Euro monitor International, India is now the 4th largest market for illegal cigarettes in the world and that the illegal cigarette trade accounts for nearly one-fifth of the overall cigarette industry in India.

c) Regulation and Taxation

The regulatory environment is getting stricter day by day since last four consecutive years. The union budget hiked excise rates for cigarettes up to 70%. The state Government VAT rates are also moving upwards. The share of VAT within total taxes to the cigarettes industry has increased from 28% in 2010-11 to around 49% in 2015-16. It was expected that GST would come into play from April 1, 2016 and would streamline the varied tax structure. But appears that it would still take a couple of years for making GST effective, though it is imperative that revenue sensitive goods like cigarettes are subjected to uniform standard rates of tax applicable to general category of goods to ensure revenue buoyancy and rein in the growth of illicit trade. A multi-VAT regime promotes arbitrage and cross border trade which hurts the state governments and legal business infrastructure in receiving states.

2) Opportunities, Threats and Future Outlook

The illegal 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. Anti smoking campaign has been gaining momentum and is now resulting in a decline in the incidence of smoking. Many State Governments have also been strictly no smoking zones in public places etc. as also have banned sale of loose cigarettes mainly in Punjab, Uttar Pradesh and Mumbai, which is likely to impact substantially in the volume of cigarette industry. Your Company in previous year has launched a small pack size mainly on two and three cigarettes pack size to address this issue and has been exploring and developing the new market.

3) Segment Wise Performance

Your Company is uni-product Company and accordingly segment wise or product wise performance reporting is not applicable to your Company.

4) Risk Management and Concerns

Risk Management forms an integral part of your Company's operations. Your Company continues to focus on a system based approach to business risk management. It broadly involves identification & potential risks, their analysis and impact as also risk mitigation initiatives to address the same. The Company's Risk Management Committee oversees the risk management Process.

5) Internal Control System and their Adequacy

Internal controls encompass a set of rules, policies and procedures to provide reasonable assurance for achievement of the organizational objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. Your Company's internal control systems are commensurate with the size and nature of its operations, 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, the Internal Audit department monitors the effectiveness of the internal control systems and to review the existing financial and operating controls. These reports are placed before the Audit committee. The system is assisted by an Enterprise Resource Planning (ERP) package

6) Discussion on Financial Performance with respect to operational performance

The performance of your Company's operations remained subdued and extremely challenging during the year 2015-16 due to unprecedented pressure on the legal cigarette industry in India on account of the cumulative impact of steep increase in taxation and intense regulatory pressures including other reasons as explained in the Boards' Report has adversely affected the business of the Company. However, the gross turnover for the year 2015-16 was ` 100.38 crores as against ` 103.06 crores of the 2014-15. The net loss for the year was ` 36.46 crores against ` 30.63 crores of the previous year.

7) Graphic Health Warning (GHW)

The Government of India has issued a notification for implementation of amendment of the Cigarettes and Other Tobacco Products Amendment Rules, 2014 ("COTPA") effective from April 1, 2016 requiring a new form of pictorial warnings size. The Graphic Health Warnings (GHW) increased from 40% on the surface of area on one side of the cigarettes package to 85% of the surface area of both side of the package. Your Company is in compliance of the same with immediate effect from April 1, 2016 with all applicable regulations and laws in the letter and spirit based on laws and policies that would balance the health, employment and economic imperatives of the country. Our endeavor is to seek harmony between legal compliances and efficient realizations from the business.

8) Material Development in Human Resources/ Industrial Relations

Your Company's Human Resources Management Systems and process are aimed to create a responsive market focused and customer centric and endeavors to move ahead with its most valuable resources, its employees. Your Company is engaged in a constructive relationship with employees with an emphasis on productivity and efficiency and underline safe working practices.

Inductions during the year:

Upon the recommendation of the Nomination and Remuneration Committee Shri Raj Kamal Gupta has been appointed as Director-HRD (one level below the board) w.e.f. February 15, 2016 and Shri Pawan Kumar Malsaria has been appointed as Chief Financial Officer (CFO) w.e.f. February 11, 2016. Earlier Shri Pawan Kumar Malsaria was DGM Finance & Accounts and has been associated with the Company since January 01, 1998.

9) Cautionary Statement

The statement made in the Management Discussion and Analysis is a based on the current scenario and inputs available to the Directors and is a forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied and important factors that could make a difference. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is the application of continued best management practices assisting the management of the company in the efficient conduct of its business, continued compliance of law and adherence of highest ethical standards to achieve the Company's objective of enhancing the shareholders values. The Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation of any successful organization and accordingly the Company's actions are governed by principles and values which are enforced at all levels within the Company.

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.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

THE BOARD OF DIRECTORS

The Board of Directors ("the Board") of the Company is committed to best and sound principles of Corporate Governance practices in the Company to ensure sustainability and long term values. The Board is that of trusteeship to protect and enhance the shareholders value through strategic direction to the Company. The Board plays crucial role in overseeing how the management serves the short and long terms interest of shareholders and other stakeholders.

DIRECTORS' PROFILE:

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

Shri. A. K. Joshi: Managing Director

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 more than 34 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 was promoted as Acting Managing Director in 2011 and Managing Director in the year 2012 for three years and reappointed in 2015 for three years. He is member of the Audit Committee, and Risk Management Committee of the Board as also director on the Board of the Golden Reality and Infrastructure Ltd. and Western Express Industries Ltd., the subsidiaries of the Company.

Shri Jaskaran S. Khurana : Executive Director

Shri Jaskaran S. Khurana (DOB-22.09.1972) is Executive Director of the Company. He is a B.Com and MBA. He is having more than eighteen years of rich experience in the field of Sales and Marketing (Domestic as well as International Business), He has joined the Dalmia's Group in the year 2007, and the Company in the year 2010 and inducted on the Board as Whole Time Director on May 23, 2013 for three years. Further the Board in its meeting held on May 23, 2016 re-appointed as Executive Director for three years subject to approval of the Members and other requisite authorities including Central Government. He is a Member of the Stakeholders Relationship Committee (SRC) and Risk Management Committee (RMC) of the Board.

Shri Bharat B. Merchant: Non Executive Independent Director:

Shri Bharat B. Merchant (DOB-24.06.1948) is a Non-Executive Independent Director (NED) 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 six 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 NED of the Company and reappointed as Non Executive Independent Director for five years in the year 2014. He is a Member of Board of Directors of the Company as also member/ Chairman of the Audit Committee, Stakeholders Relationship Committee (SRC) and Nomination and Remuneration Committee (NRC) of the Company.

Shri Vijay Kumar Bhandari: Non Executive Independent Director

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 over forty three years 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 as Non Executive Independent Director of the Company and reappointed as Non Executive Independent Director for five years on in the year 2014. He is a Member of Board of Directors of the Company as also member/ Chairman of the Audit Committee, Stakeholders Relationship Committee (SRC) and Nomination and Remuneration Committee (NRC) of the Company.

Ms. Kokila Panchal: Non Executive Independent Director

Ms. Kokila Panchal (DOB-20.09.1948) is a Non-Executive Independent Director of the Company. She is Bachelor of 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 and appointed as Non Executive Independent Director by its Members on September 25, 2015 for five year which ends the year on 2020. She is also Member of the Nomination and Remuneration Committee of the Company.

INDEPENDENT DIRECTORS

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") define an Independent Director' as a person who is neither a promoter nor employee nor one of the Key Managerial Personnel of the Company or its subsidiaries. The law also states that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries apart from receiving remuneration as an independent director. The Company abides by the said definitions of independent directors. 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.

BOARD COMPOSITION:

The Board of the Company comprises an optimum combination of executive and non executive independent directors. The Board is headed by the non executive independent Chairman of the Board. The Board is in conformity with regulation 17 of the Listing Regulations. Listing regulations mandate that a company with a non executive (non promoter unrelated) chairman shall have at least one third of the Board as independent directors. The composition of the Board and directorship held, as on March 31, 2016 are as follows::

Sr. No.	Whole Time Director	Designation	Age	Listed Public Companies	All other Members	Committee of the Committees	Chairperson
1.	Shri A. K. Joshi *	Managing Director	58	1	-	2	1
2.	Shri Jaskaran S. Khurana *	Executive Director	44	1	-	2	-
3.	Shri Bharat B. Merchant	Non Executive Independent Director	68	3	2	9	7
4.	Shri V.K. Bhandari	Non Executive Independent Director	73	4	4	8	2
5.	Ms. Kokila Panchal	Non Executive Independent Director	68	1	-	1	-

*Note

1. including Golden Tobacco Ltd. & its subsidiary Companies. 2. Memberships in unlisted public companies are excluded.

BOARD MEETINGS:

The Board of Directors oversees the overall functioning of the Company. The Board meetings are governed by the structured agenda. The Company Secretary drafts the agenda of each meeting along with explanatory note in consultation with Managing Director and circulates at least seven days prior to the Board meeting to all its directors. All agenda items are backed up with comprehensive background information to enable the Board to take informed decisions. 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 all the



independent directors in the Board Meetings. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda and also on the occasion of the AGM. The gap of each Board meeting is not more than 120 days as prescribed under Listing Regulations read with the Companies Act, 2013 Additional meetings are held when necessary. Independent Directors are expected to attend at least four Board meeting in the year.

Five Board meetings were held during the year ended March 31, 2016 on May 27, 2015, August 12, 2015, September 25, 2015, November 06, 2015 and February 11, 2016.

The composition and attendance details of the directors at the Board meetings and previous AGM are as follows:

Name of Director	Previous AGM held on 25.09.2015	No. of Meeting held					% of attendance
		1	2	3	4	5	
Shri A.K.Joshi	Yes	yes	Yes	Yes	yes	yes	100
Shri Jaskaran S. Khurana	Yes	yes	Yes	Yes	yes	yes	100
Shri Bharat B. Merchant	Yes	yes	Yes	Yes	yes	yes	100
Shri V. K. Bhandari	Yes	yes	Yes	Yes	yes	yes	100
Ms. Kokila Panchal	No	yes	Yes	No	yes	yes	80

None of the directors is a director in more than ten public companies or acts as independent director in more than seven listed companies as also none of the directors on the Board is a member of more than ten committees and chairman of the five committees across all the companies in which he/she is a director as per the Listing Regulations.

During the year under review, the Company has not entered into any material transactions with its Non-Executive Directors except related party transactions reported in the financial report. The Company has received the declaration from independent directors of the Company confirming their independence pursuant to requirement of Regulation 24 of the Listing Regulations.

COMMITTEES OF THE BOARD

Presently, the Board has Four committees i.e Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee. The quorum for meeting is either two members or one third of the total number of members of the committee present in the meeting, whichever is higher. The necessary quorum was present in the Board and its Committee meetings. The compositions of the Board and its Committee are as follows:

Name	Designation	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Risk Management Committee
Shri Bharat B. Merchant	Non Executive Independent Director	yes	yes	yes	yes	-
Shri V. K. Bhandari	Non Executive Independent Director	yes	yes	yes	yes	-
Ms. Kokila Panchal	Non Executive Independent Director	yes	-	yes	-	-
Shri A.K. Joshi	Managing Director	yes	yes	-	-	yes
Shri Jaskaran S. Khurana	Executive Director	yes	-	-	yes	yes

INFORMATION PLACED BEFORE THE BOARD:

The Board has unrestricted access to all Company's related information. In addition to the information required to be placed before the Board, the following are also placed before the Board for quarterly / yearly review information:

- Annual operating plans and budgets and any updates
- Capital budgets and any updates.
- Quarterly / Annual results of the Company.
- Minutes of meetings of audit committee and other committees of the Board of directors.
- The Information on recruitment and remuneration of senior officers just below the level of Board of directors.

- vi. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- vii. Fatal or serious accidents, dangerous occurrences, and material effluents or pollution problems.
- viii. Any material relevant defaults in financial obligation to and by the Company, or substantial non-payment for goods sold by the Company.
- ix. Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the Company
- x. Details of any joint venture or collaboration agreement.
- xi. Transactions that involve substantial payment towards goodwill, brand equity or Intellectual Property.
- xii. Significant labour problems and their proposed solutions. Any significant development in Human Resource management/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- xiii. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- xiv. Quarterly details of foreign exchange exposure and the steps taken by the Managements to limit risks of adverse exchange rate movement, if material.
- xv. Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer etc.

The Board, in consultation with the Nomination and Remuneration Committee, is responsible for assigning and fixing terms of service for committee members. It delegates these powers to the nomination and remuneration committee.

The non-executive chairman of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Normally, all the committees meet four times a year. Recommendations of the committees are submitted to the entire Board for approval.

A. AUDIT COMMITTEE

The Audit Committee of the Company constitution of as well as the terms of reference are in line with the provisions of Regulation 18 of the Listing Regulations read with section 177 of the Companies Act, 2013 as also other matters referred to it by the Board of Directors from time to time.

COMPOSITION

The committee is comprised of three directors as on March 31, 2016 viz. Shri Bharat B. Merchant, Shri V.K. Bhandari and Shri A.K. Joshi.

Four meetings of the Audit Committee were held during the financial year ended March 31, 2016 on May 27, 2015, August 12, 2015, November 06, 2015, and February 11, 2016. The composition & attendance details of the audit committee meetings are as follows:

Name	Designation	No. of Meeting held				% of attendance
		1	2	3	4	
Shri Bharat B. Merchant	Chairman	yes	yes	yes	yes	100
Shri V. K. Bhandari	Member	yes	yes	yes	yes	100
Shri A.K. Joshi	Member	yes	yes	yes	yes	100

Majority of members of the committee are Independent Director except Shri A.K. Joshi, Managing Director. Each member possesses adequate knowledge of accounts, audit, banking and finance. The Independent directors are independent and working pursuant to section 149 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations. The Committee invites such of the executives/officers/managers as it considers appropriate to be present at its meetings. Shri Pawan Kumar Malsaria, CFO and the statutory auditor M/s Lodha & Co. attend all the Audit committee meetings. Shri Manoj Kumar Srivastava, Company Secretary, attend all the meetings and acts as Secretary of the Audit Committee.

The Management is responsible for the Company's internal control over financial reporting and the financial reporting process. The independent auditors are responsible for performing an independent audit of the company's financial statement



and for issuing report thereof. The committee responsibility is to monitor these process. The Committee is also responsible for overseeing the process related to financial reporting and information decimation. All recommendations made by the Audit committee during the year were accepted by the Board. Major terms of reference of Audit committee are as follows:

Terms of Reference :

- (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.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations read with section 178 of the Companies Act, 2013.

COMPOSITION :

The committee is comprised of three Independent directors as on March 31, 2016 viz. Shri Bharat B. Merchant, Shri V.K. Bhandari, Ms. Kokila Panchal. Three meetings during the financial year ended March 31, 2016 on May 27, 2015, September 25, 2015 and February 11, 2016. The designation & attendance details are as follows:

Name	Designation	No. of Meeting held			% of attendance
		1	2	3	
Shri Bharat B. Merchant*	Chairman	yes	yes	yes	100
Shri V. K. Bhandari	Member	yes	yes	yes	100
Shri A.K.Joshi*	Member	yes	yes	yes	100
Ms. Kokila Panchal*	Member	-	-	yes	100

*Note: Ms. Kokila Panchal was appointed as member of the committee w.e.f. September 25, 2015 and Shri A.K. Joshi ceased to be member of the committee w.e.f. Sep.25, 2015.

Terms of reference:

The purpose of the committee is to screen and to review individuals qualified to serve as executive directors, Non Executive Director and Independent directors, in line with the criteria approved by the Board. The Committee also to determines Company's Policy on Remuneration Packages and other terms and conditions of the appointment of the Managing Director Executive Directors Non Executive Director and senior management personnel of the Company within the overall ceiling pursuant applicable provisions of the Companies Act, 2013 and Rules made there under and recommend to the Board. The broad terms of reference of the Committee are as follows:

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

- ii. 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.
- iii. Formulate the criteria for evaluation of Independent director and the Board.
- iv. Devising the policy on Board diversity.
- v. Recommendation to the Board for appointment of Key Managerial Personnel as defined by the Act and other senior management of the Company.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee (SRC) of the Company is constituted in line with the provisions of Regulation 20 of Listing Regulations and section 178 of the Companies Act, 2013. The Committee has the mandate to review and redress shareholder 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.

COMPOSITION

The Committee is comprised of three Members as on March 31, 2016 viz. Shri Bharat B. Merchant, Shri V.K. Bhandari and Shri Jaskaran S. Khurana. Four meetings were held during the financial year ended March 31, 2016 on May 27, 2015, August 12, 2015, November 11, 2015 and February 11, 2016. The designation & attendance details are as follows:

Name	Designation	No. of Meeting held				% of attendance
		1	2	3	4	
Shri Bharat B. Merchant	Chairman	yes	yes	yes	yes	100
Shri V. K. Bhandari	Member	yes	yes	yes	yes	100
Shri Jaskaran S. Khurana	Member	yes	yes	yes	yes	100

Terms of Reference:

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

- i. To review the report submitted by the Registrar 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.

The Committee expressed satisfaction with the company's performance in dealing with investor grievance and its share transfer system. The details of complaints resolved year ended march 31,2016 are as follows:

Nature of complaint	Opening	Received	Resolved	Closing
Non receipt of Annual Report, Dividend etc.	NIL	9	9	NIL

D. SHARE TRANSFER COMMITTEE:

In addition to the Stakeholders Relationship Committee, the Board has constituted another committee referred as the Share Transfer Committee comprising of Shri Manoj Kumar Srivastava, Company Secretary & Compliance Officer Shri Pawan Kumar Malsaria, Chief Financial Officer of the Company to approve the share transfer of equity shares of the company. There were 32 meetings were held during the year ended March 31, 2016.



E. RISK MANGAEMENT COMMITTEE:

The composition of the Risk Management Committee (RMC) is not applicable to the Company. However, the Company has voluntarily constituted the Risk Management Committee which is in line with the section 134(3) of the Companies Act, 2013 read with Regulation 21 of the Listing Regulations. The Company has framed Risk Management Policy which inter-alia covers financials, operational, regulatory and Legal and product and market risk etc. and to formulate a procedure for mitigation of risk which may threaten the existence of the Company.

COMPOSITION

The Committee is comprised of two Members as on March 31, 2016 viz. Shri A.K. Joshi, Managing Director and Shri Jaskaran S. Khurana, Executive Director. During the financial year ended March 31, 2016 one meeting was held on February 11, 2016. The designation & attendance details are as follows:

Name	Designation	No. of Meeting held (1)	% of attendance
Shri A.K.Joshi	Chairman	Yes	100
Shri Jaskaran S. Khurana	Member	Yes	100

Terms of Reference:

The broad terms and reference of the Risk Management Committee are as follows:

The rationale of the constitution of Risk Management Committee is to assist to the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to identification, evaluation and mitigation of operational strategic and environmental risks. The Committee has an overall responsibility of monitoring and approving the risk policies and associated practices of the Company.

The trend line of the top risks in terms of the exposure risk level, potential impact and progress of mitigation plans are reviewed along with key operational risks.

REMUNERATION POLICY:

The Company's Remuneration Policy is driven by the success and performance of the individual employee and the Company. The major objective of the remuneration policy of the Company for directors and senior management are to focus on enhancing the value, to attract and retain talent for achieving objective of the Company. The Remuneration Policy of the Company is available on the Company's website www.goldentobacco.in.

Guidelines for formulation of 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.
- 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 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 is entitled to 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.

The Non-Executive Independent Directors are paid remuneration by way of sitting fees. No other remuneration is being paid to them. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors.

The remuneration paid to the Executive Directors and Non-Executive directors for the financial year ended March 31, 2016 are as follows:

Name	Basic Salary	Perquisites & Allowances	Sitting Fees	VPP
Shri A.K. Joshi	27,89,880	53,84,726	-	-
Shri Jaskaran S. Khurana	16,99,668	33,31,121	-	-
Shri Bharat B. Merchant	-	-	1,70,000	-
Shri V.K. Bhandari	-	-	1,70,000	-
Ms. Kokila Panchal	-	-	60,000	-

INDEPENDENT DIRECTORS SEPARATE MEETING :

Pursuant to the Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules made there under, it is mandatory that the independent directors of the Company hold at least one separate meeting in a year, without the attendance of non-independent directors and members of the Management and it is recommended that all the independent directors of the Company be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the Board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties. The independent directors separate meeting are held on February 11, 2016 where all the independent directors were present.

DIRECTORS' FAMILIARISATION PROGRAMME :

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 Board members are provided with necessary documents, reports, internal policies and plant visit to enable them to familiarize with the Company's operations its procedures, policies, practices and other updates 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 February 11, 2016 and the same is available on the Company's website www.goldentobacco.in.

RELATED PARTY TRANSACTIONS:

There have been no materiality related party transactions, monetary transactions or relationship between the Company and its directors, the management, subsidiaries, or relatives which have potential conflicts with the interest of the Company. Members may refer to disclosures/transaction made in the financial statements in compliance of Regulation 23 of Listing Regulations read with Accounting Standard 18. All the related party transactions have been done at arm's length price and in the ordinary course of business.

COMPANY SECRETARY & COMPLIANCE OFFICER:

Shri Manoj Kumar Srivastava, Company Secretary is a Compliance Officer of the Company in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") Shareholder/ Investors' may contacted him at the Registered Office of the Company on Phone. No. 0265-2540281, FAX-0265-2541700, Email : share@goldentobacco.in, csmanoj@goldentobaacco.in website: www.goldentobacco.in

DISCLOSURE REGARDING THE APPOINTMENT / REAPPOINTMENT OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 Shri Jaskaran S. Khurana retires at ensuing AGM and being eligible seeks reappointment. The Board recommends his reappointment as retiring director. Pursuant to Regulation 36 of the Listing Regulations the details of directors seeking appointment /re- appointment are given in the annexure to the notice of the 60th AGM to be held on September 21, 2016. The Companies Act, 2013 provides for appointment of independent directors pursuant to section 149(10) of the Companies Act, 2013 (w.e.f.1.4.2014) Independent Directors hold office for a term of up to five years on the Board of the Company and are eligible for reappointment on the passing of special resolution by the shareholders of the Company Accordingly Shri Bharat B. Merchant and Shri Vijay Kumar Bhandari, Independent Directors of the Company have been appointed for five consecutive years at the 58th AGM of the Company held on September 22, 2014 up to the 63rd AGM to be held in the calendar year 2019. Ms. Kokila Panchal, Independent Director appointed for five consecutive years at the 59th AGM held on September 25, 2015 to hold office up to the 64th AGM to be held in the calendar



year 2020. The detailed appointment letter including the terms and conditions of appointment pursuant to schedule IV of the Act has also been placed in the Company's website.

Further, section 149(11) states that no independent director shall be eligible to serve on the Board of more than two consecutive terms of five years. section 149(13) states that the provisions of retirement by rotation as defined in sub clause (7) and (6) of the Act shall not apply to such independent director . Therefore, none of the independent directors shall be retire in the ensuing AGM.

During the year under review, the non executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

COMMUNICATION TO THE SHAREHOLDERS

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. under the Investor column. The details of communications are as under:

Sl. No.	Particulars	Name of Newspaper	Quarter-I (Unaudited)	Quarter-II (Unaudited)	Quarter-III (Unaudited)	Quarter and Year ended March 31, 2016 (Audited)
1	English Newspapers in which quarterly results were published.	Business Standard (Ahmedabad edition)	August 13, 2015	November 7, 2015	February 12, 2016	May 24, 2016
2	Vernacular Newspapers in which quarterly results were published.	Loksatta - Gujarati (Baroda edition)	August 13, 2015	November 7, 2015	February 12, 2016	May 24, 2016
3	Name of Stock Exchange(s)	BSE Ltd. & National Stock Exchange India Ltd.	August 12, 2015	November 6, 2015	February 11, 2016	May 24, 2016

GOVERNANCE AND COMPLIANCE:

1. Code of Conduct :

In compliance as on Regulations 26 (3) of The Listing Regulations, the Company has framed and adopted a Code of Conduct (" the Code"). The Company's the Code as adopted by the Board of Directors, is applicable to its directors and senior management , executive officers and all employees of the Company The Code is derived from the three interlinked fundamental principles i.e. Good Corporate Governance, Good Corporate Citizenship and extremely person conduct in relation to the Company's business and reputation. The Code is available on www.goldentobacco.in

All members of the Board, executive and officers have affirmed compliance to the code as on March 31, 2015. A declaration to that effect, signed by the CEO/MD forms part of the annual report

2. Code for Prevention of Insider Trading Practices

Pursuant to SEBI (Prohibition of insider Trading) Regulations, 2015 which came into effect from May 15, 2015, the Company has formulated and adopted a revised Code for Insider Trading Policy i.e Golden Tobacco Limited - Code for Prevention of Insider Trading -2015 to regulate, monitor and report trading by the insider under the Listing Regulations, of the Board of Directors of the Company. This policy also includes practices and procedure for fair disclosure of unpublished price sensitive information for initial and on continual basis disclosure. Shri Manoj Kumar Srivastava, Company Secretary has been designated as the Compliance Office for this Code.

The Company has automated the declarations and disclosure to identify designated persons. The Board reviews the policy from time to time as and when necessary.

3. Compliance of Corporate Governance :

The Company's compliance systems cover a multitude of statutory obligations and ensure adherence to all applicable laws and regulations. During the financial year 2015-16 the Company has complied with all the mandatory items of the erstwhile Clause 49 of the Listing Agreement as applicable till November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 01, 2015 which prescribes various corporate governance and other compliances. We have always believed in maximization of transparency and timely disclosure and adheres the same from time to time.

4. Non Compliance:

No penalties and strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matters relating to the capital markets during the last three years. No material and uncontested financial or non monetary sanctions were imposed upon the Company.

5. Disclosure of commodity price risk and commodity hedging activity :

The Company is not dealing in commodities and hence, disclosure relating to commodity price risk and commodity hedging activities is not required.

6. Disclosure under Regulation 30 of Listing Regulations :

Pursuant to Regulation 30 of the Listing Regulations the Company has made disclosure and updated Stock Exchanges from time to time as and when required. Further, the Company has not entered any agreement with any media companies or their associates which has regulated /will result in any kind of shareholding in the Company and consequently any other related disclosure, if any in relation to the media companies is not applicable to the Company. .

7. Certificate on Corporate Governance:

Pursuant to Regulation 34(3) and Part E of Schedule II of the Listing Regulations a certificate from M/s Lodha & Co, the Statutory Auditors of the Company regarding the compliance of the Conditions of the Corporate Governance is provided and forms part of the annual report.

8. CEO and CFO Certification:

Pursuant to requirement of Regulation 17(8) of the Listing Regulations, the Managing Director and Chief Financial Officer of the Company have submitted a compliance Certificate for the financial year ended March 31, 2016, which is annexed in this report.

9. Disclosure of Accounting Treatment in Preparation of Financial Statement:

The Company follows the guidelines of accounting Standard referred to in the section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with applicable Accounting Standard issued by the ICAI of India.

10. Pledge of Equity Shares :

During the financial year 2015-16 the Promoters of the Company has got released their 32,93,000 Equity Shares pledged in earlier years to the Financial Institutions/ Non Banking Financial Institution. As informed by the promoters and Promoter Group companies no Shares has been pledged during the financial year 2015-16 over equity shares of the Company held by them as on March 31, 2016. The aggregate Shareholding of the Promoters and Promoters Group as on March 31, 2016 were 45,81,725 equity shares of ₹ 10 each representing 26.02% of the paid up Equity Share Capital of the Company.

11. GDR's/ADR's /Warrants/Options :

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

12. Dividend :

Due to carry forward losses no dividend has been declared. The last dividend was declared in the year 1994-1995 All the unpaid /unclaimed dividend up the year 1993-94 has been transferred to General Revenue Account of the Central Government. However Unpaid dividend pertaining to the year 1994-95 will be considered in the fresh reference before BIFR and would be paid accordingly.

13. Investor Grievance and Share Transfer System :

The Company is having Board level stakeholders relationship committee to examine and redress the complaints by shareholders and investors. The status of the complaints and share transfers is reported to the entire Board. Upon 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 Regulations and in case of any discrepancies in relation to the transfers the shares are returned under objections within the stipulated timeframe.



14. Dematerialization of Shares and 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 shareholders 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, 2016, 16159644 i.e. 91.77% of the shares of the Company are in dematerialized form.

Share transactions are simpler and faster in electronic form. After a confirmation of a sale/purchase transaction from the broker, shareholder should approach the depository participants with a request to debit or credit the account for the transaction,. The depository participants will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the company to register the transfer.

15. 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. Tel. No.(022) 25946970 Fax: (022) 2594 6969. Email: rnt.helpdesk@linkintime.co.in However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

16. Registered Office and Plant Location of the Company:

The Company's Registered Office and manufacturing plant is located at Darjipura, Post – Amaliyara, Vadodara, Gujarat-390022 INDIA.

17. Correspondence Address :

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, csmanoj@goldentobacco.in

18. Functional Website of the Company:

Pursuant to Regulation 46 of the Listing Regulations the Company has maintained a functional website of the Company i.e. www.goldentobacco.in which provides basic details of the Company, and its business, financial information, policies and other updates from time to time.

DECLARATION UNDER REGULATION 34 (3) AND SCHEDULE V OF THE LISTING REGULATIONS:

All Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2016.

For Golden Tobacco Limited

A. K. Joshi
Managing Director

General Shareholders Information:

General Body Meetings:

(a) Annual General Meeting (AGM) :

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

Financial Year	Date	Day	Time	Venue	Special Resolution
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
2014-15	September 25, 2015	Friday	12.15 P.M.	Registered Office	3

I. Special Resolution:

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

II. Postal Ballot :

No Postal Ballot was held during the financial year 2015-16.

III. Remote e-voting and ballot voting:

The Company has allowed the shareholders of the Company to vote on the resolutions proposed at the AGM. The Company has engaged CDSL for remote e-voting and accordingly, arranged remote e-voting facility to all the members of the Company whose names appear on the register of members as on September 15, 2016 (cut off date) shall be eligible to participate in the remote e-voting.

The facility for voting through ballot will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

(b) Extraordinary General Meeting (EGM) :

No Extraordinary General Meeting of the members was held during the year 2015-16

(c) Additional Shareholders Information

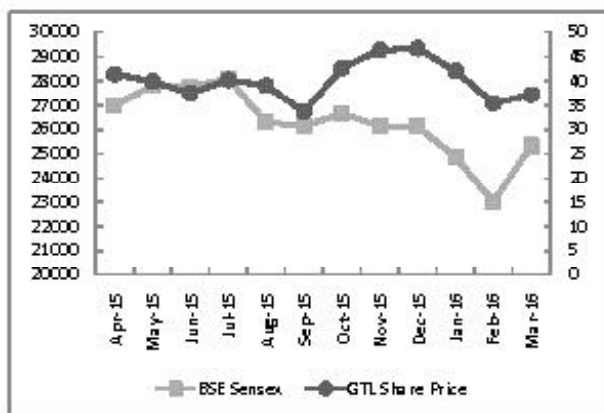
60th Annual General Meeting : Day, Date and Time	Wednesday, September 21, 2016 at 12.15 P.M.
Venue	Registered Office of the Company at Darjipura, Post- Amaliyara, Vadodara, 390022. Gujarat.
Book Closure / Record Date	Friday, September 16, 2016 To Wednesday, September 21, 2016.
Dividend	NIL (Previous declared 1994-1995)
Registered Office	At Darjipura, Post - Amaliyara, Vadodara, 390022. Gujarat
Financial Year	April 1, 2016 March 31, 2017
Cut Off Date for Remote- e-voting	September 15, 2016
Remote e-voting period	September 18, 2016 to September 20, 2016
Listing of Stock Exchange & Stock Codes/ Symbol	BSE Ltd. (500151) National Stock Exchange of India Ltd. (GOLDENTOBC)
Corporate Identity Number (CIN) of the Company	L16000GJ1955PLC067605
ISIN	INE973A01010
Financial Calendar for the year 2016-17 are as follows:	
Nature of event	2016-17 (tentative date)
Audited annual financial results for the year ended March 31, 2016	On May 23, 2016 (actual)
Un audited financial results for the quarter ended June 30, 2016	By August 15, 2016
Un-audited financial results for the quarter ended September 30, 2016	By November 15, 2016
Un audited financial results for the quarter ended December 31, 2016	By February 15, 2017
Audited financial results for the year ended March 31, 2017	By May 30, 2017



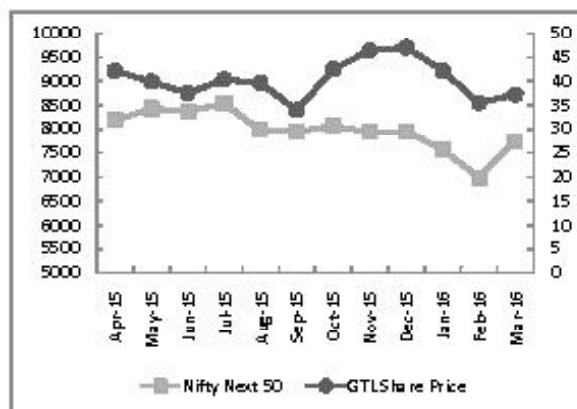
(d) Market Price Data for the financial year 2015-16 :

Month	BSE		BSE - SENSEX		NSE		NSE - NIFT	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
30-Apr-15	41.8	40.25	29094.61	26897.54	43.0	40.5	8229.4	8144.75
29-May-15	41.1	39.6	28071.16	26423.99	40.9	39.9	8443.9	8305.7
30-Jun-15	38.6	37.4	27968.75	26307.07	38.5	37.1	8378	8298.95
31-Jul-15	43.75	40.0	28578.33	27416.39	43.4	39.4	8548.95	8448
31-Aug-15	41.05	39.0	28417.59	25298.42	41.0	37.65	8043.6	7947.95
30-Sep-15	34.85	33.15	26471.82	24833.54	34.65	33.2	7957.7	7874.5
30-Oct-15	44.5	42.45	27618.14	26168.71	48.8	42.1	8146.1	8044.4
30-Nov-15	47.85	46	26824.3	25451.42	48.0	45.2	7966	7922.8
31-Dec-15	47.9	46.5	26256.42	24867.73	48.05	46.35	7955.55	7891.15
29-Jan-16	42.8	41.2	26197.27	23839.76	42.55	41.45	7575.65	7402.8
29-Feb-16	38.0	33.85	25002.32	22494.61	37.45	32.2	7094.6	6825.8
31-Mar-16	37.9	37.1	25479.62	23133.18	38.35	36.8	7777.6	7702

Performance of Share Price in comparison to BSE Sensex:



Performance of Share Price in comparison to Nifty Next 50:



(e) Distribution of Shareholding as on March 31, 2016

No. of Shares	No. of Shareholders	% of shareholders	No. of shares	% of shareholding
001-500	28022	94.08	2899122	16.46
501-1000	895	3.00	704785	4.01
1001-2000	414	1.39	627337	3.56
2001-3000	124	0.42	317603	1.80
3001-4000	66	0.22	232840	1.32
4001-5000	64	0.22	299399	1.70
5001-10000	88	0.30	656486	3.73
10001 and above	111	0.37	11871230	67.42
TOTAL	29784	100.00	17608802	100.00

(f) Shareholding Pattern as on March 31, 2016

Sr.No.	Shareholders	No. of Demat Shares	No. of Physical Shares	Total	% Shares
1.	Promoters	4581725	-	4581725	26.02
2.	Financial Institutions / Banks	145	9015	9160	0.05
3.	Mutual Funds	190	850	1040	0.01
4.	FIs	29957	-	29957	0.17
5.	Bodies Corporate	5338414	18304	5356718	30.42
6.	Non-Resident	31070	14620	45690	0.26
7.	General Public	6177393	1406369	7583762	43.07
8.	Trusts	750	-	750	0.00*
	Total	16159644	1449158	17608802	100.00

* Negligible

(g) Top ten Shareholders other than promoters (including holding of less than 1% of the Capital) as on March 31,2016 is as follows:

Sr. No.	Name of Shareholders'	No. of Shares	% of Holding
1	J.P. FINANCIAL SERVICES PVT. LTD.	1090000	6.19
2	FIDELITY MULTITRADE PVT. LTD.	553865	3.15
3	RAJASTHAN GLOBAL SECURITIES PRIVATE LTD.	547845	3.11
4	LEND LEASE COMPANY (INDIA) LTD.	490567	2.79
5	GLOBE CAPITAL MARKET LTD.	433748	2.46
6	NOBLE COMMUNICATIONS PVT. LTD.	346112	1.97
7	SMS HOLDINGS PVT. LTD.	299724	1.70
8	AARKAY INVESTMENTS PVT. LTD.	175073	0.99
9	GHANSHYAM SALT & CHEMICALS PVT. LTD.	100000	0.57
10	BULLS AND BEARS PORTFOLIOS LTD.	94011	0.53
	Total	4130945	23.46



CEO & CFO CERTIFICATE

(under regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015)

To,
The Board of Directors,
Golden Tobacco Ltd.

Dear Members of the Board,

We to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet, statement of profit and loss, and cash flow statement of the Company and all the notes on accounts for the year ended March 31, 2016
2. These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
3. 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.
4. There are no transaction entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of conduct and ethics, except as disclosed.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company and we have :
 - (i) Designed such disclosure controls and procedure or caused such disclosure control and procedure to be designed under our supervision to ensure that the material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - (ii) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.
 - (iii) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - (iv) Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons of the equivalent functions):
 - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there has been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b. Any significant changes in internal controls during the year covered by this report.
 - c. All significant changes in accounting policies during the year, if any, and there have been disclosed in the notes to the financial statements.
 - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the Audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

For Golden Tobacco Limited

Place : Mumbai
Date : May 23, 2016

A. K. Joshi
Managing Director

Pawan Kumar Malsaria
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**TO
THE MEMBERS OF
GOLDEN TOBACCO LIMITED**

We have examined the compliance of conditions of Corporate Governance by GOLDEN TOBACCO LIMITED ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 for the period December 1, 2015 to March 31, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Agreement/Listing Regulation, as applicable.

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

For M/s LODHA & CO.
Firm Regn. No. 301051E
Chartered Accountants

Place : Mumbai
Date : May 23, 2016

R. P. Baradiya
Partner
Membership No. 44101



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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of 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 there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (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:

- 1 (a) Hon'ble Supreme Court vide its order dated May 12, 2016 on the SLP filed by the Income Tax Department (Department) inter-alia held that :

- (i) the scheme sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) was over on March 31, 2011 and hence, the Company was out of its purview. Accordingly, the Modified Draft Rehabilitation Scheme filed by the Company is not maintainable.
- (ii) the Department shall be entitled to take steps for attachment and sale of Company's properties including Vile Parle Land against the disputed principal amount. In respect of waiver of interest and penalties, the same would be decided by the BIFR. However, such sale shall be subject to payment of undisputed excise demands and the rights of the secured creditors in respect of the mortgaged properties.
- (iii) The Memorandum of Understating entered with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. in respect of its Vile Parle property loses its legal force and no right would accrue under it.

(Also Refer note no. 25 (1) (1.1) (b), 25 (5)(a) and 25 (9) (a) of the standalone financial statements for the year ended March 31, 2016)

2. The appropriateness or otherwise of the preparation of these standalone financial statements on a going concern basis, in view of the Company's net worth having been entirely eroded. 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 in due course on getting necessary approval from BIFR for a fresh reference proposed to be filed shortly (Also Refer note no. 25 (5) of the standalone financial statements for the year ended March 31, 2016).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give in 'Annexure B' a separate report on the same.
3. 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the 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 the standalone financial statements (Refer Note no. 25 (1) to the standalone financial statements for the year ended March 31, 2016);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are 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 during the year ended March 31, 2016.

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

R. P. Baradiya
Partner
 Membership No. 44101

Place : Mumbai
Date : May 23, 2016



“Annexure A”

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

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 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: ` 35,45,971) as on March, 2016 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.*
- c) Based on the verification and examination of records, title deeds of the immovable properties are in the name of the Company.
2. The inventories of the Company have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, Para 3 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans given and investments made and security provided.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
6. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 148 (1) of the Act for any of the products manufactured by the Company.
7. (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-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 except delays upto 30 days in payment of Excise Duty and amount involved ` 2,66,00,000 (being maximum amount). No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for more than six months from the date they became payable except Excise Duty and interest thereon aggregating to ` 11,41,29,466.
- (b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax 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	10,79,541	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

NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTE IS PENDING
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	2007-08 to 2010-11	2,57,33,561	Joint Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax	1984-85	21,90,74,919	Income tax Appellate Tribunal/ Bombay High Court
		1984-85 to 1988-89, 1991-92 to 1995-96 2001 -02, 2005-06, 2007-08 and 2008-09	792,06,37,930	Income Tax Appellate Tribunal
		1991-92	2,25,25,577	Assessing Officer
		1978 to 1984	2,02,37,358	Bombay High Court
Central Excise Act, 1944	Excise Duty	1979, 1997 and 1998	421,361	Supreme Court of India
		2000,2003 and 2004 1986 and 1999-2002 1983,1994,1995,1999, 2002,2003,2007 and 2011	3,98,39,304 121,55,25,379 39,89,96,358	High Courts High Court, Guwahati Customs, Excise, Service Tax Appellate Tribunal
		1979 to 2011	122,56,64,131	Commissioner of Central Excise-Appeal
		1995 to 2011	145,01,69,472	Appellate Authority for Industrial and Financial reconstruction

8. During the year, the Company has not defaulted in repayment of dues to Banks, financial institution, government or debenture holders except the following :

Name of the Banks	Amount of Default in ` (Principal and Interest)*	Period of Default – in Months
Canara Bank	21,00,57,826	Upto 12 months
Allahabad Bank	3,40,31,003	Upto 6 months
Syndicate Bank	8,72,75,786	Upto 12 months
State Bank of Bikaner and Jaipur	9,46,13,602	Upto 15 months
Vijaya Bank	9,44,01,236	Upto 15 months
Indiabulls Housing Financial Services Limited	126,12,42,862	Upto 36 months
Total	178,16,22,315	

*refer note no. 25 (6) to the standalone financial statements for the year ended March 31, 2016

9. The Company has utilised the term loan taken from a bank for the purposes for which it was raised. Further the Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past.
10. 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 by officers or employees of the Company, noticed or reported during the year, nor have we been informed of such case by the management.



11. In respect of managerial remuneration paid or provided during the year, the Company has made necessary application to the Central Government for its approval. The management as explained is confident of receiving the same in due course.
12. In our opinion, the Company is not Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
13. All transactions with the related parties are in compliance with section 177 and 188 of Act and the details have been disclosed in the Financial Statements (Refer note No.25 (10) to the standalone financial statements for the year ended March 31, 2016) as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures or in the recent past.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act. Therefore, Para 3 (xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore, Para 3 (xvi) of the Order is not applicable to the Company.

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

Place : Mumbai
Date : May 23, 2016

‘Annexure B’

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place : Mumbai
Date : May 23, 2016

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



BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	As at March 31, 2016	(Amount in `) As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(1,643,108,335)	(1,277,449,484)
2 Non-Current Liabilities			
Long-Term Borrowings	3	94,289,714	158,107,614
Other Long Term Liabilities	4	102,788,491	1,905,905,860
3 Current Liabilities			
Short-Term Borrowings	5	374,326,031	369,223,081
Trade Payables		285,432,919	267,469,226
Other Current Liabilities	6	3,716,436,400	1,787,674,811
Short-Term Provisions	7	49,418,464	52,198,467
TOTAL		<u>3,155,463,896</u>	<u>3,439,009,787</u>
II. ASSETS			
1. Non Current Assets			
Fixed Assets (Net)			
Tangible Assets	8	182,574,172	190,457,835
Non-Current Investments	9	86,445,889	86,445,889
Long-term Loans and Advances	10	2,094,129,372	2,274,051,827
2. Current Assets			
Inventories	11	660,505,603	774,460,942
Trade Receivables	12	89,243,749	69,875,411
Cash and Bank Balances	13	17,726,501	17,697,122
Short Term Loans and Advances	14	23,246,049	22,563,781
Other Current Assets	15	1,592,561	3,456,980
TOTAL		<u>3,155,463,896</u>	<u>3,439,009,787</u>

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

Place : Mumbai
Date : May 23, 2016

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

Pawan Kumar Malsaria
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	(Amount in `)	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations			1,030,866,144
Sale of Manufactured Products		1,004,839,669	
Less:Excise Duty		(562,878,885)	(530,832,716)
Other income from Operation	16	5,366,751	15,853,262
		447,327,535	515,886,690
Other income	17	12,877,116	11,892,721
Total Income		460,204,651	527,779,411
Expenses			
Cost of materials consumed	18	242,452,318	262,980,489
Manufacturing and Operating Costs	19	15,056,105	18,987,648
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	7,422,966	(4,028,657)
Employee Benefits Expense	21	110,102,802	115,813,199
Finance Costs	22	247,052,989	230,744,823
Depreciation and Amortization Expense	8	10,407,963	12,098,311
Other Expenses	23	193,368,359	197,516,693
Total Expenses		825,863,502	834,112,506
Loss before tax		(365,658,851)	(306,333,095)
Tax Expense :			
Current tax		-	-
Loss for the year		(365,658,851)	(306,333,095)
Earnings per equity share of the face value of ` 10 each :			
Basic & Diluted Earning per share:	25.11	(20.79)	(17.42)
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. 44101Place : Mumbai
Date : May 23, 2016**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**Pawan Kumar Malsaria**
Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A Cash flow from Operating Activities:		
Net loss as per statement of profit & loss	(365,658,851)	(306,333,095)
Add: Adjustments for :		
Depreciation & amortisation expenses	10,407,963	12,098,311
Interest Expenses	247,052,989	218,497,080
Provision for doubtful debts provided for/(written back)	(2,460,268)	6,533,974
Interest received (other than investment)	(1,968,628)	(2,121,988)
Dividend received on long term non trade investments	(978,072)	(892,836)
Liabilities no longer payable written back	(16,622)	(2,614,069)
Foreign Exchange (Gain)/Loss, Net	3,412,520	2,182,560
Operating Profit/(Loss) before Working Capital changes	(110,208,969)	(72,650,063)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	164,041,732	46,710,119
- Inventories	113,955,339	31,370,878
- Trade and Other Payable	57,112,536	58,892,876
Cash generated from Operations	224,900,638	64,323,810
Income Taxes Paid	(250,706)	(195,805)
Net cash from/(used in) Operating Activities - A	224,649,931	64,128,005
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(2,524,300)	(1,017,084)
Interest received (other than Investment)	1,968,628	2,121,988
Dividend received	978,072	892,836
Net Cash from/(used in) Investing Activities - B	422,400	1,997,740
C Cash flow from Financing Activities:		
(Repayment)/Proceeds of borrowings	(26,899,226)	(19,486,290)
Interest paid	(195,136,717)	(71,277,386)
Net cash from/(used in) Financing Activities - C	(222,035,943)	(90,763,676)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	3,036,388	(24,637,931)
Opening Cash and Cash Equivalents	1,572,905	26,210,836
Closing Cash and Cash Equivalents	4,609,293	1,572,905

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 23, 2016

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

Pawan Kumar Malsaria

Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2016**1 Share Capital**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount in `	Number	Amount in `
Authorised				
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
		350,000,000		350,000,000
Issued				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed and Paid up				
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
	17,598,016	175,880,212	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 ` 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, 2016		As at March 31, 2015	
	Number	Amount in `	Number	Amount in `
Shares outstanding at the beginning of the year	17,608,802	176,088,020	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	17,608,802	176,088,020	17,608,802	176,088,020

1.3 Details of members holding equity shares more than 5%

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
J. P. Financial Services Pvt Ltd	1,090,000	6.19%	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, 2016	As at March 31, 2015
Securities Premium Account		
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
Revaluation Reserve (On revaluation of Land, Buildings and Plant & Machinery)		
Balance as per last balance sheet	121,791,063	121,791,063
Deficit: Statement of Profit and Loss		
Opening Balance	(1,932,861,450)	(1,584,140,156)
Add : Transitional Depreciation (Refer Note no.8.(f))	-	(42,388,199)
Add : Loss for the year transferred from Statement of Profit & Loss	(365,658,851)	(306,333,095)
Closing Balance	(2,298,520,301)	(1,932,861,450)
Total	(1,643,108,335)	(1,277,449,484)

3 Long Term Borrowings

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured :		
Term Loans :		
from banks	-	3,052,703
from Bodies Corporate	69,289,714	130,054,911
Unsecured Loans :		
from a Body Corporate	25,000,000	25,000,000
Total	94,289,714	158,107,614

3.1 Repayment & other terms of the Borrowings as on March 31, 2016 are as follows :

(Amount in `)

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From a Bank :				
Secured by way of deposit of title deeds of property situated at Palghar, Dist Thane Maharashtra.	14.75% (fixed)	8,552,827	8,552,827	-
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.15% (floating)	69,500,000	69,500,000	-
From Bodies Corporate				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	960,070,219	890,780,505	69,289,714
Total		1,038,123,046	968,833,332	69,289,714

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

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From Banks				
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)	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	-
From Bodies Corporate				
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
Total		1,070,125,222	937,017,608	133,107,614

4 Other Long Term Liabilities

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Unpaid Dividend	-	7,115,143
Statutory Dues Payable	-	69,882,851
Advance Received towards Property Development	-	1,320,000,000
Advance Received towards Project Development	-	407,500,000
Other Liabilities	102,788,491	101,407,866
Total	102,788,491	1,905,905,860

5 Short Term Borrowings

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working Capital Facilities : from banks (Overdue)	374,326,031	369,223,081
Total	374,326,031	369,223,081

5.1 Working Capital Facilities :

- (a) 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 charges on immovable property at Baroda and first charge on immovable property at Guntur.
- (b) 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 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 in view of their unsustainable claim, 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, 2016	As at March 31, 2015
Current maturities of long term debt: Bank	-	17,100,000
: Others	60,765,197	53,289,425
Interest accrued and due on borrowings: Bank	68,000,596	10,476,746
: Others	431,227,553	402,142,852
Interest accrued but not due	9,704,464	44,396,743
Overdue borrowings : Bank	78,052,827	69,500,000
: Others	830,015,308	797,128,183
Security deposits (refer note no. 25.9(b))	162,438,642	163,649,142
Advances from customers	36,794,005	48,060,327
Due to a subsidiary company	3,103,935	3,103,935
Excise duty accrued but not due	42,982,018	76,245,191
Unpaid Dividend	7,115,143	-
Advance Received Towards Property Development (Also Refer Note No. 25.9(a))	1,320,000,000	-
Advance Received Towards Project Development	407,500,000	-
Undisputed Excise dues payable including Interest (Also Refer Note No. 25.1 (1.1)(b)(iii))	118,671,851	-
Statutory dues payable	52,838,539	42,462,612
Book Overdraft in Current Account with a Bank	17,863,470	6,916,752
Other liabilities	69,362,852	53,202,903
Total	3,716,436,400	1,787,674,811

7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for :		
Gratuity (refer note no. 7.1 below)	38,969,226	42,030,868
Leave	10,449,238	10,167,599
Total	49,418,464	52,198,467

7.1 Provision for gratuity liability of ` 3,89,69,226 (Previous year ` 4,20,30,868), 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, 2016	As on March 31, 2015
- Discount Rate	7.80%	7.98%
- 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				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2015	Additions during the year	Disposals during the year	Balance as at 31st March, 2016	Balance up to 31st March, 2015	Debited to Deficit	Charge for the year	Disposals during the year	Balance as at 31st March, 2016	Balance as at 31st March, 2016
Tangible Assets										
Land & Building (At Book value)	242,689,042	-	-	242,689,042	72,845,630	-	4,867,203	-	77,712,833	164,976,209
Electric Installations (At Cost)	2,965,868	-	-	2,965,868	2,965,868	-	-	-	2,965,868	-
Plant and Equipment (At Book value)	855,097,839	2,310,000	-	857,407,839	840,503,655	-	4,214,814	-	844,718,469	12,689,370
Furniture and Fixtures (At Cost)	7,379,276	-	-	7,379,276	7,379,276	-	-	-	7,379,276	-
Vehicles (At Cost)	5,924,933	-	-	5,924,933	5,626,270	-	93,200	-	5,719,470	205,463
Computer	10,067,688	214,300	-	10,281,988	9,823,921	-	216,833	-	10,040,755	241,233
Factory equipment (At Cost)	25,598,487	-	-	25,598,487	20,211,255	-	975,089	-	21,186,343	4,412,144
Office equipment (At Cost)	11,383,922	-	-	11,383,922	11,293,345	-	40,824	-	11,334,169	49,753
Total	1,161,107,055	2,524,300	-	1,163,631,355	970,649,220	-	10,407,963	-	981,057,183	182,574,172

(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2014	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)	242,689,042	-	-	242,689,042	67,483,895	-	5,361,735	-	72,845,630	169,843,412
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	796,467,278	38,991,760	5,044,617	-	840,503,655	14,594,184
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)	11,383,922	-	-	11,383,922	9,097,819	2,121,206	74,320	-	11,293,345	90,577
Total	1,160,089,971	1,017,084	-	1,161,107,055	916,162,710	42,388,199	12,098,311	-	970,649,220	190,457,835

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 ` 35,45,971 (Previous Year ` 37,27,501). 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 ` Nil lying with third party,
- * Pursuant to the Companies Act, 2013 ("the Act") coming into effect from 1st April, 2014, the Company had 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 had 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 and assets which have written down value as at 01.04.2014 (net of residual value) is being depreciated over the revised remaining useful lives.
- Land and Building includes a freehold land of ` 4,26,99,332 (Previous Year ` 4,26,99,332) at Baroda, in respect of which the Company has received order of the local collector to handover unutilised land admeasuring 1,00,000 sq m out of total area 1,98,000 sq m. to the Gujarat Government. However, the Company has challenged the said order before chief secretary of revenue of Gujarat.



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, 2016	As at March 31, 2015		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
A	Investments in Equity Shares- Long Term In Subsidiary Companies : (Unquoted and fully paid up)								
	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) (Refer note no. 10.1)	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	In Other Body Corporate : (Unquoted , fully paid up)								
	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
C	In Other Body Corporate : (Quoted, fully paid up)								
	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	1140	1140	` 2			758	758
VST Industries Limited (at cost)	Trade	64	64	` 10			407	407	
Total							86,445,889	86,445,889	
	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						64,013,863	40,444,289	

Shares lying with Income Tax Department

*Share certificates are yet to be received

10 Long term loans and advances

(Amount in `)

Particulars	As at March 31, 2016		As at March 31, 2015	
Unsecured, Considered good				
Capital Advance		-		-
Security Deposits		6,950,697		5,615,368
Balances with Excise/Sales tax authorities		188,275,899		185,411,179
Loans and Advances				
To Subsidiaries (Refer note no. 10.1 & 10.2 below)		1,736,772,846		1,920,172,846
To Others		53,428,467		54,401,678
Payment of Tax (Net of Provisions of ` 32,73,11,216; Previous year ` 32,73,11,216)		108,701,463		108,450,756
Considered Doubtful	38,347,925		38,347,925	
Less: Provision for doubtful loans and advances	38,347,925	-	38,347,925	-
Total		2,094,129,372		2,274,051,827

10.1 The Company has given an advance of ` 8,43,53,073 (Previous Year ` 8,43,53,073) 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. 25.9(c) regarding advances to a subsidiary of ` 164,84,77,637 (Previous Year ` 183,18,77,637) towards realty activity.

11 Inventories ***(Amount in `)**

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Materials	138,279,558	212,540,902
Work-in-progress	29,236,963	34,153,841
Finished goods (Including goods in transit of ` NIL ; Previous year ` 68,13,011)	67,593,731	98,101,479
Packing Materials	43,007,889	47,063,978
Stock in Trade (Immovable Property) (refer note no. 11.2 and 25.9(a))	352,198,748	352,198,748
Stores and spares	30,188,714	30,401,994
Total	660,505,603	774,460,942

* 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 ` **4,29,82,018** (Previous year ` **7,62,45,191**) on the goods lying in bonded premises as on the Balance Sheet date and included the same in the inventory value.
- 11.2 Indiabulls Housing Finance Limited has initiated action u/s 13(4) of the SARFESI Act in respect of Marol land at Mumbai , included in Stock in Trade and which was mortgaged for availing loan facility and the same has been challenged before DRT Mumbai which is subjudice. The total amount outstanding against Marol Property is less than 3/4th of the Total secured creditors.

12 Trade Receivables**(Amount in `)**

Particulars	As at March 31, 2016		As at March 31, 2015	
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		2,083,676		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		12,449,759		12,443,840
Considered doubtful	39,750,354		41,466,178	
Less : Provision for doubtful debts	39,750,354	-	41,466,178	-
		12,449,759		12,443,840
Others				
Considered good		74,710,314		55,978,590
Total		89,243,749		69,875,411


13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents:		
Balances with banks	3,828,213	1,055,544
Cash on hand	781,080	517,361
Total	4,609,293	1,572,905
Earmarked Bank balances:		
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	13,117,208	16,053,585
Other Bank Balance	-	70,632
Total	13,117,208	16,124,217
Total	17,726,501	17,697,122

14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good:		
Balances with Excise authorities	2,008,292	2,043,791
Advances to suppliers	922,219	1,828,698
Other Loans and Advances recoverable in cash or in kind or for value to be received	20,315,538	18,691,292
Total	23,246,049	22,563,781

15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on fixed deposits	814,980	1,173,590
Export Incentive receivable	-	1,125,069
Insurance claims receivable	-	528,896
Prepaid Expenses	777,581	629,425
Total	1,592,561	3,456,980

16 Other Income from operations

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Other operating revenues from Scrap Sale	1,362,384	4,395,972
Export Incentives	4,004,367	11,457,290
Total	5,366,751	15,853,262

17 Other Income (Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income	1,968,628	2,121,988
Credits in respect of excess interest charged by Banks	1,234,442	944,609
Dividend income from long term investments	978,072	892,836
Liabilities no longer payable written back	16,622	2,614,069
Provision for doubtful debts written back	2,460,268	275,000
Rental Income	6,050,333	3,127,165
Miscellaneous Income	168,751	1,917,054
Total	12,877,116	11,892,721

18 Cost of Materials Consumed (Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw Materials consumed	164,771,621	189,545,811
Packing Materials consumed	77,680,697	73,434,678
Total	242,452,318	262,980,489

19 Manufacturing and Operating Costs (Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Consumption of stores and spare parts	3,203,820	4,432,889
Repairs to machinery	1,439,220	1,608,713
Power and fuel	10,413,065	12,946,046
Total	15,056,105	18,987,648

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Stock:		
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
Total	484,454,068	483,528,984
Closing Stock:		
Finished Goods	67,593,731	98,101,479
Work in Progress	29,236,963	34,153,841
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	449,029,442	484,454,068
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	(28,001,660)	(3,103,573)
Total	7,422,966	(4,028,657)



21 Employee Benefits Expense

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	93,830,074	99,080,177
Contributions to provident and other funds	7,068,537	8,077,580
Staff welfare expenses	9,204,191	8,655,442
Total	110,102,802	115,813,199

22 Finance Costs

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses	232,956,268	218,497,080
Interest on Statutory dues	14,096,721	12,247,743
Total	247,052,989	230,744,823

23 Other Expenses

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	5,880,629	5,738,924
Repairs & Maintenance - Building	3,643,422	4,582,434
Insurance	1,422,815	1,762,019
Rates and Taxes	2,661,181	1,742,445
Travelling & Conveyance Expenses	17,509,237	17,313,456
Legal & Professional charges	35,695,553	38,673,876
Director's sitting Fees	400,000	260,000
Loss on Variation in Foreign Exchange Rates (Net)	3,412,520	2,102,233
Selling and Distribution Expenses	84,934,103	81,331,248
Provision for Doubtful Debts/Advances	744,444	6,533,974
Commission on sales	1,287,280	2,182,560
Miscellaneous Expenses	35,777,175	35,293,524
Total	193,368,359	197,516,693

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 the 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 ` 323,54,71,079 (Previous year ` 86,00,72,408) 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 remanded 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 before the various appellate authorities and / or pending final assessments: ` **6,59,97,76,995** (Previous Year ` **2,18,73,53,745**) including interest and penalties against which the Company has paid ` **10,78,25,890** (Previous year ` **10,78,25,890**) (included in Loans & Advances).
 - (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 vide its order dated May 12, 2016 on petition filed by the Income Tax Department has held that the department shall be entitled to take steps for attachment and sale of the properties of the Company, including Vile Parle Land against the principal amount only and as far as the waiver of interest and penalties are concerned, the parties are permitted to approach the BIFR.

The Hon'ble court further held that such attachment and sale shall be subject to the rights of the secured creditors in respect of the mortgaged properties. Out of the proceeds, the principal amount of tax due to the income tax department and the admitted excise dues shall be paid. In respect of interest and penalties would be decided by the BIFR. (The Income tax dues are disputed as mentioned in note (1.1) (b) (i) above and admitted excise dues have already been provided for in the financial statements – Refer Note No. 6.)

- (c) The Company expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.
- (d) Other disputed amounts for which the Company is contingently liable :

	CURRENT YEAR	PREVIOUS YEAR
i) Disputed Demands of employees/ex-employees	3,89,55,560	1,81,20,242
ii) Disputed Sales Tax	55,40,191	52,63,848
iii) Disputed Entry Tax	25,89,21,642	23,47,84,080
iv) Disputed Land Revenue Tax	3,14,822	3,14,822
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	45,68,22,444	38,86,54,692

- 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.
- e) Guarantees and counter guarantees given by the Company to Banks/Financial Institutions / Others in respect of loans / guarantees to / for other companies ` **10,48,23,000** plus interest, if any (Previous Year ` **10,48,23,000** 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) 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 30th June, 1980, 30th June, 1984, 30th June, 1986 (only Land and Buildings), 30th June, 1988 and 31st 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 ` **14,02,48,283** for Land & Buildings and ` **64,35,94,544** for Plant & Equipment (Previous Year ` **14,02,48,283** 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 (Refer Note No. 4) 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) (a) Hon'ble Supreme Court vide its order dated May 12, 2016 in Income Tax Departments SLP, held that the sanctioned BIFR scheme was valid upto 31.03.2011 and the Modified Draft Rehabilitation Scheme (MDRS) filed by the Company is not maintainable in law. The Net worth of the Company is however, negative and therefore it becomes necessary for the management to file a fresh reference before the Hon'ble BIFR and as such would submit fresh scheme as per the directions of the BIFR. The consequential impact/ obligation would be considered appropriately in the fresh scheme.
(b) The Company has prepared the financial statements on a going concern basis inspite of the Company having negative net worth as the Management is hopeful to turn around business performance on getting fresh scheme sanctioned from BIFR.
 - 6) During the year, excess interest of ` 1,32,51,000 charged by consortium banks has been provided although the same is disputed by the Company. The management is hopeful of settling the claim favorably in due course.
 - 7) 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	-	-

- 8) As a matter of prudence, the following net deferred tax asset as on March 31,2016 has not been recognized

Particulars	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets:		
Unabsorbed loss and depreciation	81,37,92,749	68,61,43,191
Expenses allowable U/s. 43B of Income Tax Act, 1961 on payment basis (including VRS and Provision for Doubtful Debts)	5,62,18,570	9,76,72,389
Deferred Tax Liability:		
Depreciation	1,60,91,425	1,79,14,044
Net Deferred Tax Assets	88,61,02,744	80,17,29,624

- 9) 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, on Intervention Application filed by Sheth Developers Pvt Ltd and Suraksha Realty Ltd (the interveners), in the SLP filed by the Income Tax Department before the Hon'ble Supreme Court, the Hon'ble Court vide its order dated 12.05.2016 held that MOU entered into by the Company with them was in violation of the Sanctioned Scheme. Therefore, such arrangement with the aforesaid interveners entered into by the Company loses its legal force and no right would accrue to these interveners on the basis of said agreement. Thus the Hon'ble Court dismissed their plea. Consequently the title deeds of the property lying in Escrow Account with the Solicitor will be released in due course.
- 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. The Company has received an interest free security deposit, balance as on March 31, 2016 ` **9,00,00,000** (Previous Year ` **9,00,00,000**). All necessary approvals have been obtained except the approval of the plan of project which is at final stage before concerned authority and same is expected to be received shortly.
- (c) The Company had given advances aggregating to ` **1,64,84,77,637** (Previous Year ` **1,83,18,77,637**) 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.

10) **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 (KMP)**

Shri A. K. Joshi	Managing Director
Shri Jaskaran S. Khurana	Executive Director
Shri Manoj Kumar Srivastava	Company Secretary
Shri Pawan Kumar Malsaria	Chief Financial Officer (w.e.f. February 11, 2016)

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

Shri Amit Joshi, Smt. Ivleen Khurana, Smt. Savita Malsaria, Shri Ashwin Joshi, Smt. Ritu Srivastava



- 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, 2016

(In `)

Transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Golden Realty & Infrastructure Limited :		
Loans & Advances given	-	3,19,53,755
Advances received back	18,34,00,000	3,08,00,000
Western Express Industries Limited :		
Loans & Advances given	-	10,30,205
Amount received back	-	1,66,48,000
Golden Investment (Sikkim) P Ltd : Loans & Advances given	-	3,000
GTC Inc. B.V.: Loans & Advances given	-	4,95,558
Shri A. K. Joshi : Managerial Remuneration	81,74,606	81,70,046
Shri Jaskaran S. Khurana : Managerial Remuneration	50,30,789	42,71,460
Shri Ved Berry : Managerial Remuneration	-	12,91,605
Shri Manoj Kumar Srivastava : Remuneration	9,78,418	9,62,685
Shri Pawan Kumar Malsaria : Remuneration	1,52,340	-
Shri Amit Joshi : Car Hire Charges	1,80,000	1,80,000
Shri Ashwin Joshi : Car Hire Charges	1,80,000	1,80,000
Smt Ivleen Khurana : Car Hire Charges	3,60,000	3,60,000
Smt. Benu Berry : Car Hire Charges	-	1,10,466
Smt. Ritu Srivastava: Car Hire Charges	56,000	-
Smt. Savita Malsaria : Car Hire Charges	13,714	-

(In `)

Balances	As at March 31, 2016	As at March 31, 2015
Golden Realty & Infrastructure Limited :		
Receivable	164,84,77,637	183,18,77,637
Investment	5,00,000	5,00,000
Western Express Industries Limited :		
Receivable	8,43,53,073	8,43,53,073
Investment	2,31,20,000	2,31,20,000
Golden Investment (Sikkim) P Ltd :		
Payable	31,03,935	31,03,935
Investment	59,980	59,980
GTC Inc. B.V.:		
Receivable	39,42,136	39,42,136
Investment	10,89,270	10,89,270
Shri A. K. Joshi - Payable	6,79,174	13,58,348
Shri Jaskaran S. Khurana - Payable	4,65,402	6,85,804
Shri Manoj Kumar Srivastava :Payable	73,679	1,47,539
Shri Pawan Kumar Malsaria:Payable	74,195	1,48,391
Shri Amit Joshi :Payable	15,000	45,000
Shri Ashwin Joshi : Payable	15,000	45,000
Smt. Ivleen Khurana : Payable	29,650	88,450
Smt. Ritu Srivastava :Payable	8,000	-
Smt. Savita Malsaria:Payable	8,000	-

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.

11) The computation of Earnings Per Share :

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Numerator : Net Loss as per Statement of profit and loss (after tax)	(36,56,58,851)	(30,63,33,095)
(b) Denominator : Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	1,75,88,021	1,75,88,021
(c) Earnings Per Equity Share Basic and Diluted	(20.79)	(17.42)
(d) Nominal Value Per Equity Share	10	10

12) 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	18,42,368	19,09,490
Contribution to Provident and Other Funds	2,15,686	2,15,014
Workmen and Staff Welfare Expenses	17,843	15,913
Power and Fuel	2,59,090	3,03,464
Machinery Repairs & Maintenance	-	15,735
Building Repairs and Maintenance	2,74,262	9,75,083
Rates and Taxes	15,78,418	15,24,523
Insurance	1,87,131	2,22,345
Rent	99,000	99,000

- 13) (a) 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.
 (b) 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.

14) Payments to Auditors:

Particulars	CURRENT YEAR	PREVIOUS YEAR
(i) Audit Fees	9,79,500	9,79,500
(ii) In other capacity for :		
(a) Tax Audit	1,57,500	1,57,500
(b) Certification fees	3,39,600	3,39,600
	14,76,600	14,76,600
(iii) Reimbursement of expenses [including service tax of ` 1,86,475 (Previous Year ` 59,328)]	3,54,223	1,42,114
	18,30,823	16,18,714

15) "Selling and Distribution Expenses" includes :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Rent	1,14,000	1,06,800
Entry Tax/Octroi/Toll Tax	13,66,777	18,63,933



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

A: Information in respect of Sales :

(Amount in `)

Particulars	Sales	Closing Inventory	Opening Inventory
Cigarettes	1,00,38,69,149 (1,03,06,11,246)	6,75,93,731 (9,81,01,479)	9,81,01,479 (10,36,24,023)
Stock in Trade (Immovable Property)	NIL (NIL)	35,21,98,748 (35,21,98,748)	35,21,98,748 (35,21,98,748)
Others	9,70,520 (2,54,898)	NIL (NIL)	NIL (NIL)
Total	1,00,48,39,669 (1,03,08,66,144)	41,97,92,479 (45,03,00,227)	45,03,00,227 (45,58,22,771)

B: Sales include transfer for own consumption of cigarettes at Sales values ` 2,59,418 (Previous year ` 96,350)

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

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Tobacco	10,31,26,470	11,81,05,528
Cigarette Paper	1,27,20,051	1,57,92,024
Filter Rods	3,91,05,539	4,50,76,609
Others	98,19,561	1,05,71,650
Total	16,47,71,621	18,95,45,811

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	1,73,21,171	1,44,91,291
(b) Packing Materials	78,46,930	56,53,076

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	1,98,41,428 (1,73,93,749)	12.04 (9.18)	49,531 (1,03,583)	1.55 (2.34)
Indigenous	14,49,30,193 (17,21,52,062)	87.96 (90.82)	31,54,289 (43,29,306)	98.45 (97.66)
Total	16,47,71,621 (18,95,45,811)	100.00 (100.00)	32,03,820 (44,32,889)	100.00 (100.00)

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

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

Particulars	CURRENT YEAR	PREVIOUS YEAR
Travelling, Legal & Professional and Subscription etc.	20,20,362	10,84,565
Advertisement Expenses	Nil	3,44,274
(ii) Earning in Foreign Currency :		
(a) Exports of Goods on F.O.B. basis (including exports through/by third parties)	20,55,12,538	23,66,76,857
(b) Recovery towards Freight and Insurance on Export	5,63,965	32,89,167
Total	20,60,76,503	23,99,66,024

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

Particulars	Type of foreign currency	As at 31-03-2016		As at 31-3-2015	
		Amount in foreign currency	Amount in `	Amount in foreign currency	Amount in `
Trade Receivable	US\$	6,099	4,04,564	6,099	3,79,297
Advances from Customer	US\$	426,117	2,82,65,544	7,38,754	4,59,43,112

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

20) 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 20

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 23, 2016

For and on behalf of the Board**A. K. Joshi**Managing Director
DIN : 00379820**Manoj Kumar Srivastava**

Company Secretary

Bharat B. MerchantDirector
DIN : 00300384**Pawan Kumar Malsaria**

Chief Financial Officer



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated 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 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 preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter:

Without qualifying, we draw attention to the following:

1. Hon'ble Supreme Court vide its order dated May 12, 2016 on the SLP filed by the Income Tax Department (Department) inter-alia held that:

- (i) the scheme sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) was over on March 31, 2011 and hence, the Parent Company was out of its purview. Accordingly, the Modified Draft Rehabilitation Scheme filed by the Parent Company is not maintainable.
- (ii) the Department shall be entitled to take steps for attachment and sale of Parent Company's properties including Vile Parle Land against the disputed principal amount. In respect of waiver of interest and penalties, the same would be decided by the BIFR. However, such sale shall be subject to payment of undisputed excise demands and the rights of the secured creditors in respect of the mortgaged properties.
- (iii) the Memorandum of Understating entered with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. in respect of its Vile Parle property loses its legal force and no right would accrue under it.

(Also Refer note no. 25 (1) (1.1) (b) (iii), 25 (4) and 25 (6) (a) of the consolidated financial statements for the year ended March 31, 2016)

2. The appropriateness or otherwise of the preparation of these consolidated financial statements on a going concern basis in view of the Parent Company's net worth having been entirely eroded. The Parent Company has however, prepared the financial statements on a going concern basis as the management of the Parent Company is hopeful to turn around the business performance in due course on getting necessary approval from BIFR for a fresh reference proposed to be filed shortly. (Also Refer note no. 25 (4) of the consolidated financial statements for the year ended March 31, 2016).

Other Matters:

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ` 1,08,14,611 as at March 31, 2016 (as at March 31, 2015 ` 1,06,63,943), total revenues for the year ended March 31, 2016 ` Nil and net cash flow of ` 200,067 (total revenues and net cash flows of ` Nil and ` 396,904 respectively for the year ended March 31, 2015), as considered in the consolidated financial statements. These financial statements / financial information of subsidiaries and associate have not been audited by us. 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 Section 143 (3) of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Parent Company and subsidiaries incorporated in India and the operating effectiveness of such controls, we give in 'Annexure A' a separate report on the same"
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 Group 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
 - (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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the 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 Group has disclosed the impact of pending litigations on its consolidated financial position in the aforesaid consolidated financial statements (Refer note no. 25 (1) to the consolidated financial statements for the year ended March 31, 2016).
- ii. The Group 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 Parent Company and its subsidiary incorporated in India.

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

R. P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Date : May 23, 2016

“Annexure A”

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **Golden Tobacco Limited** (“the Parent Company”) and its subsidiaries incorporated in India (collectively referred to as ‘the Group’) as of March 31, 2016 in conjunction with our audit for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Other Matter

8. Our opinion in respect of adequate internal financial controls system over financial reporting on the subsidiaries audited by other auditors is based solely on the reports of the other auditors

Opinion

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

Place : Mumbai
Date : May 23, 2016

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



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at March 31, 2016	(Amount in `) As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(2,234,112,601)	(1,868,399,504)
2 Minority Interest		993	998
3 Non-Current Liabilities			
Long-Term Borrowings	3	94,789,714	158,607,614
Other Long Term Liabilities	4	102,788,491	1,905,905,860
4 Current Liabilities			
Short-Term Borrowings	5	374,326,031	370,223,081
Trade Payables		286,321,072	269,367,140
Other Current Liabilities	6	4,139,390,416	2,410,626,978
Short-Term Provisions	7	49,418,464	52,198,467
TOTAL		<u>2,988,802,792</u>	<u>3,474,410,846</u>
II. ASSETS			
1 Non Current Assets			
Fixed Assets (Net)			
Tangible Assets	8	189,256,606	197,140,269
Non-Current Investments	9	62,878,173	62,878,173
Long-term Loans and Advances	10	1,943,514,418	2,324,984,197
2 Current Assets			
Inventories	11	660,505,603	774,460,942
Trade Receivables	12	89,243,749	69,875,411
Cash and Bank Balances	13	18,318,717	18,754,123
Short Term Loans and Advances	14	23,492,966	22,810,697
Other Current Assets	15	1,592,560	3,507,034
TOTAL		<u>2,988,802,792</u>	<u>3,474,410,846</u>

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

Place : Mumbai

Date : May 23, 2016

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

Pawan Kumar Malsaria

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	(Amount in `)	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations			1,030,866,144
Sale of Manufactured Products		1,004,839,669	
Less:Excise Duty		(562,878,885)	(530,832,716)
Other income from Operation	16	5,366,751	15,853,262
		447,327,535	515,886,690
Other income	17	12,993,825	12,493,076
Total Income		460,321,360	528,379,766
Expenses			
Cost of materials consumed	18	242,452,318	262,980,489
Manufacturing and Operating Costs	19	15,056,105	18,987,648
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	7,422,966	(4,028,657)
Employee Benefits Expense	21	110,102,802	115,813,199
Finance Costs	22	247,053,089	254,301,302
Depreciation and Amortization Expense	8	10,407,963	12,100,474
Other Expenses	23	194,771,644	200,265,430
Total Expenses		827,266,887	860,419,885
Loss before tax		(366,945,527)	(332,040,119)
Tax Expense :			
Current Tax		-	-
Loss for the year from continuing operations before Exceptional items		(366,945,527)	(332,040,119)
Exceptional items - Advances written back towards liquidated damages		-	22,500,000
Loss before Minority Interest		(366,945,527)	(309,540,119)
Minority Interest(Loss)		5	5
Loss for the year		(366,945,522)	(309,540,114)
Earnings per equity share of the face value of ` 10 each :	25.9		
Basic & Diluted :			
Before Exceptional item		(20.86)	(18.88)
After Exceptional item		(20.86)	(17.60)

**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. 44101Place : Mumbai
Date : May 23, 2016**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**Pawan Kumar Malsaria**
Chief Financial Officer



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A Cash flow from Operating Activities:		
Net (loss) as per statement of Profit & loss after exceptional before minority interest	(366,945,527)	(309,540,119)
Add: Exceptional Items- Income/(Expense)	-	(22,500,000)
Loss before exceptional items	<u>(366,945,527)</u>	<u>(332,040,119)</u>
Add: Adjustments for :		
Depreciation and Amortization	10,407,963	12,100,474
Provision for Doubtful debts provided for/ (written back) net	(1,715,824)	-
Interest Expenses	247,053,089	254,301,302
Interest received (other than investment)	(1,977,608)	(2,667,143)
Dividend received on Investment	(1,035,192)	(948,036)
Liabilities no longer payable written back	(65,400)	(2,614,069)
Effect of Foreign Currency Translation	1,232,424	(484,727)
Foreign Exchange (Gain)/Loss, net	<u>3,908,122</u>	<u>2,342,581</u>
Operating Profit/(loss) before Working Capital changes	(109,137,952)	(70,009,737)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	364,399,063	807,371,111
- Inventories	113,955,339	31,370,878
- Trade and Other Payable	<u>(192,649,945)</u>	<u>199,092,705</u>
Cash generated from Operations	176,566,505	967,824,957
Income Taxes Paid	(250,706)	(242,292)
Net cash from/(used in) Operating Activities - A	176,315,799	967,582,665
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(2,524,300)	(1,017,084)
Dividend received	1,035,192	948,036
Interest received (other than Investment)	<u>1,977,608</u>	<u>2,667,143</u>
Net Cash from/(used in) Investing Activities - B	488,500	2,598,095
C Cash flow from Financing Activities:		
(Repayment)/Proceeds from long term borrowings	(27,898,681)	(944,486,830)
Interest paid	<u>(146,334,015)</u>	<u>(51,542,937)</u>
Net cash from/(used in) Financing Activities - C	(174,232,696)	(996,029,767)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	2,571,603	(25,849,007)
Opening Cash and Cash Equivalents	<u>2,629,906</u>	<u>28,478,914</u>
Closing Cash and Cash Equivalents	5,201,509	2,629,906

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 23, 2016

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

Pawan Kumar Malsaria

Chief Financial Officer

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2016

1 Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount in `	Number	Amount in `
Authorised				
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
Total		350,000,000		350,000,000
Issued				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed and Paid up				
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
Total	17,598,016	175,880,212	17,598,016	175,880,212

2 Reserves and Surplus

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
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
Securities Premium Account		
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
Revaluation Reserve (On revaluation of Land/Building and Plant and Machinery)		
Balance as per last balance sheet	123,531,987	123,531,987
Foreign Currency Translation Reserve		
Opening Balance	(2,342,884)	(1,858,157)
Add: Movement during the year	1,232,424	(484,727)
Closing Balance	(1,110,460)	(2,342,884)
Deficit: Statement of Profit and Loss		
Opening Balance	(2,598,165,293)	(2,246,236,980)
Add : Transitional depreciation (Refer Note no. 8)	-	(42,388,199)
Add : Loss for the year transferred from Statement of Profit & Loss	(366,945,522)	(309,540,114)
Closing Balance	(2,965,110,815)	(2,598,165,293)
Total	(2,234,112,601)	(1,868,399,504)



3 Long Term Borrowings

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured :		
Term Loans :		
from banks	-	3,052,703
from Bodies Corporate	69,289,714	130,054,911
Unsecured Loans :		
from Body Corporate	25,500,000	25,500,000
Total	94,789,714	158,607,614

3.1 Repayment & other terms of the Borrowings as on March 31, 2016 are as follows :

(Amount in `)

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From a Bank :				
Secured by way of deposit of title deeds of property situated at Palghar, Dist Thane Maharashtra.	14.75% (fixed)	8,552,827	8,552,827	-
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.15% (floating)	69,500,000	69,500,000	-
From Bodies Corporate				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	1,296,297,732	1,227,008,018	69,289,714
Total		1,374,350,559	1,305,060,845	69,289,714

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

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From Banks				
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)	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	-
From Bodies Corporate				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	1,377,464,689	1,247,409,778	130,054,911
Total		1,467,117,392	1,334,009,778	133,107,614

4 Other Long Term Liabilities

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Unpaid Dividend	-	7,115,143
Statutory Dues Payable	-	69,882,851
Advance Received Towards Property Development	-	1,320,000,000
Advance Received Towards Project Development	-	407,500,000
Other Liabilities	102,788,491	101,407,866
Total	102,788,491	1,905,905,860

5 Short Term Borrowings

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working Capital Facilities : from banks (overdue)	374,326,031	369,223,081
Unsecured :		
Intercorporate Deposits	-	1,000,000
Total	374,326,031	370,223,081

- 5.1 (a) 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 charges on immovable property at Baroda and first charge on immovable property at Guntur.
- (b) 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 In respect of 12% Secured Redeemable Non-Convertible Debentures privately placed with IFCL Limited Parent Company had in the previous year repaid the entire amount of debentures. However, till date the Parent Company has not received the "No Due Certificate" from IFCL in view of their unsustainable claim, therefore, the Parent Company could not file the form for satisfaction of charge which was created on Parent Company's property situated at village Dhanot in the State of Gujarat and a first charge by way of hypothecation of the Parent Company's movable properties subject to prior charge on specified movables in favour of the Parent Company's Bankers for Working Capital facilities and was further secured by equitable mortgage of the Parent 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, 2016	As at March 31, 2015
Current maturities of long term debt- Bank	-	17,100,000
-Others	60,765,197	53,289,425
Interest accrued and due on borrowings: Banks	68,000,596	10,476,746
: Others	454,784,032	425,685,523
Interest accrued but not due	9,704,464	44,396,743
Overdue borrowings: Banks	78,052,827	69,500,000
: Others	1,227,008,018	1,194,120,353
Advance Received towards development rights	-	177,500,000
Security Deposits (Also refer note no.25.6(b))	162,438,642	163,649,142
Advances from Customers	36,794,005	48,060,327
Unpaid Dividend	7,115,143	-
Advance Received Towards Property Development (Also refer note no.25 (6)(a))	1,320,000,000	-
Advance Received Towards Project Development	407,500,000	-
Excise Duty accrued but not due	42,982,018	76,245,191
Undisputed Excise dues payable (Also refer note no.25 (1) (1.1) (b) (iii))	118,671,851	-
Statutory Dues Payable	53,607,599	43,183,630
Book Overdraft in a Current Account with a Bank	17,863,470	29,914,563
Other Liabilities	74,102,554	57,505,335
Total	4,139,390,416	2,410,626,978

7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for :		
Gratuity	38,969,226	42,030,868
Leave	10,449,238	10,167,599
Total	49,418,464	52,198,467



8 Fixed Assets

(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2015	Additions during the year	Disposals during the year	Balance as at 31st March, 2016	Balance up to 31st March, 2015	Debited to Deficit*	Charge for the year	Disposals during the year	Balance as at 31st March, 2016	Balance as at 31st March, 2016
Tangible Assets										
Land & Building (At Book value)	249,371,475	-	-	249,371,475	72,845,629	-	4,867,203	-	77,712,832	171,658,643
Electric Installations (At Cost)	2,965,868	-	-	2,965,868	2,965,868	-	-	-	2,965,868	-
Plant and Equipment (At Book value)	855,097,839	2,310,000	-	857,407,839	840,504,001	-	4,214,814	-	844,718,815	12,689,024
Furniture and Fixtures (At Cost)	7,379,276	-	-	7,379,276	7,379,276	-	-	-	7,379,276	-
Vehicles (At Cost)	5,924,933	-	-	5,924,933	5,626,270	-	93,200	-	5,719,470	205,463
Computer	10,067,688	214,300	-	10,281,988	9,823,921	-	216,833	-	10,040,755	241,233
Factory equipment (At Cost)	25,598,487	-	-	25,598,487	20,211,255	-	975,089	-	21,186,343	4,412,144
Office equipment (At Cost)	11,416,187	-	-	11,416,187	11,325,264	-	40,824	-	11,366,088	50,099
Total	1,167,821,753	2,524,300	-	1,170,346,053	970,681,484	-	10,407,963	-	981,089,447	189,256,606

(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2014	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
Factory & Office equipment (At Cost)	46,951,372	130,990	-	47,082,362	37,056,021	2,745,784	1,558,635	-	41,360,440	5,721,922
Total	1,166,804,669	1,017,084	-	1,167,821,753	916,192,811	42,388,199	12,100,474	-	970,681,484	197,140,269

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 ` 35,45,971 (Previous Year ` 37,27,501). 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,
- * Pursuant to the Companies Act, 2013 ("the Act") coming into effect from 1st April, 2014, the Company had 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 had 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 and assets which have written down value as at 01.04.2014 (net of residual value) is being depreciated over the revised remaining useful lives.

- (g) Land and Building includes a freehold land of ₹ 4,26,99,332 (Previous Year ₹ 4,26,99,332) at Baroda, in respect of which the Parent Company has received order of the local collector to handover unutilised land admeasuring 1,00,000 sq m out of total area 1,98,000 sq m. to the Gujarat Government. However, the Parent Company has challenged the said order before chief secretary of revenue of Gujarat.

9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non trade	No. of Shares / Units		Face Value	Amount (₹)	
			As at March	As at March		As at March	As at March
			31st 2016	31st 2015		31st 2016	31st 2015
	Investments in Equity Shares- Long Term						
A	In Other Body Corporate : (Unquoted , fully paid up)						
	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
	Tendong Services Pvt. Limited (at depreciated value)	Non-Trade	311	311	₹ 100	1	1
B	In Other Body Corporate : (Quoted, fully paid up)						
	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	2280	₹ 2	1,515	1,515
	VST Industries Limited (at cost)	Trade	64	64	₹ 10	407	407
	Total					62,878,173	62,878,173

10 Long term loans and advances

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good		
Advances given towards acquisition of Development rights (refer note no. 25.6(c))	1,576,044,968	1,960,944,969
Security Deposits	6,950,698	5,615,368
Balances with Excise/Sales tax authorities	188,275,899	185,411,179
Loans and Advances for value to be received in cash or in kind	59,767,067	60,740,278
Payment of Tax (Net of Provision of ₹ 32,98,38,675; Previous year ₹ 32,98,38,675)	112,475,787	112,272,403
Unsecured, Considered Doubtful	39,071,335	39,318,252
Less: Provision for doubtful loans and advances	(39,071,335)	(39,318,252)
Total	1,943,514,418	2,324,984,197

11 Inventories

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw Materials	138,279,558	212,540,902
Work-in-progress	29,236,963	34,153,841
Finished goods (Including goods in transit of ₹ Nil ; Previous year ₹ 68,13,011)	67,593,731	98,101,479
Packing Materials	43,007,889	47,063,978
Stock in Trade (Immovable Property) (refer note 11.2 below)	352,198,748	352,198,748
Stores and spares	30,188,714	30,401,994
Total	660,505,603	774,460,942



- 1.1 The Parent Company has provided excise duty/customs duty of ` 4,29,82,018 (Previous year ` 7,62,45,191) on the goods lying in bonded premises as on the Balance Sheet date and included the same in the inventory value.
- 1.2 Indiabulls Housing Finance Limited has initiated action u/s 13(4) of the SARFESI Act in respect of Marol land at Mumbai, included in Stock in Trade and which was mortgaged for availing loan facility and the same has been challenged before DRT Mumbai which is subjudice. The total amount outstanding against Marol Property is less than 3/4th of the Total secured creditors.

12 Trade Receivables

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured (Secured Against Machinery in the Group's Possession)		
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	2,083,676	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	12,449,759	12,443,840
Considered doubtful	39,750,354	41,466,178
Less : Provision for doubtful debts	(39,750,354)	(41,466,178)
	12,449,759	12,443,840
Others Considered good	74,710,314	55,978,590
Total	89,243,749	69,875,411

13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with banks	4,383,260	1,612,527
Cash on hand	818,249	1,017,379
	5,201,509	2,629,906
Earmarked Bank balances		
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	13,117,208	16,053,585
Other Bank Balances	-	70,632
	13,117,208	16,124,217
Total	18,318,717	18,754,123

14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good:		
Balances with Excise authorities	2,008,291	2,043,791
Advances to suppliers	922,219	1,828,698
Other Loans and Advances recoverable in cash or in kind of for value to be received	20,562,455	18,938,208
Total	23,492,966	22,810,697

15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on fixed deposits	814,980	1,223,645
Export Incentive receivable	-	1,125,068
Insurance claim receivable	-	528,896
Prepaid Expenses	777,580	629,425
Total	1,592,560	3,507,034

16 Other Income from operations

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Other operating revenues from Scrap Sale	1,362,384	4,395,972
Export Incentives	4,004,367	11,457,290
Total	5,366,751	15,853,262

17 Other Income

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income	1,977,608	2,667,143
Credits in respect of excess interest charged by Banks	1,234,442	944,609
Dividend income from long term investments	1,035,192	948,036
Liabilities no longer payable written back	65,400	2,614,069
Provision for doubtful debts written back- net	2,460,268	275,000
Rental Income	6,050,333	3,127,165
Miscellaneous Income	170,582	1,917,054
Total	12,993,825	12,493,076


18 Cost of Materials Consumed

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw Materials consumed	164,771,621	189,545,811
Packing Materials consumed	77,680,697	73,434,678
Total	242,452,318	262,980,489

19 Manufacturing and Operating Costs

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Consumption of stores and spare parts	3,203,820	4,432,889
Repairs to machinery	1,439,220	1,608,713
Power and fuel	10,413,065	12,946,046
Total	15,056,105	18,987,648

20 Changes in Inventories of Finished Goods & Work in Progress

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Stock:		
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
Total	484,454,068	483,528,984
Closing Stock		
Finished Goods	67,593,731	98,101,479
Work in Progress	29,236,963	34,153,841
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	449,029,442	484,454,068
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	(28,001,660)	(3,103,573)
Total	7,422,966	(4,028,657)

21 Employee Benefits Expense

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	93,830,074	99,080,177
Contributions to provident and other funds	7,068,537	8,077,580
Staff welfare expenses	9,204,191	8,655,442
Total	110,102,802	115,813,199

22 Finance Costs

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses	232,956,268	242,053,559
Interest on Statutory dues	14,096,821	12,247,743
Total	247,053,089	254,301,302

23 Other Expenses

(Amount in `)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	5,889,029	5,747,324
Repairs & Maintenance - Building	3,643,422	4,582,434
Insurance	1,422,815	1,762,019
Rates and taxes	2,661,181	1,822,929
Travelling & Conveyance Expenses	17,509,237	17,313,456
Legal & Professional charges	36,372,108	40,536,041
Director's sitting Fees	400,000	260,000
Loss on Variation in Foreign Exchange Rates (Net)	3,908,122	2,342,581
Selling and Distribution Expenses	84,934,103	81,331,248
Provision for Doubtful Debts/Advances net	744,445	6,533,974
Commission on sales	1,287,280	2,182,560
Miscellaneous Expenses	35,999,902	35,850,864
Total	194,771,644	200,265,430



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 ` **323,54,71,079** (Previous year ` **86,00,72,408**) excluding interest liability, if 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 have been received including remanded back 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 been 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 before ` **2,19,18,50,567**) including interest and penalties against which the Group has paid ` 10,78,25,890 (Previous Year ` 10,78,25,890) (included in Loans and advances).
- (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 vide its order dated May 12, 2016 on petition filed by the Income Tax Department has held that the department shall be entitled to take steps for attachment and sale of the properties of the Parent Company, including Vile Parle Land against the principal amount only and as far as the interest and penalties are concerned, the parties are permitted to approach the BIFR. The Hon'ble court further held that

such attachment and sale shall be subject to the rights of the secured creditors in respect of the mortgaged properties. Out of the proceeds, the principal amount of tax due to the income tax department and the admitted excise dues shall be paid. In respect of interest and penalties would be decided by the BIFR. (The Income tax dues are disputed as mentioned in note (1.1) (b) (i) above and admitted excise dues have already been provided for in the financial statement –Refer note no. 6).

- (c) The Parent Company and its subsidiaries expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.
- (d) 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	3,89,55,560	1,81,20,242
ii) Disputed Sales Tax	55,91,679	53,15,336
iii) Disputed Entry Tax of Parent Company	25,89,21,642	23,47,84,080
iv) Disputed Land Revenue & other Taxes of Parent Company	3,14,822	3,14,822
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)	45,68,22,444	40,21,05,521
vii) 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.		

- (e) 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) : ` **10,48,23,000** plus interest, if any (Previous Year ` **10,48,23,000** 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) 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 & Equipment were revalued as on 30th June, 1980, 30th June, 1984, 30th June, 1986 (only Land and Buildings), 30th June, 1988 and 31st 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 ` **14,02,48,283** for Land & Buildings and ` **64,35,94,544** for Plant & Equipment (Previous Year ` **14,02,48,283** 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) (a) Hon'ble Supreme Court vide its order dated May 12, 2016 in Income Tax Department SLP, held that the sanctioned BIFR scheme was valid upto 31.03.2011, the Modified Draft Rehabilitation Scheme (MDRS) filed by the Parent Company is not maintainable in law. The Net worth of the Parent Company is however, negative and therefore it becomes necessary for the management to file a fresh reference before the Hon'ble BIFR and as such would submit fresh scheme as per the directions of the BIFR. The consequential impact/ obligation would be considered appropriately in the fresh scheme.
- (b) The Group has prepared the financial statements on a going concern basis inspite of the Group having negative net worth as the Management is hopeful to turn around business performance on getting fresh scheme sanctioned from BIFR.
- 5) Other Liabilities (Refer Note No. 4) 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.
- 6) The Parent Company as a part of development activities of Realty Division :-
- (a) The Parent 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, on Intervention Application filed by Sheth Developers Pvt Ltd and Suraksha Realty Ltd (the interveners), in the SLP filed by the Income Tax Department before the Hon'ble Supreme Court, the Hon'ble Court vide its order dated 12.05.2016 held that MOU entered into by the Parent Company with them was in violation of the Sanctioned Scheme. Therefore, such arrangement with the aforesaid interveners entered into by the Parent Company loses its legal force and no right would accrue to these interveners on the basis of said agreement. Thus the Hon'ble Court dismissed their plea. Consequently the title deeds of the property lying in Escrow Account with the Solicitor will be released in due course.
- 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. The Parent Company has received an interest free security deposit, balance as on March 31, 2016 ` **9,00,00,000** (Previous Year ` 9,00,00,000). All necessary approval have been obtained except the approval of the plan of project which is at final stage before concerned authority and same is expected to be received shortly.
- (c) The Group has given advances aggregating to ` **1,57,60,44,968** (Previous Year ` **1,96,09,44,969**) to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development Agreement in this regard

7) Segment Reporting :-

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

Particulars	(Amount in `)	
	Year Ended 31 st March,2016	Year Ended 31 st March,2015
Segment Revenue :		
(a) Tobacco Products	44,19,60,784	50,00,33,428
(b) Realty	—	—
(c) Others/Unallocable	—	—
Net/Sales income from operations	44,19,60,784	50,00,33,428
Segment Results Profit/(Loss) before tax and interest from segment :		
(a) Tobacco Products	(11,86,05,862)	(7,55,88,272)
(b) Realty	(5,59,854)	(5,84,699)
(c) Others/Unallocable	(7,26,721)	(15,65,846)
Total	(11,98,92,437)	(7,77,38,817)
Less : Interest expenses	24,70,53,089	25,43,01,302
Add : Exceptional Income/(Expenses)	—	2,25,00,000
Provision for Taxation	—	—
Total Profit/(Loss) after taxation	(36,69,45,527)	(30,95,40,119)
Minority Interest (loss)	5	5
Net Profit/(Loss)	(36,69,45,522)	(30,95,40,114)
Segment Assets :		
(a) Tobacco Products	104,96,07,019	114,82,85,518
(b) Realty Division	192,86,02,429	231,39,04,748
(c) Others/Unallocable	1,05,93,343	1,22,19,582
Total Assets	298,88,02,791	347,44,09,848
Segment Liabilities :		
(a) Tobacco Products	140,19,74,001	132,28,43,131
(b) Realty Division	363,93,92,558	384,18,13,205
(c) Others/Unallocable	56,67,629	22,73,802
Total Liabilities	504,70,34,188	516,69,30,138
Capital Expenditure :		
(a) Tobacco Products	25,24,300	10,17,084
(b) Realty Division	—	—
(c) Others/Unallocable	—	—
Total Capital Expenditure	25,24,300	10,17,084
Depreciation/Amortisation :		
(a) Tobacco Products	1,04,07,963	1,20,98,311
(b) Realty Division	—	—
(c) Others/Unallocable	—	2,163
Total Depreciation/Amortization	1,04,07,963	1,21,00,474

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



8) 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 Manoj Kumar Srivastava	–	Company Secretary
Shri Pawan Kumar Malsaria	–	Chief Financial Officer (w.e.f. February 11, 2016)

(ii) Relatives of Key Management Personnel

Shri Amit Joshi, Shri Ashwin Joshi, Smt. Ivleen Khurana, Smt. Ritu Srivastava, Smt. Savita Malsaria

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, 2016	For the year ended March 31, 2015
Shri A. K. Joshi - Managerial Remuneration	81,74,606	81,70,046
Shri Jaskaran S. Khurana - Managerial Remuneration	50,30,789	42,71,460
Shri Ved Berry - Managerial Remuneration	-	12,91,605
Shri Manoj Kumar Srivastava - Remuneration	9,78,418	9,62,685
Shri Pawan Kumar Malsaria - Remuneration	1,52,340	-
Shri Amit Joshi : Car Hire Charges	1,80,000	1,80,000
Shri Ashwin Joshi : Car Hire Charges	1,80,000	1,80,000
Smt. Ivleen Khurana : Car Hire Charges	3,60,000	3,60,000
Smt. Benu Berry : Car Hire Charges	-	1,10,466
Smt. Ritu Srivastava:Car Hire Charges	56,000	-
Smt. Savita Malsaria : Car Hire Charges	13,714	-
Balances	As at March 31, 2016	As at March 31, 2015
Shri A. K. Joshi : Payable	6,79,174	13,58,348
Shri Jaskaran S. Khurana : Payable	4,65,402	6,85,804
Shri Manoj Kumar Srivastava : Payable	73,679	1,47,539
Shri Pawan Kumar Malsaria : Payable	74,195	1,48,391
Shri Amit Joshi : Payable	15,000	45,000
Shri Ashwin Joshi : Payable	15,000	45,000
Smt. Ivleen Khurana : Payable	29,650	88,450
Smt. Ritu Srivastava :Payable	8,000	-
Smt. Savita Malsaria:Payable	8,000	-

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) **The computation of Earnings Per Share :**

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Numerator :		
Net Loss as per Statement of profit and loss (after tax and minority interest) before Exceptional Item	(36,69,45,522)	(33,20,40,114)
Add/Less : Exceptional Item- Income/(Expenses)	Nil	2,25,00,000
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item	(36,69,45,522)	(30,95,40,114)
(b) Denominator :		
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	1,75,88,021	1,75,88,021
(c) Earnings per Equity Share		
Basic and diluted		
Before Exceptional Item	(20.86)	(18.88)
After Exceptional Item	(20.86)	(17.60)
(d) Nominal Value per Equity Share	10	10

10) 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 23, 2016

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

Pawan Kumar Malsaria

Chief Financial Officer



ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(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	As % of profit or loss	Amount
Parent				
GOLDEN TOBACCO LIMITED	73.10	(1,504,525,441)	99.65	(365,658,827)
Subsidiaries - Indian				
WESTERN EXPRESS INDUSTRIES LTD.	3.51	(72,220,113)	0.00	(130)
RAIGADH PAPERS LTD.*	(0.17)	3,486,361	0.06	(214,041)
GOLDEN INVESTMENT (SIKKIM) P. LTD.	(0.15)	2,986,221	0.00	(14,260)
GOLDEN REALTY & INFRASTRUCTURE LTD.	23.51	(483,826,955)	0.15	(559,854)
Subsidiaries - Foreign				
GTC INC B.V.	0.20	(4,131,469)	0.14	(498,415)
Minority Interest	-	(993)	-	5
Joint Ventures				
None	-	-	-	-
TOTAL	100.00	(2,058,232,389)	100.00	(366,945,522)

* Subsidiary of Western Express Industries Ltd.

Place: Mumbai
Date : May 23, 2016

A. K. Joshi **Bharat B. Merchant**
Managing Director Director
DIN : 00379820 DIN : 00300384

For and on behalf of the Board
Pawan Kumar Malsaria **Manoj Kumar Srivastava**
Chief Financial Officer 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, Website : 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:

- 1. Name:.....
Address:.....
.....
Email Id: Signature: or failing him
- 2. Name:.....
Address:.....
.....
Email Id: Signature: or failing him
- 3. Name:.....
Address:.....
.....
Email Id: Signature:

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 60th Annual General Meeting of the Company to be held on Wednesday, 21st September, 2016 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:

Resolutions
Ordinary Business:
1. **To receive, consider and adopt:**
a. the Audited Financial Statements of the Company for the year ended March 31, 2016 together with Reports of the Board of Directors' and the Auditors' thereon.
b. the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2016 together with Reports of the Auditors' thereon.
2. To appoint a Director in place of Shri Jaskaran S. Khurana (DIN : 03034960), 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 approve Related Party Transactions pursuant to regulation 23(8) of SEBI (Listing Obligation and Disclosure Requirements) 2015
5. To Re-appoint Shri Jaskaran S. Khurana (DIN:03034960) as an Executive Director of the Company:

Signed this on _____ day of _____, 2016

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.



THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

GOLDEN TOBACCO LIMITED

CIN: L16000GL1955PLC067605

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

ATTENDANCE SLIP

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

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

1. I/ We hereby record my/our presence at the 60th Annual General Meeting of the Company on Wednesday, September 21, 2016, 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.



THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Route Map to the AGM Venue



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