



**Golden Tobacco Limited**

**61<sup>st</sup>**

**Annual Report  
2016-2017**

# GOLDEN TOBACCO LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### 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) 2541700  
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.**  
C101, 247 Park,  
L.B.S. Marg, Vikhroli West, Mumbai - 400083  
Tel. (22) 48186000 Fax (22) 49186060  
Email : rnt.helpdesk@linkintime.co.in

### BANKERS

Canara Bank  
Syndicate Bank  
Vijaya Bank  
State Bank of India (SBBJ upto 31.03.2017)  
Allahabad Bank

### STOCK EXCHANGE(S)

BSE Ltd.  
National Stock Exchange of India Ltd.

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### 61ST ANNUAL GENERAL MEETING

Day, Date & Time	: Tuesday, July 18, 2017 at 12.15 PM
Venue	: At Darjipura, Post Amaliyara, Vadodara - 390 022 Gujarat
Book Closure Date	: July 13, 2017 to July 18, 2017 (Both Days inclusive)



## NOTICE

**NOTICE is hereby given that the SIXTY-FIRST ANNUAL GENERAL MEETING of the Members of GOLDEN TOBACCO LIMITED will be held on Tuesday, the July 18, 2017 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:**

- To receive, consider and adopt :**
  - the Audited Financial Statements of the Company for the financial year ended March 31, 2017 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, 2017 together with Reports of the Auditors' thereon.
- To appoint a Director in place of Shri A. K. Joshi (DIN:00379820) who retires by rotation and, being eligible, offers himself for re-appointment.**
- To appoint Statutory Auditors of the Company and fix their remuneration :**

To Consider and, if thought fit to pass 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 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s Bagaria & Co. LLP Chartered Accountants (Firm Registration No. 113447W/W-100019), be and are, hereby appointed as Statutory Auditors of the Company in place of the retiring Auditors M/s Lodha & Co. Chartered Accountants (Firm Registration No. 301051E) to hold office from the conclusion of this Annual General Meeting (“AGM”) to conclusion of the sixty-six AGM to be held in the calendar year 2022, subject to ratification of their appointment at every AGM, if so required under the Act at such remuneration ,as may be mutually agreed between the Board of Directors of the Company and Auditors.”

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

**Manoj Kumar Srivastava  
Company Secretary**

**Place : Mumbai  
Date : May 29, 2017**

### NOTES:

- 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 18TH JULY, 2017. 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.**

- 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.
- Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to Item No. 3 of the Notice to be transacted at this Annual General Meeting is annexed.
- In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014, the Resolutions 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.
- Voting rights will be reckoned on the paid-up value of share registered in the name of the Members as on Wednesday, the July 12, 2017 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or

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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 A. K. Joshi (DIN:0079820) Managing Director retires by rotation as a Director at the AGM and being eligible, offers himself 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 holds directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under the 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 Sundays, 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, **Thursday, July 13, to Tuesday, July 18, 2017** (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. In accordance with the Scheme approved by BIFR the unpaid/unclaimed dividend for the year 1994-95 was to be paid by 31st March, 2011 and the unpaid/unclaimed dividend, if any, will be transferred to Investor Education & Protection Fund in due course.
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 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](http://www.goldentobacco.in) under the section Investor Relations.
16. Members holding shares in physical form 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 2016-17 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](http://www.goldentobacco.in) or send their queries at least ten days before AGM to the Company Secretary at the Registered Office of the Company.
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. July 12, 2017 may obtain the login ID and password by sending a request to



CDSL at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.

21. The e-voting period commences on Saturday, July 15, 2017 (9.00 a.m. IST) and ends on Monday, July 17, 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, the July 12, 2017 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 votes 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](http://www.goldentobacco.in) and on the website of Central Depository Services Ltd (CDSL) [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

#### PROCEDURE FOR E- VOTING

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below:

#### 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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. <b>The Sequence Number/default PAN is printed on Address Slip of Annual Report.</b></li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 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.</li> </ul>
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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter

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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 Central Depository Services Ltd (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](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call Toll Free No. 1800223951. You may also send your queries to the [share@goldentobacco.in](mailto:share@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 Ordinary Business mentioned in the accompanying Notice.

#### **ITEM NO. 3**

The Board of Directors has, based on the recommendation of the Audit Committee at its meeting held on May 29, 2017 proposed the appointment of M/s Bagaria & Co LLP (formerly Bagaria & Co.), as the statutory Auditors of the Company for a period of five years, to hold office from the conclusion of this AGM to conclusion of the sixty-six AGM in place of M/s. Lodha & Co., Chartered Accountants who retire from the conclusion of this AGM pursuant to the Companies Act read with Listing Regulations.

M/s Bagaria & Co. is established in the year 1985 as a Chartered Accountancy firm in Mumbai and has evolved into one of India's premier firms in the fields of assurance, consulting, taxation, and financial advisory services. M/s Bagaria & Co., LLP have consented to their appointment as Statutory Auditors and have confirmed that, if appointed, their appointment will be accordance with Section 139 read with Section 141 of the Companies Act, 2103. The Board commends the Ordinary Resolution as set out at item no.3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested in the resolution set out at item No. 3 of the Notice financially or otherwise.

#### **Details of Director seeking Appointment /Reappointment at the Annual General Meeting :**

Name	Shri A. K. Joshi
Date of Birth & Age	01.01.1958 (59 Years)
Date of Appointment	21.10.2003
Qualifications	B.Com., F.C.A.
Expertise in specific functional area	Wide experience in the field of corporate banking finance and accounts.
Directorship held in other listed entities (excluding foreign companies and section 8 companies)	NIL
Membership /Chairmanships of Committees (only Audit committee and Stakeholders Relationship Committee). in other listed entities	NIL
DIN	00379820
PAN	AAGPJ4277Q
No. of Shares held in the Company	NIL
Disclosure of relationships between directors inter-se	NIL

By order of the Board,  
For GOLDEN TOBACCO LIMITED,

Manoj Kumar Srivastava  
Company Secretary

Place : Mumbai  
Date : May 29, 2017  
Registered Office:  
At Darjipura, Post-Amaliyara,  
Vadodara,Gujarat- 390022,

## BOARD'S REPORT

To,  
The Members,

Your Directors present the 61<sup>st</sup> Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2017.

### FINANCIAL HIGHLIGHTS

Particulars	Current Year ended 31 <sup>st</sup> March, 2017	Previous year ended 31 <sup>st</sup> March, 2016
Profit/(Loss) before Interest, Depreciation, Exceptional item and Tax	(38.09)	(1081.98)
(Less):Interest-Net	(2657.59)	(2470.53)
(Less):Depreciation	(86.58)	(104.08)
Profit/(Loss) before Taxation	(2782.26)	(3656.59)
Provision for Taxation	NIL	NIL
Profit/(Loss) after Taxation	(2782.26)	(3656.59)
Exceptional Item-Income/(expense)	NIL	NIL
(Loss) for the year	(2782.26)	(3656.59)
(Loss) brought forward from previous year	(22985.20)	(19328.61)
Depreciation charge in useful life	NIL	NIL
<b>(Loss) carried over to Balance Sheet</b>	<b>(25767.46)</b>	<b>(22985.20)</b>

### PERFORMANCE OF THE COMPANY

During the year, the industry volume declined by 5% to 10% which affected the Company's volume drastically. Increased grey market and illegal cigarettes activities coupled with the increased excise and VAT are the factors which have adversely affected the organized sector of legal cigarette industries at large. However, the export performance of the Company increased around twenty percent in terms of volume as well as value in comparison to previous year mainly in new international market. Further the Company has initiated new measures to spread its wings in several other new more international markets with new brands to increase the export sales in coming years. 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.

Recently, the Hon'ble ITAT special bench, Mumbai has passed the favorable order in respect of the old outstanding demands for some of the earlier years by which the disputed income tax liabilities has considerably reduced. Further in respect of remaining years disputed demands, the matter has been heard by the ITAT, Mumbai and the Company is hopeful to get the favorable order in this regard also.

### BIFR STATUS

The Company's net worth is still negative as of the date. However, the SICA Act, 1985 is repealed by central government w.e.f. December 1, 2016 and accordingly, the Company is no more under the BIFR.

### REAL ESTATE BUSINESS

During the year the Hyderabad project has started and is likely to be completed by July, 2019. With regard to development of the Company's property situated at Vile Parle Mumbai the same was could not be proceeded for the development due to attachment by the Income Tax pursuant to the Hon'ble Supreme Court order dated 12.05.2016. However, the Company is confident to get favorable order from the ITAT Mumbai for the remaining disputed income tax demand resulted vacation of the attachment and consequent proceeding of real estate business.





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## **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, 2017 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. 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 ("the Act") 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 Act forms part of the Notes to the financial statements

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS 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 are 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 and other applicable clauses of the Listing Regulations. A separate report of Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") is 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 A. K. Joshi retires by rotation at the ensuing 61<sup>st</sup> AGM and being eligible, seeks reappointment. Shri A. K. Joshi, Managing Director, Shri Pawan Kumar Malsaria, Chief Financial Officer and Shri Manoj Kumar Srivastava, Company Secretary of the Company are wholetime 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 REMUNERATION 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, 2017 the Board consisted of 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 attributes, independence of a director and other matters as required pursuant to section 178(3) of the Companies Act, 2016. The remuneration policy is stated in Corporate Governance report which forms part of 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](http://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**

In view of retirement of M/s Lodha & Co. Chartered Accountants, the statutory Auditors of the Company, at the conclusion of the 61<sup>st</sup> Annual General Meeting of the Company, the Board has recommended the appointment of M/s Bagaria & Co LLP (formerly Bagaria & Co.), Chartered Accountants as the statutory Auditors of the Company in their place for a term of five consecutive years from the conclusion of this AGM to conclusion to the conclusion of sixty-sixth AGM to be held on 2022. M/s Bagaria & Co. LLP have consented to their appointment as Statutory Auditors and have confirmed that, if appointed, the same will be accordance with Section 139 read with Section 141 of the Companies Act, 2013.

The Auditors report for the financial year 2016-17 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 2016-17.



The secretarial audit report does not contain any qualification, reservations or adverse remark. The Board has also appointed M/s Devesh Vimal & Co. as secretarial auditor of the Company for the financial year 2017-18. 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 2016-17 in form MGT-9 is annexed 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 are 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, 2017.

During the financial year the Western Express Industries Ltd., the subsidiary Company shifted its Registered Office from State of Maharashtra, Mumbai to State of Gujarat at Vadodara.

Pursuant to section 129(3) of the Companies Act, 2013, the Board and the Audit Committee have 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 and 34 of the Listing Regulations read with other applicable provisions, the Company has prepared a Consolidated Financial Statements in accordance with Accounting Standard 21 of the ICAI for the financial year ended March 31, 2017 annexed to the financial statement of the Company in 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 Listed Companies, based on the market capitalization of the preceding financial year i.e. March 31, 2017. Accordingly, the same is not applicable to your Company.

#### **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, 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 ` 1.02 crores or more per annum or posted for part of the year and in receipt of ` 8.5 lakhs or more a month enclosed as per **annexure 5** of the Board' report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR 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 Listing Regulations 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.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with the 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 the Listing Regulations, 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 23, 2016, August 12, 2016, September 21, 2016, November 14, 2016, and February 13, 2017. 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 program. 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 the 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 of deals of employee 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 Act 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.



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#### **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 the Listing Regulations. The Committee is to determine overall Company's Policy on remuneration packages and other terms and conditions of the appointment of the Executive Directors and senior management of the Company and sitting fees to the Non Executive Directors of the Company and also to approve payment of remuneration to Managing Directors or Whole Time Directors as decided 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 the Listing Regulations. The Committee is to look after the Stakeholders grievances and redressal of investors' complaints related to transfer of shares, non receipt of balance sheet, non receipt of dividend etc. The details of meetings and their attendance are included in the Corporate Governance Report.

#### **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 Act 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 meeting 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) the Director 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) the Director 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) the Director have prepared the annual accounts on a going concern basis; and
- e) the Director 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) the Director 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 2016-17.

#### **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 29, 2017**

**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 31<sup>ST</sup> MARCH, 2017****(Form No. MR-3)**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Golden Tobacco Limited. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my/our verification of the GOLDEN TOBACCO LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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) Having regard to the products, processes and services of the Company as also having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test check basis, we further report that the Company has complied with following **laws applicable specifically to the Company** :
  - (a) The Tobacco Board Act, 1945
  - (b) Cigarettes and other Tobacco Products Act, 2003 (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. {read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015}

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.

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 are 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 to the audit period were complied with.
- (d) made applications to the Central Government in respect of Mr. A.K.Joshi, Managing Director as well as Mr. Jaskaran S. Khurana, executive Director and approval is awaited.
- (e) complied with the SEBI (Prohibition of Insider Trading) Regulations, 2015
- (f) The Hon'ble Securities Appellate Tribunal (SAT) vide its order dated December 15, 2016 disposed off the appeal and upheld the SEBI order dated February 14, 2014 in the matter of directors for the penalty of Rs. One crore.
- (g) approved the issuance of new share certificates with reorganized distinctive numbers against surrender of old share certificates to the physical share certificate holders held on 31<sup>st</sup> March, 2017, being the record date for the purpose.
- (h) made reference to the then BIFR in view of total erosion of net worth as at 31<sup>st</sup> March, 2016 consequent to formation of the opinion of the Board of Directors of the Company under Section 15(1) of SICA for the purpose.

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

**Place : Vadodara**  
**Date : May 29, 2017**

**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.

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

**Ref. : Secretarial Audit Report dated 29th May, 2017 pursuant to Section 204 (1) of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were 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 processes and the practices we 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 29, 2017**

**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, 2017

(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) 2541700 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. C101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400083 Tel. (22) 49186000 Fax : (22) 49186060 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 01.04.2016				No. of Shares at the end of the year i.e 31.03.2017				% 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	145	9015	9160	0.05	145	9015	9160	0.05	0.00
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	0	0	0	0	-0.17
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)	30292	0	43207	0.25	335	0	13250	0.08	-0.17



Category of Shareholders	No. of Shares at the beginning of the year i.e 01.04.2016				No. of Shares at the end of the year i.e 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2 Non - Institutions									
a. Bodies Corporate	5338414	18304	5356718	30.42	5768107	18304	5786411	32.86	2.44
b. Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4357364	1329749	5687113	32.3	3757435	1321371	5078806	28.84	-3.46
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1760761	70000	1830761	10.39	1741954	70000	1811954	10.29	-0.1
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	45383	0	45383	0.26	279975	0	279975	1.59	1.33
iv. Non Residence indians (Repatriation)	31070	14620	45690	0.26	20413	14620	35033	0.2	-0.06
v. Non Residence indians (Non Repatriation)	13705	3570	17275	0.1	17148	3570	20718	0.12	0.02
vi. Directors & their relatives	180	0	180	0	180	0	180	0	0
Sub - Total (B) (2)	11547627	1436243	12983870	73.73	11585962	1427865	13013827	73.90	0.17
Total Public Shareholding (B) = (B)(1)+(B)(2)	11577919	1449158	13027077	73.98	11586297	1440780	13027077	73.98	0
TOTAL (A)+(B)	16159644	1449158	17608802	100.00	16168022	1440780	17608802	100.00	0.00
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)	16159644	1449158	17608802	100.00	16168022	1440780	17608802	100.00	0

## ii. Shareholding of Promoters and Promoters Group

Sr. No.	Shareholder's Name	Shareholders at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% 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	0.00	760	0.00	0.00	-4.54
2	Dear Investment Pvt. Ltd.	800000	4.54	0.00	800000	4.54	0.00	0.00
3	Lakshmi Vishnu Investment Ltd.	500485	2.84	0.00	500485	2.84	0.00	0.00
4	Swastik Commercial Pvt.Ltd.	404000	2.29	0.00	404000	2.29	0.00	0.00
5	Swagatham Investment Ltd.	398600	2.26	0.00	398600	2.26	0.00	0.00
6	Chirawa Investment Ltd.	107078	0.61	0.00	107078	0.61	0.00	0.00
7	GHCL Ltd.	272146	1.55	0.00	272146	1.55	0.00	0.00
8	Mourya Finance Ltd.	270945	1.54	0.00	270945	1.54	0.00	0.00
9	WGF Financial Services Ltd.	159232	0.90	0.00	959232	5.45	0.00	4.54
10	Bharatpur Investments Ltd.	147538	0.84	0.00	147538	0.84	0.00	0.00
11	Sovereign Commercial Pvt.Ltd.	132843	0.75	0.00	132843	0.75	0.00	0.00
12	General Exports and Credit Ltd.	101972	0.58	0.00	101972	0.58	0.00	0.00
13	Moderate Investment & Comm. Ent.Ltd.	70650	0.40	0.00	70650	0.40	0.00	0.00
14	Sikar Investment Company Ltd.	6920	0.04	0.00	6920	0.04	0.00	0.00
15	Gems Commercial Co Ltd.	144500	0.82	0.00	144500	0.82	0.00	0.00
16	Carissa Investment Pvt. Ltd.	48235	0.27	0.00	48235	0.27	0.00	0.00
17	Dalmia Finance Ltd.	42528	0.24	0.00	42528	0.24	0.00	0.00
18	Hotex Company Ltd.	38800	0.22	0.00	38800	0.22	0.00	0.00
19	Mansarover Commercial Pvt. Ltd.	28760	0.16	0.00	28760	0.16	0.00	0.00
20	International Resources Ltd.	11455	0.07	0.00	11455	0.07	0.00	0.00
21	Little Rock Trade And Investment Ltd.	22500	0.13	0.00	22500	0.13	0.00	0.00
22	Harvatex Engineering And Processing Co.	51320	0.29	0.00	51320	0.29	0.00	0.00
23	Excellent Commercial Enterprise & Investment Ltd.	8640	0.05	0.00	8640	0.05	0.00	0.00
24	Lovely Investment Pvt. Ltd.	6503	0.04	0.00	6503	0.04	0.00	0.00
25	Pashupatinath Comm. Pvt. Ltd.	2569	0.01	0.00	2569	0.01	0.00	0.00
26	Comosum Investment Pvt. Ltd.	960	0.01	0.00	960	0.01	0.00	0.00
27	Lampa Trading Company Ltd.	720	0.00	0.00	720	0.00	0.00	0.00
28	Oval Investment Pvt. Ltd.	392	0.00	0.00	392	0.00	0.00	0.00
29	Elegant Investment Pvt. Ltd.	340	0.00	0.00	340	0.00	0.00	0.00
30	Altar Investment Pvt. Ltd.	334	0.00	0.00	334	0.00	0.00	0.00
	TOTAL	4,581,725	26.02	0.00	4,581,725	26.02	0.00	0.00



iii. Change in Promoters' Shareholding :

Sr. No.	Name of Shareholders	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	159232	0.90	159232	0.90
2.	Off market inter-se transfer of shares by Dalmia Housing Finance Limited in favour of WGF Financial Services Limited of January 19, 2017	800000	4.54	959232	5.45
3.	At the end of the year	-	-	<b>959232</b>	<b>5.45</b>

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

Sr. No.	Top 10 Shareholders *	Shareholding at the beginning of the year 01-04-2016		Shareholding at the end of the year 31-03-2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Noble Communications Pvt. Ltd.	346112	1.97	777763	4.42
2	Aarkay Investments Pvt. Ltd.	175073	0.99	722074	4.10
3	Integrated Master Securities Pvt. Ltd.	0	0.00	600000	3.41
4	Fideltiy Multitrade Pvt. Ltd.	553865	3.15	553865	3.15
5	Lend Lease Company (India) Ltd.	490567	2.79	490567	2.79
6	Globe Capital Market Ltd.	433748	2.46	327845	1.86
7	SMS Holdings Pvt. Ltd.	299724	1.70	299724	1.70
8	KIFS International LLP	246967	1.40	246967	1.40
9	Vimal P. Khandwala	200000	1.14	200000	1.14
10	Trimurti Associates Pvt. Ltd.	45675	0.26	158305	0.90
	<b>Total</b>	<b>2791731</b>	<b>15.85</b>	<b>4377110</b>	<b>24.86</b>

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

## v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Folio/Beneficiary Account no	Name of the Shareholder	Designation	Date	Shareholding at the beginning of the year (1.4.2016)		Cumulative shareholding during the year (31.3.2017)	
					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-2016 to 31-Mar-2017	100	-	100	-
2.	IN30009510210253	Shri V. K. Bhandari	do	do	80	-	80	-
3.	-	Shri A. K. Joshi	MD	do	-	-	-	-
4.	-	Shri Jaskaran S. Khurana	Executive Director	do	-	-	-	-
5.	-	Ms. Kokila Panchal	Non Executive Independent Director	do	-	-	-	-
6.	-	Shri Manoj Kumar Srivastava	Company Secretary	do	-	-	-	-
7.	-	Shri Pawan Kumar Malsaria	CFO	do	-	-	-	-
	<b>Total</b>				<b>180</b>	<b>-</b>	<b>180</b>	<b>-</b>

\*negligible

## V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness of the Company including interest outstanding / accrued but not due for payment</b>				
(i) Principal Amount	1,412,449,077	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
<b>Total (A)</b>	<b>1,970,170,690</b>	<b>-</b>	<b>-</b>	<b>1,970,170,690</b>
<b>Change in indebtedness during the financial year</b>				
(i) Addition	-	-	-	-
(ii) Reduction	20,402,300.00	-	-	20,402,300.00
(iii) Net Change	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the Financial year</b>				
(i) Principal Amount	1,412,440,486	25,000,000	-	<b>1,437,440,486</b>
(ii) Interest Due but not paid	800,683,190	-	-	800,683,190
(ii) Interest accrued but not due	14,903,195	-	-	14,903,195
<b>Total (C)</b>	<b>2,228,026,871</b>	<b>25,000,000</b>	<b>-</b>	<b>2,253,026,871</b>



**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
<b>A. Company</b>					
(i) Penalty					
(ii) Punishment					
(iii) Compounding					
<b>B. Directors</b>					
(i) Penalty					
(ii) Punishment					
(iii) Compounding					
<b>C. Other Officers in Default</b>					
(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	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7,396,819	5,125,911	<b>12,522,730</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	375,458	187,350	<b>562,808</b>
	(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	<b>Others: Allowances :</b>			
	(i) Company's Contribution to Provident Fund	334,786	203,960	<b>538,746</b>
	(ii) Company's Contribution to Superannuation Fund	100,000	100,000	<b>200,000</b>
	(iii) Gratuity	134,129	81,714	<b>215,843</b>
	(iv) Others	327,600	469,239	<b>796,839</b>
	<b>Total (A)</b>	<b>8,668,792</b>	<b>6,168,174</b>	<b>14,836,966</b>
	<b>Ceiling as per the Act</b>	As may be approved by Central Government		

**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	<b>Independent Directors</b>				
	Sitting Fee for attending Board Committee Meeting	150000	150000	70000	<b>370000</b>
	Commission	0	0	0	0
	Others, Please specify	0	0	0	0
	<b>Total (1)</b>	<b>150000</b>	<b>150000</b>	<b>70000</b>	<b>370000</b>
2	<b>Other Non- Executive Directors</b>				
	Sitting Fee for attending Board Committee Meeting	0	0	0	0
	Commission	0	0	0	0
	Others, Please specify	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B) = (1+2)</b>	<b>150000</b>	<b>150000</b>	<b>70000</b>	<b>370000</b>
	<b>Total Managerial Remuneration</b>	<b>150000</b>	<b>150000</b>	<b>70000</b>	<b>370000</b>
	<b>Overall Ceiling as per the Act</b>				<b>370000</b>





**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	<b>1,695,204</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32,400	32,400	<b>64,800</b>
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others,			
	(i) Company's contribution to Provident Fund	56,544	56,942	<b>113,486</b>
	(ii) Company's contribution to Superannuation Fund	-	71,177	71,177
	(iii) Gratuity	22,654	22,813	45,467
	(iv) Others	117,867	157,686	<b>275,553</b>
	<b>Total</b>	<b>1,057,069</b>	<b>1,208,618</b>	<b>2,265,687</b>

## ANNEXURE 3 TO THE BOARD'S REPORT

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE 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, 2017 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 : ₹ 30.10 Lacs.
- ii. Research and development Expenditure as Percentage of Total Turnover: 0.3 %
- 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 527 million sticks aggregating to total FOB Value of ₹ 2289.08 Lacs.

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

Particulars	₹ in Lacs	
	F.Y.2016-17	F.Y 2015-16
<b>Foreign Exchange Earnings</b>		
(i) Cigarettes	2293.99	2060.76
(ii) Tobacco	5.40	NIL
Expenditure in foreign currency	10.48	20.20

**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, 2017**

**Part "A": Subsidiaries**

(Amount in `)

Sr. No.	Name of the subsidiary	WESTERN EXPRESS INDUSTRIES LTD.	RAIGADH PAPERS LTD.	GOLDEN INVESTMENT (SIKKIM) P. LTD.	GOLDEN REALTY & INFRASTRUCTURE LTD.	GTC INC B.V.
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.	EURO Rs. 73.48
3.	Share capital	75,000,000	15,000,000	60,000	500,000	1,337,389
4.	Reserves & surplus	-147273691	-11,611,373	2,914,521	-484,990,972	-5,041,569
5.	Total Assets	22,869,858	7,383,046	3,351,081	1,566,249,308	-
7.	Total Liabilities	95,143,549	3,994,419	376,560	2,050,740,280	3,704,180
8.	Investments	13,743,859	NIL	2	NIL	NIL
9.	Turnover	NIL	NIL	NIL	NIL	NIL
10.	Profit before taxation	-53,578	-97,734	-11,700	-664,017	NIL
11.	Provision for taxation	NIL	NIL	NIL	NIL	NIL
12.	Profit after taxation	-53,578	-97,734	-11,700	-664,017	NIL
13.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
14.	% 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 29, 2017

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

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

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



## ANNEXURE 5 TO THE BOARD'S REPORT

### Disclosure on the Remuneration of the Managerial Personnel:

- 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:
- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year : Shri A. K. Joshi 1:55 and Shri Jaskaran S. Khurana 1:33. During the financial year no increment was given to any of its employee and Managerial Personnel of the Company.
  - The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and the Company Secretary in the financial year : **NIL**
  - The percentage increase in the median remuneration of employees in the financial year: **NIL**
  - The number of permanent employees on the Rolls of Company as on March 31, 2017 : **239**
  - 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 2016-17 is **NIL** (due to accumulated losses). The Company's PAT during the financial year was **NIL**
  - 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 is as follows:

Particulars	March 31, 2017	March 31, 2016	% Change
Market Capitalization (₹ in lakhs)	<b>13188.90</b>	6559.27	101.07
Price Earnings Ratio	<b>(4.73)</b>	(1.79)	164.24

- 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)
- Comparison of remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:**  
Each KMP is granted salary based on their qualification, experience, nature of job, industry norms earlier salary etc. and some other factors. Accordingly, the comparison of one against other is not feasible. The performance of the Company is not up to the mark and quit not satisfactory during the year under review.

(Amount in ₹)

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 16-17 (₹)	81,74,663	63,26,460	10,89,803	9,38,418
Revenue (₹)	45,82,45,486	44,82,45,486	44,82,45,486	44,82,45,486
Remuneration as % of revenue	1.78	1.38	0.24	0.20

- 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.
- 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**
- 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.

- I. 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**

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

- B. Information of employees drawing remuneration of ` 1.02 crores per annum or ` 8.50 Lacs per month for part of the year or more pursuant to Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation	Qualification (yrs.)	Age (in yrs.)	Experience	Date of Joining	Gross remuneration paid (`)	Previous employment and designation
Shri A. K. Joshi	Managing Director	B.Com. F.C.A.	59	35	01.02.1993	101,86,239	Chinar Exports Ltd. Sr. Manager Fin. & A/cs.



## 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. NIL**

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 29, 2017

**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 2016-17, 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 during the year 2016-17. The financial year 2016-17 was a challenging year for the capital markets which reflects 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.

#### 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 2016-17 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 12% in 2016-17 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 52% in 2016-17. It is expected that GST would come into play from July 1, 2017 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.

### 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.





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**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 2016-17 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 2016-17 was ` 98.80 crores as against ` 100.48 crores of the 2015-16. The net loss for the year was ` 27.82 crores against ` 36.56 crores of the previous year.

**7) 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. As on March 31, 2017 employee strength on roll was 239.

**8) 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 CODE OF GOVERNANCE

The Company's philosophy of 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 (the "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 profiles 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 35 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 capacities. He was promoted as Acting Managing Director in 2011 and Managing Director in the year 2012 and reappointed in 2015 for three years up to September 2018. 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 20 years of rich experience in the field of Sales and Marketing (Domestic as well as International Business). He 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 and reappointed on May 23, 2016 for further three years i.e. up to May 22, 2019 as Executive Director. 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 four years of rich experience in the fields of Banking and Finance. He worked in the Central Bank of India from 1971 to 2003 and retired as General Manager on October 31, 2003. Since then he is practicing as a Chartered Accountant in Mumbai. He was inducted on the Board on July 31, 2009 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-06.10.1947) 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 of the Company w.e.f. March 31, 2015 and appointed as Non Executive Independent Director by its Members on September 25, 2015 for five year which on 2020. She is also Member of the Nomination and Remuneration Committee of the Company.

### **INDEPENDENT DIRECTORS**

The Companies Act, 2013 ('the Act') and the Listing ("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, 2017 are as follows::

Sr. No.	Name of Director	Designation	Age	Listed Companies	All other Public Companies	Committee Members	Chairperson of the Committees
1.	Shri A. K. Joshi *	Managing Director	59	1	2	1	1
2.	Shri Jaskaran S. Khurana *	Executive Director Independent Director	44	1	-	2	-
3.	Shri Bharat B. Merchant	Non Executive Independent Director	68	3	2	3	5
4.	Shri V.K. Bhandari	Non Executive Independent Director	73	4	4	6	2
5.	Ms. Kokila Panchal	Non Executive Independent Director	69	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 the Listing Regulations read with the Act. Additional meetings are held when necessary. Independent Directors are expected to attend at least four Board meetings in the year.

Five Board meetings were held during the year ended March 31, 2017 on May 23, 2016, August 12, 2016, September 21, 2016, November 14, 2016 and February 13, 2017.

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

Name of Director	Previous AGM held on 21.09.2016	Meeting held on					% of attendance
		23.5.16	12.8.16	21.9.16	14.11.16	13.02.17	
Shri A.K.Joshi	Yes	Yes	Yes	Yes	Yes	Yes	100
Shri Jaskaran S. Khurana	Yes	Yes	Yes	Yes	No	No	60
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	Yes	Yes	Yes	Yes	Yes	Yes	100

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 (listed and public co.) 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 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:

- i. Annual operating plans and budgets and any updates
- ii. Capital budgets and any updates.
- iii. Quarterly / Annual results of the Company.
- iv. Minutes of meetings of audit committee and other committees of the Board of directors.
- v. 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

Constitution of the Audit Committee of the Company as well as its terms of reference are in line with the provisions of Regulation 18 of the Listing Regulations read with section 177 of the Act 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, 2017 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, 2017 on May 23, 2016, August 12, 2016, November 14, 2016 and February 13, 2017. The composition & attendance details of the audit committee meetings are as follows:

Name	Designation	Meeting held on				% of attendance
		23.05.2016	12.08.2016	14.11.2016	13.02.2017	
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 auditors M/s Lodha & Co. attended all the Audit committee meetings. Shri Manoj Kumar Srivastava, Company Secretary, attended 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's 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 Act.

**COMPOSITION :**

The committee is comprised of all Independent directors as on March 31, 2017 viz. Shri Bharat B. Merchant, Shri V.K. Bhandari and Ms. Kokila Panchal. During the financial year ended March 31, 2017 two meetings were held i.e. May 23, 2016 and September 21, 2016. The designation & attendance details are as follows:

Name	Designation	Meeting held on		% of attendance
		23.05.2016	21.09.2016	
Shri Bharat B. Merchant	Chairman	Yes	Yes	100
Shri V. K. Bhandari	Member	Yes	Yes	100
Ms. Kokila Panchal	Member	Yes	Yes	100

**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 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 to 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 the Listing Regulations and section 178 of the Act. 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, 2017 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, 2017 on May 23, 2016, August 12, 2016, November 14, 2016 and February 13, 2017. The designation & attendance details are as follows:

Name	Designation	Meeting held on				% of attendance
		23.05.2016	12.08.2016	14.11.2016	13.02.2017	
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	No	No	66

#### Terms of Reference:

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

- To review the report submitted by the Registrar and Share Transfer Agents (RTA) of the Company on quarterly basis.
- 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.
- To follow-up on the implementation of suggestions for improvement.
- To periodically report to the Board about serious concerns if any.
- 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 during the year ended March 31, 2017 are as follows:

Nature of complaint	Opening	Received	Resolved	Closing
Non receipt of Annual Report, Dividend etc.	NIL	8	8	NIL

### D. SHARE TRANSFER COMMITTEE:

In addition to the Stakeholders Relationship Committee, the Board has constituted another committee referred to as the Share Transfer Committee comprising of Shri Manoj Kumar Srivastava, Company Secretary and Shri Pawan Kumar Malsaria, Chief Financial Officer of the Company to approve the share transfer of equity shares of the Company. 9 meetings were held during the year ended March 31, 2017.

### 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 Act 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, 2017 viz. Shri A.K. Joshi, Managing Director and Shri Jaskaran S. Khurana, Executive Director. During the financial year ended March 31, 2017 one meeting was held on February 11, 2017. 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](http://www.goldentobacco.in).

**Guidelines for formulation of remuneration policy:**

- 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.
- Motivate KMP and Senior Management to achieve excellence in their performance.
- Relationship of remuneration to performance is clear and meets appropriate performance.
- 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 Shri Jaskaran S. Khurana was eligible to get 50% of its VPP as he achieved the export target during the year.

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/payable to the Executive Directors and Non-Executive directors for the financial year ended March 31, 2017 are as follows:

Name	Basic Salary	Perquisites & Allowances	Sitting Fees	VPP	Total
Shri A.K. Joshi *	27,89,880	49,91,515	-	-	77,81,395
Shri Jaskaran S. Khurana#	16,99,668	39,27,882	-	600,000#	62,27,550
Shri Bharat B. Merchant	-	-	1,50,000	-	1,50,000
Shri V.K. Bhandari	-	-	1,50,000	-	1,50,000
Ms. Kokila Panchal	-	-	70,000	-	70,000

\*excluding retrial benefits (PF, LTA, Superannuation Fund & Gratuity payable at the end of tenure.)

# achievement of the export business target

**INDEPENDENT DIRECTORS SEPARATE MEETING :**

Pursuant to the Schedule IV and other applicable provisions of the Act 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 was held on February 13, 2017 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 13, 2017 and the same is available on the Company's website [www.goldentobacco.in](http://www.goldentobacco.in).

#### **RELATED PARTY TRANSACTIONS:**

There have been no material 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 Listing Regulations. Shareholder'/ Investors' may contact him at the Registered Office of the Company on Phone.No. 0265-2540281, FAX-0265-2541700, Email:[share@goldentobacco.in](mailto:share@goldentobacco.in), [csmanoj@goldentobaacco.in](mailto:csmanoj@goldentobaacco.in), website: [www.goldentobacco.in](http://www.goldentobacco.in)

#### **DISCLOSURE REGARDING THE APPOINTMENT /REAPPOINTMENT OF DIRECTORS:**

Pursuant to the provisions of the Act, Shri A.K.Joshi retires at ensuing AGM and being eligible seeks reappointment. The Board has recommended 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 61<sup>st</sup> AGM to be held on July 18, 2017. The Companies Act, 2013 provides for appointment of independent directors pursuant to section 149(10) of the Act. 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 58<sup>th</sup> AGM of the Company held on September 22, 2014 up to the 63<sup>rd</sup> AGM to be held in the calendar year 2019. Ms. Kokila Panchal, Independent Director appointed for five consecutive years at the 59<sup>th</sup> AGM held on September 25, 2015 to hold office up to the 64<sup>th</sup> AGM to be held in the calendar year 2020. The detailed appointment letter including the terms and conditions of appointment pursuant to schedule V 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](http://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, 2017 (Audited)
1	English Newspapers in which quarterly results were published.	Business Standard (Ahmedabad edition)	13.08.2016	15.11.2016	14.02.2017	30.05.2017
2	Vernacular Newspapers in which quarterly results were published.	Loksatta - Gujarati (Vadodara edition)	13.08.2016	15.11.2016	14.02.2017	30.05.2017
3	Name of Stock Exchange(s)	BSE Ltd. & National Stock Exchange of India Ltd.	12.08.2016	14.11.2016	13.02.2017	29.05.2017

#### GOVERNANCE AND COMPLIANCE:

##### 1. Code of Conduct :

In compliance with 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 personnel conduct in relation to the Company's business and reputation. The Code is available on [www.goldentobacco.in](http://www.goldentobacco.in)

All members of the Board, executive and officers have affirmed compliance to the code as on March 31, 2017. 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 Officer 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 2016-17, the Company has complied with all the mandatory requirements of the Listing Regulations which prescribe various corporate governance and other compliances. We have always believed in maximization of transparency and timely disclosure and adherances to 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 the Listing Regulations :

Pursuant to Regulation 30 of the Listing Regulations, the Company has made disclosures and updated Stock Exchanges from time to time as and when required. The Company has not entered into 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 V 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, 2017, 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. Equity Shares & Promoters Holding of Shares:**

During the financial year 2016-17 the Promoters of the Company has not pledged any of its shares. The aggregate Shareholding of the Promoters and Promoters Group as on March 31, 2017 was 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. In accordance with the Scheme approved by BIFR the unpaid/unclaimed dividend for the year 1994-95 was to be paid by 31st March, 2011 and the unpaid/unclaimed dividend, if any, will be transferred to Investor Education & Protection Fund in due course.

**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 is known as dematerialization. For dematerialization of shares, the shareholders have to open a Demat account with Depository Participant (DP). The shareholder is required to fill in a Demat Request Form (DRF) and submit the same along with Share Certificate(s) to the DP. The DP will allocate a Demat request number and shall forward the request, both physically and electronically, through NSDL/CDSL 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, 2017, 16168022 i.e. 91.82% 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, investors may contact M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083. Tel. No.(022) 49186000 Fax: (022)

49186060. Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

**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](mailto:share@goldentobacco.in), [csmanoj@goldentobacco.in](mailto: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](http://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, 2017.

**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
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
2015-16	September 21, 2016	Wednesday	12.15 P.M.	Registered Office	2

**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 2016-17.

**III. Remote e-voting and ballot voting:**

The Company has facilitated 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 July 12, 2017 (cut off date) who 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) Extra Ordinary General Meeting (EOGM) :**

No Extra Ordinary General Meeting of the members was held during the year 2016-17.



**(c) Additional Shareholders Information**

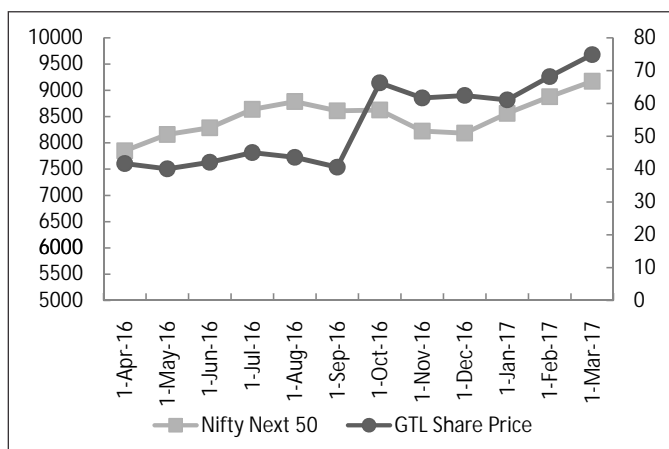
<b>61<sup>st</sup> Annual General Meeting : Day, Date and Time</b>	Tuesday, July 18, 2017 at 12.15 P.M.
<b>Venue</b>	Registered Office of the Company at Darjipura, Post- Amaliyara, Vadodara, 390022. Gujarat.
<b>Book Closure / Record Date</b>	Thursday, July 13, 2017 to Tuesday, July 18, 2017.
<b>Dividend</b>	NIL (last declared in the year 1994-95 financial year)
<b>Registered Office</b>	At Darjipura, Post - Amaliyara, Vadodara, 390022. Gujarat
<b>Financial Year</b>	April 1, 2017 - March 31, 2018
<b>Cut Off Date for Remote e-voting</b>	July 12, 2017
<b>Remote e-voting period</b>	July 15, 2017 to July 17, 2017
<b>Listing of Stock Exchange &amp; Stock Codes/ Symbol</b>	BSE Ltd. (500151) National Stock Exchange of India Ltd. (GOLDENTOBC)
<b>Corporate Identity Number (CIN) of the Company</b>	L16000GJ1955PLC067605
<b>ISIN</b>	INE973A01010
<b>Financial Calendar for the year 2017-18 is as follows:</b>	
<b>Nature of event</b>	<b>2017-18 (tentative date)</b>
Audited annual financial results for the year ended March 31, 2017	On May 29, 2017 (actual)
Un audited financial results for the quarter ended June 30, 2017	By August 15, 2017
Un-audited financial results for the quarter ended Sep.30, 2017	By November 15, 2017
Un audited financial results for the quarter ended December 31, 2017	By February 15, 2018
Audited financial results for the year ended March 31, 2018	By May 30, 2018

**(d) Market Price Data for the financial year 2016-17**

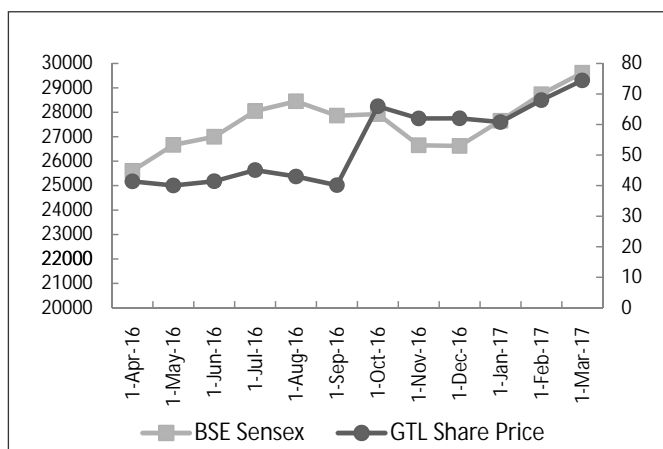
High, Low (based on the closing prices) during each month of the year 2016-17 on the National Stock Exchange of India Ltd. and BSE Ltd. is as follows:

Month	BSE		BSE - SENSEX		NSE		NSE - NIFT	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
29-Apr-16	41.50	41.00	25755.43	25424.03	41.75	41.00	7889.05	7788.70
31-May-16	41.10	40.00	26837.20	26561.58	41.55	40.00	8213.60	8134.30
30-Jun-16	43.25	39.60	27069.23	26872.59	43.50	39.65	8308.15	8242.10
29-Jul-16	45.75	44.75	28233.47	28037.87	45.55	44.20	8670.35	8631.15
31-Aug-16	44.00	43.00	28532.25	28363.10	45.40	43.00	8819.20	8754.05
30-Sep-16	41.00	40.00	27955.21	27716.78	41.90	40.00	8637.15	8555.20
30-Oct-16	70.00	65.10	28095.71	27890.14	70.00	65.60	8678.25	8616.25
30-Nov-16	62.70	60.00	26680.55	26395.5	62.90	59.80	8234.25	8139.25
30-Dec-16	65.70	59.45	26678.60	26406.53	65.60	59.00	8197.00	8114.75
31-Jan-17	61.90	60.65	27867.92	27624.54	62.90	60.60	8631.75	8552.40
28-Feb-17	74.00	67.25	28876.54	28721.12	70.00	65.50	8914.75	8867.60
31-Mar-17	76.95	74.05	29687.64	29552.61	77.00	74.00	9191.70	9152.10

Performance of Share Price in comparison to Nifty Next 50:



Performance of Share Price in comparison to BSE Sensex:



## (e) Distribution of Shareholding as on March 31, 2017 is as follows:

No. of Shares	No. of Shareholders	% of shareholders	No. of shares	% of shareholding
001-500	26798	94.56	2696078	15.31
501-1000	782	2.76	606473	3.45
1001 – 2000	339	1.20	510851	2.90
2001 – 3000	117	0.41	296447	1.68
3001 – 4000	56	0.20	199145	1.13
4001 – 5000	52	0.18	245189	1.39
5001 – 10000	80	0.28	601195	3.41
10001 – Above	116	0.41	12453424	70.73
<b>TOTAL</b>	<b>28340</b>	<b>100.00</b>	<b>17608802</b>	<b>100.00</b>

## (f) Shareholding Pattern as on March 31, 2017 is as follows:

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	-	-	-	-
5.	Bodies Corporate	5768107	18304	5786411	32.86
6.	Non-Resident	20413	14620	35033	0.20
7.	General Public	5796692	1397991	7194683	40.86
8.	Trusts	750	-	750	0.00*
	<b>Total</b>	<b>16168022</b>	<b>1440780</b>	<b>17608802</b>	<b>100.00</b>

\* Negligible



## 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.**

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, 2017
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 transactions 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 weakness 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 29, 2017**

**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, 2017, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ('the Listing Regulations') for the period ended March 31, 2017.

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 the Listing Regulations 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.**  
Chartered Accountants  
Firm Regn. No. 301051E

**Place : Mumbai**  
**Date : May 29, 2017**

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





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## INDEPENDENT AUDITOR'S REPORT

**To  
The Members of  
GOLDEN TOBACCO LIMITED**

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

We have audited the accompanying standalone financial statements of **Golden Tobacco Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of 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 31<sup>st</sup> March, 2017;
- (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 regarding appropriateness or otherwise of the preparation of these standalone financial statements, in view of the Company's net worth had been entirely eroded. The Company has prepared these standalone financial statements on a going concern basis as the management is hopeful to turn around the Company's business performance especially in the realty business segment where one of the project's construction activities has commenced and is expected to be

completed in stipulated time frame in due course. (Refer note no. 25.2 of the standalone financial statements for the year ended March 31, 2017).

#### **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, 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) 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.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements (Refer Note no. 25.1 (1.1) to the standalone financial statements for the year ended March 31, 2017);
    - (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, 2017.
    - (iv) The Company has disclosed in the financial statements as to holding as well as dealings in Specified Bank Notes (SBN) during the period from 8th November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with books of account maintained by the Company (Refer Note no. 13 of the standalone financial statements).

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

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

**Place : Mumbai**  
**Date : May 29, 2017**



**“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: ` 3,373,283) as on March 31, 2017 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 36 days in payment of Excise Duty and amount involved ` 6,68,00,000 (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 ` 12,32,14,466.
- (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 STATUTE	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTE IS PENDING
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1993 to 1998	2,61,308	Sales Tax Appellate Tribunal- Coimbatore
The Kerala Value Added Tax Act, 2003	Sales Tax	2008-09 to 2011-12	84,97,126	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 STATUTE	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	2006-07 to 2010-11	2,90,01,520	High Court/ Appellate Authorities
The Income Tax Act, 1961	Income Tax	1988-89 and 1992-93-1995-96	63,17,83,280	Income tax Appellate Tribunal/
		1991-92	28,70,55,343	Assessing Officer
The Central Excise Act, 1944	Excise Duty	1979, 1997 and 1998	3,08,33,015	Supreme Court of India
		2000,2003 and 2004	79,84,644	High Courts
		1983,1994,1995,1999, 2002,2003,2007 and 2011	68,95,73,363 39,89,96,358	Customs, Excise, Service Tax Appellate Tribunal
		1979 to 2011	1,23,05,03,265	Commissioner of Central Excise-Appeal
		1995 to 2011	145,01,69,472	Appellate Authority for Industrial and Financial reconstruction before abolition*

\*further notice from the Excise Department in respect of approaching appropriate appellate authorities is awaited. Also refer note no. 25.1 (1.1) (b) (iii) of the standalone financial statements for the year ended March 31, 2017.

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	25,22,71,114	Upto 24 months
Allahabad Bank	3,87,21,547	Upto 18 months
Syndicate Bank	10,36,20,596	Upto 24 months
State Bank of Bikaner and Jaipur	11,19,63,807	Upto 27 months
Vijaya Bank	11,09,66,124	Upto 27 months
Indiabulls Housing Financial Services Limited	146,30,42,801	Upto 48 months
<b>Total</b>	<b>208,05,85,989</b>	

\*Please refer note no. 25.7 to the standalone financial statements for the year ended March 31, 2017

9. During the year, the Company has not raised any money by way of initial public offer or further public offer and term loan. Therefore, Para 3 (ix) of the Order is not applicable to the Company.
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 excess managerial remuneration aggregating to ` 22,27,312 paid for the period from September 27, 2015 to September 12, 2016, 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, 2017) 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 29, 2017**

#### ‘Annexure B’

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

We have audited the internal financial controls over financial reporting of **Golden Tobacco Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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.

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.

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.

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**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : Mumbai**  
**Date : May 29, 2017**

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



## BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at March 31, 2017	(Amount in `) As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(1,921,334,129)	(1,643,108,335)
<b>2 Non-Current Liabilities</b>			
Long-Term Borrowings	3	31,127,866	94,289,714
Other Long Term Liabilities	4	-	66,240,883
<b>3 Current Liabilities</b>			
Short-Term Borrowings	5	374,326,139	374,326,031
Trade Payables		312,781,555	285,432,919
Other Current Liabilities	6	4,196,818,859	3,752,984,008
Short-Term Provisions	7	45,200,676	49,418,464
<b>TOTAL</b>		<b><u>3,214,801,178</u></b>	<b><u>3,155,463,896</u></b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
<b>Fixed Assets (Net)</b>			
Tangible Assets	8	174,029,176	182,574,172
Non-Current Investments	9	86,445,889	86,445,889
Long-term Loans and Advances	10	1,996,227,973	2,094,129,372
<b>2. Current Assets</b>			
Inventories	11	640,687,637	660,505,603
Trade Receivables	12	86,753,032	89,243,749
Cash and Bank Balances	13	23,014,500	17,726,501
Short Term Loans and Advances	14	7,960,195	23,246,049
Other Current Assets	15	199,682,776	1,592,561
<b>TOTAL</b>		<b><u>3,214,801,178</u></b>	<b><u>3,155,463,896</u></b>

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

1 - 25

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants

Firm Registration No. 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

Place : Mumbai

Date : May 29, 2017

**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, 2017**

Particulars	Note No.	(Amount in `)	
		For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Income</b>			
Revenue from operations			1,004,839,669
Sale of Manufactured Products		<b>988,050,971</b>	(562,878,885)
Less:Excise Duty		<b>(531,800,070)</b>	5,366,751
Other income from Operations	16	<b>1,994,585</b>	447,327,535
		<b>458,245,486</b>	12,877,116
Other income	17	<b>156,133,952</b>	
<b>Total Income</b>		<b>614,379,438</b>	<b>460,204,651</b>
<b>Expenses</b>			
Cost of materials consumed	18	<b>245,331,790</b>	242,452,318
Manufacturing and Operating Costs	19	<b>15,044,290</b>	15,056,105
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	<b>5,221,537</b>	7,422,966
Employee Benefits Expense	21	<b>106,431,395</b>	110,102,802
Finance Costs	22	<b>265,759,311</b>	247,052,989
Depreciation and Amortization Expense	8	<b>8,658,245</b>	10,407,963
Other Expenses	23	<b>246,158,664</b>	193,368,359
<b>Total Expenses</b>		<b>892,605,232</b>	825,863,502
Loss before tax		<b>(278,225,794)</b>	(365,658,851)
Tax Expense :			
Current tax		-	-
<b>Loss for the year</b>		<b>(278,225,794)</b>	<b>(365,658,851)</b>
Earnings per equity share of the face value of ` 10 each :			
Basic & Diluted Earning per share:	25.11	<b>(15.82)</b>	(20.79)
<b>Significant accounting policies and Accompanying Notes form an integral part of financial statements</b>	1 - 25		

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants

Firm Registration No. 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

Place : Mumbai

Date : May 29, 2017

**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, 2017

(Amount in ` )

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash flow from Operating Activities:</b>		
Net loss as per statement of profit & loss	(278,225,794)	(365,658,851)
<b>Add: Adjustments for :</b>		
Depreciation & amortisation expenses	8,658,245	10,407,963
Interest Expenses	265,759,311	247,052,989
Provision for doubtful debts provided for/(written back)-net	24,850,333	(2,460,268)
Interest received (other than investment)	(139,651,951)	(1,968,628)
Dividend received on long term non trade investments	(2,161,770)	(978,072)
Liabilities no longer payable written back	112,222	(16,622)
Foreign Exchange (Gain)/Loss, Net	343,242	3,412,520
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>(120,316,162)</b>	<b>(110,208,969)</b>
<b>Adjustments for changes in Working Capital :</b>		
- Trade and other Receivables	1,790,472	164,041,732
- Inventories	19,817,966	113,955,339
- Trade and Other Payable	110,385,424	57,112,536
<b>Cash generated from Operations</b>	<b>11,677,700</b>	<b>224,900,638</b>
Income Taxes Paid	(3,281,707)	(250,706)
<b>Net cash from/(used in) Operating Activities - A</b>	<b>8,395,993</b>	<b>224,649,932</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(113,250)	(2,524,300)
Interest received (other than Investment)	2,244,764	1,968,628
Dividend received	2,161,770	978,072
<b>Net Cash from/(used in) Investing Activities - B</b>	<b>4,293,284</b>	<b>422,400</b>
<b>C Cash flow from Financing Activities:</b>		
(Repayment)/Proceeds of borrowings net	(8,592)	(26,899,226)
Interest paid	(7,894,539)	(195,136,717)
<b>Net cash from/(used in) Financing Activities - C</b>	<b>(7,903,131)</b>	<b>(222,035,943)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	4,786,146	3,036,389
Opening Cash and Cash Equivalents	4,609,294	1,572,905
<b>Closing Cash and Cash Equivalents</b>	<b>9,395,440</b>	<b>4,609,294</b>

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 29, 2017

**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, 2017

## 1 Share Capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount in `	Number	Amount in `
<b>Authorised</b>				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
		350,000,000		350,000,000
<b>Issued</b>				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
<b>Subscribed and Paid up</b>				
Equity Shares of ` 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
	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, 2017		As at March 31, 2016	
	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, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
J. P. Financial Services Pvt Ltd	8,550	0.00%	1,090,000	6.19%
WGF Financial Services Ltd	959,232	5.45%	159,232	0.90%

## 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, 2017	As at March 31, 2016
<b>Securities Premium Account</b>		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
<b>Revaluation Reserve</b> (On revaluation of Land, Buildings and Plant & Machinery)		
Balance as per last balance sheet	121,791,063	121,791,063
<b>Deficit: Statement of Profit and Loss</b>		
Opening Balance	(2,298,520,301)	(1,932,861,450)
Add : Loss for the year transferred from Statement of Profit & Loss	(278,225,794)	(365,658,851)
Closing Balance	(2,576,746,095)	(2,298,520,301)
<b>Total</b>	<b>(1,921,334,129)</b>	<b>(1,643,108,335)</b>

## 3 Long Term Borrowings

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured :</b>		
Term Loans :		
from Bodies Corporate	6,127,866	69,289,714
<b>Unsecured Loans :</b>		
from a Body Corporate	25,000,000	25,000,000
<b>Total</b>	<b>31,127,866</b>	<b>94,289,714</b>

### 3.1 Repayment & other terms of the Borrowings as on March 31, 2017 are as follows :

(Amount in `)

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
<b>Secured Loans :</b>				
From a Bank :				
Secured by way of deposit of title deeds of property situated at Palghar, Dist. Thane, Maharashtra.	14.75% (fixed)	8,544,127	8,544,127	-
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.15% (floating)	69,500,000	69,500,000	-
<b>From Bodies Corporate</b>				
Secured by way of mortgage of immovable property (a) situated at Marol, Mumbai and (b) property to be constructed at Hyderabad.	13.2% - 15%	960,070,219	953,942,353	6,127,866
<b>Total</b>		<b>1,038,114,346</b>	<b>1,031,986,480</b>	<b>6,127,866</b>

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

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
<b>Secured Loans :</b>				
<b>From Banks</b>				
Term loan availed from Bank is secured by way of deposit of title deeds of property situated at Palghar Dist. Thane, Maharashtra.	14.75% (fixed)	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	-
<b>From Bodies Corporate</b>				
Secured by way of mortgage of immovable property (a) situated at Marol, Mumbai and (b) property to be constructed at Hyderabad.	13.2% - 15%	960,070,219	890,780,505	69,289,714
<b>Total</b>		<b>1,038,123,046</b>	<b>968,833,332</b>	<b>69,289,714</b>

**4 Other Long Term Liabilities (Amount in `)**

Particulars	As at March 31, 2017	As at March 31, 2016
Other Liabilities	-	66,240,883
<b>Total</b>	<b>-</b>	<b>66,240,883</b>

**5 Short Term Borrowings (Amount in `)**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>		
Working Capital Facilities : from banks (Overdue)	<b>374,326,139</b>	374,326,031
<b>Total</b>	<b>374,326,139</b>	<b>374,326,031</b>

**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 IFCL 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 IFCL 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.
- 5.3 Canara Bank, lead banker on behalf of the consortium bankers has initiated action u/s 13(4) of the SARFAESI Act for recovery of their dues in respect of Company's properties situated at Guntur (where 1st charge was provided) and Vadodra property (where 2<sup>nd</sup> charge was provided). The Company has challenged the said action of the bankers before the DRT, Mumbai which is pending.
- Further, Allahabad Bank has also taken action u/s 13(4) of the SARFAESI Act for recovery of their dues in respect of Palghar property where they have been provided security as first charge. The Company has challenged the said action of the bankers before the DRT, Mumbai which is pending.



## 6 Other Current Liabilities

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term debt	68,535,820	20,402,300
Interest accrued and due on borrowings: Bank	165,172,922	68,000,596
: Others	577,636,268	431,227,553
Overdue borrowings : Bank	78,044,127	78,052,827
: Others	885,406,533	870,378,205
Security deposits (refer note no. 25.3(b))	163,016,948	162,438,642
Advances from customers	43,758,088	36,794,005
Due to a subsidiary company	3,103,935	3,103,935
Excise duty accrued but not due	81,354,149	42,982,018
Unpaid Dividend	7,115,143	7,115,143
Advance Received Towards Property Development (Also Refer Note No. 25.3(a))	1,320,000,000	1,320,000,000
Advance Received Towards Project Development*	407,500,000	407,500,000
Undisputed Excise dues payable including Interest (Also Refer Note No. 25.1 (1.1)(b )(iii))	127,756,851	118,671,851
Statutory dues payable	99,491,623	62,543,003
Book Overdraft in Current Account with a Bank	10,801,434	17,863,470
Due to Employees	45,417,337	36,547,608
Other liabilities	112,707,681	69,362,852
<b>Total</b>	<b>4,196,818,859</b>	<b>3,752,984,008</b>

\* Advances from a strategic Investor to develop its proposed project for vile parle property on its own.

## 7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for :		
Gratuity (refer note no. 7.1 below)	32,560,199	38,969,226
Leave	12,640,477	10,449,238
<b>Total</b>	<b>45,200,676</b>	<b>49,418,464</b>

7.1 Provision for gratuity liability of ` 3,25,60,199 (Previous year ` 3,89,69,226), 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, 2017	As on March 31, 2016
- Discount Rate	7.22%	7.80%
- 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, 2016	Additions during the year	Disposals during the year	Balance as at 31st March, 2017	Balance up to 31st March, 2016	Charge for the year	Disposals during the year	Balance as at 31st March, 2017	Balance as at 31st March, 2017
Tangible Assets									
Land & Building (At Book value)	242,689,042	-	-	242,689,042	77,712,833	4,418,929	-	82,131,762	160,557,280
Electric Installations (At Cost)	2,965,868	-	-	2,965,868	2,965,868	-	-	2,965,868	-
Plant and Equipment (At Book value)	857,407,839	-	-	857,407,839	844,718,469	3,135,740	-	847,854,209	9,553,630
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	5,719,470	64,112	-	5,783,582	141,351
Computer	10,281,988	113,250	-	10,395,238	10,040,755	191,114	-	10,231,869	163,369
Factory equipment (At Cost)	25,598,487	-	-	25,598,487	21,186,343	798,598	-	21,984,941	3,613,546
Office equipment (At Cost)	11,383,922	-	-	11,383,922	11,334,169	49,753	-	11,383,922	-
<b>Total</b>	<b>1,163,631,355</b>	<b>113,250</b>	<b>-</b>	<b>1,163,744,605</b>	<b>981,057,183</b>	<b>8,658,245</b>	<b>-</b>	<b>989,715,428</b>	<b>174,029,176</b>

**(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	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
<b>Total</b>	<b>1,161,107,055</b>	<b>2,524,300</b>	<b>-</b>	<b>1,163,631,355</b>	<b>970,649,220</b>	<b>10,407,963</b>	<b>-</b>	<b>981,057,183</b>	<b>182,574,172</b>

## Notes :

- Gross value of Land and Building includes a sum of ` 25,30,760 (Previous Year ` 25,30,760) being the cost of Land/Premises on ownership basis acquired in terms of agreement to purchase
- Gross value of Land and Building includes a sum of ` 250 (Previous Year ` 250) being the cost of shares in Co-operative Societies.
- Bifurcation of the Book value of Land and Building is not possible in view of the non-availability of separate value of certain Land and Building.
- Land and Building includes a Flat of ` 66,44,825 (Previous Year ` 66,44,825): Net Block ` 33,73,283 (Previous Year ` 35,45,971). 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.
- 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 and got the order to maintain the status quo.
- Land and Building includes land of ` 1,58,75,729 (Previous Year ` 1,58,75,729) at Guntur which has been charged in favor of consortium Bankers. The Company has been intimated by Canara Bank the lead banker that out of 14.29 acres, 6.20 acres has been claimed by the Waqf Board. The Company has challenged the claim of the Waqf Board before Hon'ble Hyderabad High Court and is pending. However based on legal advice and favorable order in similar cases, Company is expecting favorable order.



## 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, 2017	As at March 31, 2016		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>A</b>	<b>Investments in Equity Shares- Long Term In Subsidiary Companies : (Unquoted and fully paid up)</b>								
	Golden Realty & Infrastructure Limited (at cost)	Non-Trade	50,000	50,000	` 10	100%	100%	500,000	500,000
	Golden Investment (Sikkim) Private Limited#(at cost)	Non-Trade	5,998	5,998	` 10	99.97%	99.97%	59,980	59,980
	Western Express Industries Limited (at cost) (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>B</b>	<b>In Other Body Corporate : (Unquoted , fully paid up)</b>								
	World Growth Fund Limited * (at depreciated value)	Non-Trade	10,000	10,000	` 10			1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	` 10			1	1
	Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	` 10			1	1
J K Cigarette Limited# (at depreciated value)	Trade	20,000	20,000	` 10			1	1	
<b>C</b>	<b>In Other Body Corporate : (Quoted, fully paid up)</b>								
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	` 10			49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	` 10			1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	` 10			10,500,000	10,500,000
	ITC Limited (at cost)	Trade	11,520	11,520	` 1			772	772
	Godfrey Phillips India Limited (at cost)	Trade	1,140	1,140	` 2			758	758
VST Industries Limited (at cost)	Trade	64	64	` 10			407	407	
<b>Total</b>							<b>86,445,889</b>	<b>86,445,889</b>	
	Aggregate amount of Quoted Investments						61,676,634	61,676,634	
	Aggregate amount of Un-quoted Investments						24,769,255	24,769,255	
	Aggregate Market Value of Quoted Investments						115,495,700	64,013,863	

# 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, 2017		As at March 31, 2016	
<b>Unsecured, Considered good</b> Unless otherwise stated				
Security Deposits		7,171,591		6,950,697
Balances with Excise/Sales tax authorities		191,183,523		188,275,899
Loans and Advances				
To Subsidiaries (Refer note no. 10.1 & 10.2 below)		1,723,330,710		1,736,772,846
To Others		53,852,397		53,428,467
Payment of Tax (Net of Provisions of ` 5,63,01,138; Previous year ` 32,73,11,216)		20,689,752		108,701,463
Other Advances - Considered Doubtful	57,014,379		38,347,925	
Less: Provision for doubtful loans and advances	57,014,379	-	38,347,925	-
<b>Total</b>		<b>1,996,227,973</b>		<b>2,094,129,372</b>

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. 25.3(c) regarding advances to a subsidiary of ` 163,89,77,637 (Previous Year ` 164,84,77,637) towards realty activity

**11 Inventories \***

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials	92,431,427	138,279,558
Work-in-progress	26,500,740	29,236,963
Finished goods (Refer note no. 11.1)	99,591,574	67,593,731
Packing Materials	39,918,249	43,007,889
Stock in Trade (Immovable Property)(refer note no. 11.2 and 25.3(a))	352,198,748	352,198,748
Stores and spares	30,046,899	30,188,714
<b>Total</b>	<b>640,687,637</b>	<b>660,505,603</b>

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

11.1 The Company has provided excise duty/customs duty of ` 8,13,54,149 (Previous year ` 4,29,82,018) 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.

**12 Trade Receivables**

(Amount in `)

Particulars	As at March 31, 2017		As at March 31, 2016	
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		2,083,676
Unsecured				
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment				
Considered good		3,295,271		12,449,759
Considered doubtful	49,876,368		39,750,354	
Less : Provision for doubtful debts	49,876,368	-	39,750,354	-
		3,295,271		12,449,759
Others				
Considered good		81,374,085		74,710,314
<b>Total</b>		<b>86,753,032</b>		<b>89,243,749</b>





### 13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Cash and Cash Equivalents:</b>		
Balances with banks	8,394,485	3,828,213
Cash on hand	1,000,955	781,080
<b>Total</b>	<b>9,395,440</b>	<b>4,609,293</b>
<b>Earmarked Bank balances:</b>		
Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	13,619,060	13,117,208
<b>Total</b>	<b>13,619,060</b>	<b>13,117,208</b>
<b>Total</b>	<b>23,014,500</b>	<b>17,726,501</b>

13.1 Following is the disclosure in terms of notification issued by the Ministry of Corporate Affairs dated 30<sup>th</sup> March 2017 :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	408,154	741,398	1,149,552
(+) Permitted receipts	-	N.A.	-
(-) Permitted payments	26,000	N.A.	26,000
(-) Amount deposited in Banks	382,000	N.A.	382,000
Closing cash in hand as on 30.12.2016	0	740353	740353

### 14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, Considered good:</b>		
Balances with Excise authorities	1,141,764	2,008,292
Advances to suppliers	1,344,474	922,219
Other Loans and Advances recoverable in cash or in kind or for value to be received	5,473,957	20,315,538
<b>Total</b>	<b>7,960,195</b>	<b>23,246,049</b>

### 15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on fixed deposits	1,050,795	814,980
Export Incentive receivable	214,862	-
Interest receivable on Income Tax refund	197,909,855	-
Prepaid Expenses	507,264	777,581
<b>Total</b>	<b>199,682,776</b>	<b>1,592,561</b>

**16 Other Income from operations****(Amount in `)**

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Other operating revenues from Scrap Sale	<b>1,231,333</b>	1,362,384
Export Incentives	<b>763,252</b>	4,004,367
<b>Total</b>	<b>1,994,585</b>	<b>5,366,751</b>

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

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Interest Income *	<b>139,651,951</b>	1,968,628
Credits in respect of excess interest charged by Banks	-	1,234,442
Dividend income from long term investments	<b>2,161,770</b>	978,072
Liabilities no longer payable written back	<b>112,222</b>	16,622
Provision for doubtful debts written back	<b>130,000</b>	2,460,268
Rental Income	<b>14,074,009</b>	6,050,333
Miscellaneous Income	<b>4,000</b>	168,751
<b>Total</b>	<b>156,133,952</b>	<b>12,877,116</b>

\* Interest Income includes ` 13,74,07,187 on Income Tax Refund receivable pertaining to earlier years in terms of ITAT order dated 9<sup>th</sup> March, 2017.

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

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Raw Materials consumed	<b>175,841,234</b>	164,771,621
Packing Materials consumed	<b>69,490,556</b>	77,680,697
<b>Total</b>	<b>245,331,790</b>	<b>242,452,318</b>

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

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Consumption of stores and spare parts	<b>4,123,142</b>	3,203,820
Repairs to machinery	<b>1,208,241</b>	1,439,220
Power and fuel	<b>9,712,907</b>	10,413,065
<b>Total</b>	<b>15,044,290</b>	<b>15,056,105</b>


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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening Stock:</b>		
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
<b>Total</b>	<b>449,029,442</b>	<b>484,454,068</b>
<b>Closing Stock:</b>		
Finished Goods	99,591,574	67,593,731
Work in Progress	26,500,740	29,236,963
Stock in Trade (immovable Property)	352,198,748	352,198,748
<b>Total</b>	<b>478,291,062</b>	<b>449,029,442</b>
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	34,483,157	(28,001,660)
<b>Total</b>	<b>5,221,537</b>	<b>7,422,966</b>

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages	90,704,563	93,830,074
Contributions to provident and other funds	6,522,594	7,068,537
Staff welfare expenses	9,204,238	9,204,191
<b>Total</b>	<b>106,431,395</b>	<b>110,102,802</b>

**22 Finance Costs**
**(Amount in `)**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expenses (Refer Note No. 25.7)	251,475,580	232,956,268
Interest on Statutory dues	14,283,731	14,096,721
<b>Total</b>	<b>265,759,311</b>	<b>247,052,989</b>

**23 Other Expenses**
**(Amount in `)**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	5,997,007	5,880,629
Repairs & Maintenance - Building	4,649,996	3,643,422
Insurance	1,146,751	1,422,815
Rates and Taxes	14,223,457	2,661,181
Travelling & Conveyance Expenses	16,393,041	17,509,237
Legal & Professional charges	38,904,082	35,695,553
Director's sitting Fees	371,500	400,000
Loss on Variation in Foreign Exchange Rates (Net)	343,242	3,412,520
Selling and Distribution Expenses	103,292,279	84,934,103
Provision for Doubtful Debts/Advances	24,980,333	744,444
Commission on sales	94,950	1,287,280
Miscellaneous Expenses	35,762,026	35,777,175
<b>Total</b>	<b>246,158,664</b>	<b>193,368,359</b>

**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 ` **353,11,27,625** (Previous year ` **323,54,71,079**) 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 ` **12,20,63,866** (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: ` **1,13,22,97,543** (Previous Year ` **6,59,97,76,995**) including interest and penalties against which the Company has paid/refund due ` **21,65,35,545** including (Previous year ` **10,78,25,890**) (included in Loans & Advances and other current assets).

(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) Pursuant to the order dated May 12, 2016 of Hon'ble Supreme Court, the Income Tax Department vide its order dated July 13, 2016 has attached, prohibited and restrained the Company from transferring or charging its Vile Parle property to recover principal amount of tax demand (disputed by the Company).

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. – (Refer Note No. 6 )

The SICA Act 1985 (BIFR) is repealed and the Insolvency and Bankruptcy Code, 2016 (IBC) have been notified and implemented w.e.f. December 1, 2016. In view of this, the Company can approach the National Company Law Tribunal (NCLT) within stipulated time for it's pending cases before BIFR/AAIFR, wherever necessary.

(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	<b>3,39,87,759</b>	3,89,55,560
ii) Disputed Sales Tax	<b>1,34,03,347</b>	55,40,191
iii) Disputed Entry Tax	<b>26,55,28,904</b>	25,89,21,642
iv) Disputed Land Revenue Tax	<b>314,822</b>	314,822
v) Disputed E.S.I.C (Employees' State Insurance)	<b>18,86,378</b>	18,86,378
vi) Services/materials suppliers/advance forfeited and other business related disputed matters	<b>51,37,48,313</b>	<b>45,68,22,444</b>

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) The Company's net worth had been entirely eroded. The Company has prepared these financial statements on a going concern basis as the management is hopeful to turn around the Company's business performance especially in the realty business segment where one of the project's construction activities has Commenced and is expected to be completed in stipulated time frame in due course.
- 3) 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 said developers have also filed an appeal u/s 9 and 11 of the Arbitration and Conciliation Act before the Hon'ble Bombay High Court which is pending.

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 pending with NCLT.
  - (b) The Company had entered into a development agreement in September, 2007 and supplemental agreement in October, 2008, March, 2014 and September, 2016 with a developer to jointly develop its Hyderabad property. The Company has received an interest free security deposit, balance as on March 31, 2017 ` **9,00,00,000** (Previous Year ` **9,00,00,000**). All necessary approvals have been obtained and project's construction activities have Commenced and are expected to be completed in stipulated time frame in due course.
  - (c) The Company had given advances aggregating to ` **1,63,89,77,637** (Previous Year ` **1,64,84,77,637**) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized the same to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development Agreement in this regard.
- 4) Land & Buildings and Plant & Equipment were revalued as on 30<sup>th</sup> June, 1980, 30<sup>th</sup> June, 1984, 30<sup>th</sup> June, 1986 (only Land and Buildings), 30<sup>th</sup> June, 1988 and 31<sup>st</sup> March, 1993. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of ` 14,02,48,283 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).
- 5) Other Liabilities (Refer Note No. 6) includes ` NIL (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) (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.
- 7) During the year, excess interest of ` 3,61,47,360 (Previous year ` 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.
- 8) 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	-	-

- 9) As a matter of prudence, the following net deferred tax asset as on March 31, 2017 has not been recognized

Particulars	Current Year	Previous Year
<b>Deferred Tax Assets:</b>		
Unabsorbed loss and depreciation	58,49,75,661	81,37,92,749
Expenses allowable U/s. 43B of Income Tax Act, 1961 on payment basis (Provision for Doubtful Debts)	24,89,68,089	5,62,18,570
Depreciation	1,38,48,230	1,60,91,425
<b>Net Deferred Tax Assets</b>	<b>84,77,91,980</b>	<b>88,61,02,744</b>

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





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

Shri Amit Joshi  
 Shri Ashwin Joshi  
 Smt. Ivleen Khurana  
 Smt. Ritu Srinastava  
 Smt. Savita Malasaria

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, 2017

(In `)

Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Golden Realty &amp; Infrastructure Limited :</b>		
Advances received back	<b>95,00,000</b>	18,34,00,000
<b>Shri. A. K. Joshi</b>		
Managerial Remuneration*	<b>81,62,686</b>	81,74,606
<b>Shri. Jaskaran S Khurana</b>		
Managerial Remuneration*	<b>63,26,460</b>	50,30,789
<b>Shri. Manoj Kumar Srivastava</b>		
Remuneration	<b>9,38,418</b>	9,78,418
<b>Shri. Pawan Kumar Malsaria</b>		
Remuneration	<b>10,89,803</b>	1,52,340
<b>Shri. Amit Joshi :</b>		
Car Hire Charges	<b>1,80,000</b>	1,80,000
<b>Shri. Ashwin Joshi :</b>		
Car Hire Charges	<b>1,80,000</b>	1,80,000
<b>Smt. Ivleen Khurana :</b>		
Car Hire Charges	<b>3,60,000</b>	3,60,000
<b>Smt. Ritu Srivastava:</b>		
Car Hire Charges	<b>96,000</b>	56,000
<b>Smt. Savita Malsaria :</b>		
Car Hire Charges	<b>96,000</b>	13,714

\*In respect of excess managerial remuneration aggregating to ` 22,27,312 paid during the period from 27 September 2015 to September 12, 2016, 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.

(In `)

Balances	As at March 31, 2017	As at March 31, 2016
<b>Golden Realty &amp; Infrastructure Limited :</b>		
Receivable	163,89,77,637	164,84,77,637
Investment	5,00,000	5,00,000
<b>Western Express Industries Limited :</b>		
Receivable	9,34,90,395	8,43,53,073
Investment	2,31,20,000	2,31,20,000
<b>Golden Investment (Sikkim) P Ltd :</b>		
Payable	31,03,935	31,03,935
Investment	59,980	59,980
<b>GTC Inc. B.V.:</b>		
Receivable	39,42,136	39,42,136
Investment	10,89,270	10,89,270
Provision for doubtful debts	3,942,136	-
<b>Shri. A. K. Joshi</b>		
Payable	6,79,174	6,79,174
<b>Shri. Jaskaran S Khurana</b>		
Payable	10,65,402	4,65,402
<b>Shri. Manoj Kumar Srivastava</b>		
Payable	73,679	73,679
<b>Shri. Pawan Kumar Malsaria</b>		
Payable	82,976	74,195
<b>Shri. Amit Joshi :</b>		
Payable	15,000	15,000
<b>Shri. Ashwin Joshi :</b>		
Payable	15,000	15,000
<b>Smt. Ivleen Khurana :</b>		
Payable	29,650	29,650
<b>Smt. Ritu Srivastava :</b>		
Payable	8,000	8,000
<b>Smt. Savita Malsaria:</b>		
Payable	8,000	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 except as disclosed above. 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) <b>Numerator :</b> Net Loss as per Statement of profit and loss (after tax)	(27,82,25,794)	(36,56,58,851)
(b) <b>Denominator :</b> Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	1,75,88,021	1,75,88,021
(c) <b>Earnings Per Equity Share</b> Basic and Diluted	(15.82)	(20.79)
(d) <b>Nominal Value Per Equity Share</b>	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	18,93,801	18,42,368
Contribution to Provident and Other Funds	2,09,143	2,15,686
Workmen and Staff Welfare Expenses	13,027	17,843
Power and Fuel	2,76,540	2,59,090
Building Repairs and Maintenance	98,978	2,74,262
Rates and Taxes	15,29,378	15,78,418
Insurance	1,58,330	1,87,131
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	9,89,100	9,89,100
(ii) In other capacity for :		
(a) Tax Audit	1,57,500	1,57,500
(b) Certification fees	3,30,000	3,30,000
	14,76,600	14,76,600
(iii) Reimbursement of expenses [including service tax of ` 2,11,366 (Previous Year ` 1,86,475)]	3,87,822	3,54,223
	18,64,422	18,30,823

- 15) "Selling and Distribution Expenses" includes :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Rent	1,20,000	1,14,000
Entry Tax/Octroi/Toll Tax	5,33,215	13,66,777

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

A: Information in respect of Sales :

(Amount in `)

Particulars	Sales	Closing Inventory	Opening Inventory
Cigarettes	98,43,99,943 (1,00,38,69,149)	9,95,91,574 (6,75,93,731)	6,75,93,731 (9,81,01,479)
Raw Tobacco	1,69,050 (NIL)	NIL (NIL)	NIL (NIL)
Processed Tobacco	28,24,510 (NIL)	NIL (NIL)	NIL (NIL)
Stock in Trade (Immovable Property)	NIL (NIL)	35,21,98,748 (35,21,98,748)	35,21,98,748 (35,21,98,748)
Others	6,57,468 (9,70,520)	NIL (NIL)	NIL (NIL)
<b>Total</b>	<b>98,80,50,971</b> (1,00,48,39,669)	<b>45,17,90,322</b> (41,97,92,479)	<b>41,97,92,479</b> (45,03,00,227)

- B : Sales include transfer for own consumption of cigarettes at Sales values ` 3,22,320 (Previous year ` 2,59,418)  
 C. Raw Materials Consumed # : (as certified by the management)

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Tobacco	11,14,04,163	10,31,26,470
Cigarette Paper	1,37,16,580	1,27,20,051
Filter Rods	4,06,44,593	3,91,05,539
Others	1,00,75,898	98,19,561
<b>Total</b>	<b>17,58,41,234</b>	<b>16,47,71,621</b>

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

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

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Raw Materials	1,52,59,804	1,73,21,171
(b) Packing Materials	33,47,450	78,46,930

- 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	1,05,88,714 (1,98,41,428)	6.02 (12.04)	62,454 (49,531)	1.51 (1.55)
Indigenous	16,52,52,520 (14,49,30,193)	93.98 (87.96)	40,60,688 (31,54,289)	98.49 (98.45)
<b>Total</b>	<b>17,58,41,234</b> (16,47,71,621)	<b>100.00</b> (100.00)	<b>41,23,142</b> (32,03,820)	<b>100.00</b> (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	7,04,572	20,20,362
Advertisement Expenses	3,43,398	Nil
(ii) Earning in Foreign Currency :		
(a) Exports of Goods on F.O.B. basis (including exports through/by third parties)	22,94,47,145	20,55,12,538
(b) Recovery towards Freight and Insurance on Export	4,91,358	5,63,965
<b>Total</b>	<b>22,99,38,503</b>	<b>20,60,76,503</b>



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

Particulars	Type of foreign currency	As at 31-03-2017		As at 31-3-2016	
		Amount in foreign currency	Amount in `	Amount in foreign currency	Amount in `
Trade Receivable	US\$	6,099	3,95,451	6,099	4,04,564
Advances from Customer	US\$	4,85,249	3,14,62,868	426,117	2,82,65,544

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 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 29, 2017

**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

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## **INDEPENDENT AUDITOR'S 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 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Parent Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements 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 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter:**

Without qualifying, we draw attention regarding appropriateness or otherwise of the preparation of these consolidated financial statements, in view of the Group's net worth had been entirely eroded. The Group has prepared these consolidated financial statements on a going concern basis as the management is hopeful to turn around the Group's business performance especially in the realty business segment where one of the project's construction activities has commenced and is expected to be completed



in stipulated time frame in due course. (Also Refer note no. 25.2 of the consolidated financial statements for the year ended March 31, 2017).

**Other Matters:**

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ` 1,07,34,127 as at March 31, 2017 ( ` 1,08,14,611 as at March 31, 2016), total revenues Rs. Nil and net cash flow of ` 80,484 for the year ended March 31, 2017 (total revenues and net cash flows of ` Nil and ` 200,067 respectively for the year ended March 31, 2016), 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**

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. 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 its subsidiaries incorporated in India and the operating effectiveness of such controls, we give in 'Annexure A' a separate report on the same.
- f. On the basis of the written representations received from the directors of the Parent Company and its subsidiaries incorporated in India as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) 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, 2017).
  - (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.
  - (iv) The Group has disclosed in the financial statements as to holding as well as dealings in Specified Bank Notes (SBN) during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with books of account maintained by the Group (Refer Note 13.1 of the consolidated financial statements).

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

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

**Place : Mumbai**  
**Date : May 29, 2017**

**“Annexure A”****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

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, 2017 in conjunction with our audit for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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.

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.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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





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### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Other Matter**

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**

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, 2017, 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 29, 2017**

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

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**

	Note No.	As at March 31, 2017	(Amount in `) As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(2,509,241,107)	(2,234,112,601)
2 Minority Interest		993	993
<b>3 Non-Current Liabilities</b>			
Long-Term Borrowings	3	31,127,866	94,789,714
Other Long Term Liabilities	4	-	66,240,883
<b>4 Current Liabilities</b>			
Short-Term Borrowings	5	374,326,139	374,326,031
Trade Payables		312,977,721	286,321,072
Other Current Liabilities	6	4,617,546,736	4,175,938,024
Short-Term Provisions	7	45,200,676	49,418,464
<b>TOTAL</b>		<b>3,047,819,236</b>	<b>2,988,802,792</b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>Fixed Assets (Net)</b>			
Tangible Assets	8	180,711,611	189,256,606
Non-Current Investments	9	62,878,173	62,878,173
Long-term Loans and Advances	10	1,845,286,005	1,943,514,418
<b>2 Current Assets</b>			
Inventories	11	640,687,637	660,505,603
Trade Receivables	12	86,753,032	89,243,749
Cash and Bank Balances	13	23,612,890	18,318,717
Short Term Loans and Advances	14	8,207,112	23,492,966
Other Current Assets	15	199,682,776	1,592,560
<b>TOTAL</b>		<b>3,047,819,236</b>	<b>2,988,802,792</b>

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

1 - 25

As per our attached Report of even date

**For LODHA & CO.**

Chartered Accountants

Firm Registration No. 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

Place : Mumbai

Date : May 29, 2017

**For and on behalf of the Board**

**A. K. Joshi**

Managing Director

DIN : 00379820

**Bharat B. Merchant**

Director

DIN : 00300384

**Pawan Kumar Malsaria**

Chief Financial Officer

**Manoj Kumar Srivastava**

Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>(Amount in `)</b>			
<b>Income</b>			
Revenue from operations			1,004,839,669
Sale of Manufactured Products		<b>988,050,971</b>	
Less:Excise Duty		<b>(531,800,070)</b>	(562,878,885)
Other income from Operation	16	<b>1,994,585</b>	5,366,751
		<b>458,245,486</b>	447,327,535
Other income	17	<b>156,220,162</b>	12,993,825
<b>Total Income</b>		<b>614,465,648</b>	<b>460,321,360</b>
<b>Expenses</b>			
Cost of materials consumed	18	<b>245,331,790</b>	242,452,318
Manufacturing and Operating Costs	19	<b>15,044,290</b>	15,056,105
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	<b>5,221,537</b>	7,422,966
Employee Benefits Expense	21	<b>106,431,395</b>	110,102,802
Finance Costs	22	<b>265,760,821</b>	247,053,089
Depreciation and Amortization Expense	8	<b>8,658,245</b>	10,407,963
<b>Other Expenses</b>	23	<b>243,128,257</b>	194,771,644
<b>Total Expenses</b>		<b>889,576,335</b>	<b>827,266,887</b>
Loss before tax		<b>(275,110,687)</b>	(366,945,527)
Tax Expense :			
Current Tax		-	-
Loss for the year		<b>(275,110,687)</b>	(366,945,527)
Minority Interest(Loss)		-	5
<b>Loss for the year</b>		<b>(275,110,687)</b>	(366,945,522)
Earnings per equity share of the face value of ` 10 each :			
Basic & Diluted	25.7	(15.64)	(20.86)

**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 29, 2017

**For and on behalf of the Board**

**A. K. Joshi**

Managing Director

DIN : 00379820

**Bharat B. Merchant**

Director

DIN : 00300384

**Pawan Kumar Malsaria**

Chief Financial Officer

**Manoj Kumar Srivastava**

Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash flow from Operating Activities:</b>		
Net (loss) as per statement of Profit & loss before minority interest	(275,110,687)	(366,945,527)
<b>Add: Adjustments for :</b>		
Depreciation and Amortization	8,658,245	10,407,963
Provision for Doubtful debts provided for/ (written back) net	20,908,197	(1,715,824)
Interest Expenses	265,760,821	247,053,089
Interest received (other than investment)	(139,651,951)	(1,977,608)
Dividend received on Investment	(2,236,170)	(1,035,192)
Liabilities no longer payable written back	(112,222)	(65,400)
Effect of Foreign Currency Translation	17,819	1,232,424
Foreign Exchange (Gain)/Loss, net	343,242	3,908,122
<b>Operating Profit/(loss) before Working Capital changes</b>	<b>(121,422,706)</b>	<b>(109,137,952)</b>
<b>Adjustments for changes in Working Capital :</b>		
- Trade and other Receivables	1,790,472	164,041,732
- Inventories	19,817,966	113,955,339
- Trade and Other Payable	111,425,253	7,707,386
<b>Cash generated from Operations</b>	<b>11,610,985</b>	<b>176,566,505</b>
Income Taxes Paid	(3,281,707)	(250,706)
<b>Net cash from/(used in) Operating Activities - A</b>	<b>8,329,278</b>	<b>176,315,799</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(113,250)	(2,524,300)
Dividend received	2,236,170	1,035,192
Interest received (other than Investment)	2,244,764	1,977,608
<b>Net Cash from/(used in) Investing Activities - B</b>	<b>4,367,684</b>	<b>488,500</b>
<b>C Cash flow from Financing Activities:</b>		
(Repayment)/Proceeds from long term borrowings	(8,592)	(27,898,681)
Interest paid	(7,896,049)	(146,334,015)
<b>Net cash from/(used in) Financing Activities - C</b>	<b>(7,904,641)</b>	<b>(174,232,696)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	4,792,321	2,571,603
Opening Cash and Cash Equivalents	5,201,509	2,629,906
<b>Closing Cash and Cash Equivalents</b>	<b>9,993,830</b>	<b>5,201,509</b>

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 29, 2017**For and on behalf of the Board****A. K. Joshi**Managing Director  
DIN : 00379820**Pawan Kumar Malsaria**  
Chief Financial Officer**Bharat B. Merchant**Director  
DIN : 00300384**Manoj Kumar Srivastava**  
Company Secretary



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017

### 1 Share Capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount in `	Number	Amount in `
<b>Authorised</b>				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
<b>Total</b>		350,000,000		350,000,000
<b>Issued</b>				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
<b>Subscribed and Paid up</b>				
Equity Shares of ` 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
<b>Total</b>	17,598,016	175,880,212	17,598,016	175,880,212

### 2 Reserves and Surplus

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Capital Reserve</b>		
a) on profit on sale of Investments	10,848,900	10,848,900
b) on account of monies received against forfeited shares	90,000	90,000
c) Capital Reserve on Consolidation		
i) Reserves capitalized by a subsidiary company on issue of bonus shares	25,000,000	25,000,000
ii) goodwill capitalized in view of write off by the subsidiary	26,880,000	26,880,000
iii) In respect of investment made by a subsidiary	2,457,673	2,457,673
iv) General reserve of a subsidiary company	4,021,711	4,021,711
v) Investment allowance reserve of a subsidiary company	5,657,500	5,657,500
Closing Balance	74,955,784	74,955,784
<b>Securities Premium Account</b>		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
<b>Revaluation Reserve</b> (On revaluation of Land/Building and Plant and Machinery)		
Balance as per last balance sheet	123,531,987	123,531,987
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	(1,110,460)	(2,342,884)
Add: Movement during the year	(17,819)	1,232,424
Closing Balance	(1,128,279)	(1,110,460)
<b>Deficit: Statement of Profit and Loss</b>		
Opening Balance	(2,965,110,815)	(2,598,165,293)
Add : Loss for the year transferred from Statement of Profit & Loss	(275,110,687)	(366,945,522)
Closing Balance	(3,240,221,502)	(2,965,110,815)
<b>Total</b>	<b>(2,509,241,107)</b>	<b>(2,234,112,601)</b>

**3 Long Term Borrowings** (Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured :</b> Term Loans : from Bodies Corporate	<b>6,127,866</b>	69,289,714
<b>Unsecured Loans :</b> from Body Corporate	<b>25,000,000</b>	25,500,000
<b>Total</b>	<b>31,127,866</b>	<b>94,789,714</b>

**3.1 Repayment & other terms of the Borrowings as on March 31, 2017 are as follows :**

(Amount in `)

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
<b>Secured Loans :</b> From a Bank : Secured by way of deposit of title deeds of property situated at Palghar, Dist Thane Maharashtra.	14.75% (fixed)	8,544,127	8,544,127	-
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.15% (floating)	69,500,000	69,500,000	-
<b>From Bodies Corporate</b> Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	1,357,062,929	1,350,935,063	6,127,866
<b>Total</b>		<b>1,435,107,056</b>	<b>1,428,979,190</b>	<b>6,127,866</b>

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

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
<b>Secured Loans :</b> <b>From Banks</b> Term loan availed from Bank is secured by way of deposit of title deeds of property situated at Palghar Dist. Thane, Maharashtra.	14.75% (fixed)	8,552,827	8,552,827	-
Working Capital Term Loans from banks (For security details refer note no. 5.1)	14.70% (floating)	69,500,000	69,500,000	-
<b>From Bodies Corporate</b> Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	1,357,062,929	1,287,773,215	69,289,714
<b>Total</b>		<b>1,435,115,756</b>	<b>1,365,826,042</b>	<b>69,289,714</b>

**4 Other Long Term Liabilities** (Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Other Liabilities	-	66,240,883
<b>Total</b>	<b>-</b>	<b>66,240,883</b>



## 5 Short Term Borrowings

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>		
Working Capital Facilities : from banks (overdue)	<b>374,326,139</b>	374,326,031
<b>Total</b>	<b>374,326,139</b>	<b>374,326,031</b>

### 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 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 IFCI 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.

5.3 Canara Bank, lead banker on behalf of the consortium bankers has initiated action u/s 13(4) of the SARFAESI Act for recovery of their dues in respect of Parent Company's properties situated at Guntur (where 1st charge was provided) and Vadodara property (where 2<sup>nd</sup> charge was provided). The Parent Company has challenged the said action of the bankers before the DRT, Mumbai which is pending.

Further, Allahabad Bank has also taken action u/s 13(4) of the SARFAESI Act for recovery of their dues in respect of Palghar property where they have been provided security as first charge. The Parent Company has challenged the said action of the bankers before the DRT, Mumbai which is pending.

## 6 Other Current Liabilities

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term debt	<b>68,535,820</b>	20,402,300
Interest accrued and due on borrowings: Banks	<b>165,172,922</b>	68,000,596
: Others	<b>601,192,747</b>	454,784,032
Overdue borrowings: Banks	<b>78,044,127</b>	78,052,827
: Others	<b>1,282,399,243</b>	1,267,370,915
Security Deposits (Also refer note no.25.4(b))	<b>163,016,948</b>	162,438,642
Advances from Customers	<b>43,758,088</b>	36,794,005
Unpaid Dividend	<b>7,115,143</b>	7,115,143
Advance Received Towards Property Development (Also refer note no. 25.4(a))	<b>1,320,000,000</b>	1,320,000,000
Advance Received Towards Project Development *	<b>407,500,000</b>	407,500,000
Excise Duty accrued but not due	<b>81,354,149</b>	42,982,018
Undisputed Excise dues payable including Interest (Also refer note no.25.1 (1.1) (b) (iii))	<b>127,756,851</b>	118,671,851
Statutory Dues Payable	<b>100,103,083</b>	63,312,063
Book Overdraft in a Current Account with a Bank	<b>10,801,434</b>	17,863,470
Due to Employees	<b>45,417,337</b>	36,547,608
Other Liabilities	<b>115,378,844</b>	74,102,554
<b>Total</b>	<b>4,617,546,736</b>	<b>4,175,938,024</b>

\*Advances received in the year 2011-12 and 2012-13 from a strategic Investor for marketing and financial support towards development of the Vile Parle Property on its own.

**7 Short-term Provisions****(Amount in `)**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Provision for :		
Gratuity (refer note no. 7.1 below)	<b>32,560,199</b>	38,969,226
Leave	<b>12,640,477</b>	10,449,238
<b>Total</b>	<b>45,200,676</b>	<b>49,418,464</b>

7.1 Provision for gratuity liability of ` 3,25,60,199 (Previous year ` 3,89,69,226), 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:

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
- Discount Rate	<b>7.22%</b>	<b>7.80%</b>
- Expected Rate of Return on Assets	<b>Nil</b>	<b>Nil</b>
- Mortality Rate	<b>Indian Assurred Lives Mortality (2006-08) ultimate : 2.00%</b>	<b>Indian Assurred Lives Mortality (2006-08) ultimate : 2.00%</b>
- Future salary increases consider inflation, seniority, promotion and other relevant factors	<b>5.00%</b>	<b>5.00%</b>





## 8 Fixed Assets

(Amount in `)

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2016	Additions during the year	Disposals during the year	Balance as at 31st March, 2017	Balance up to 31st March, 2016	Charge for the year	Disposals during the year	Balance as at 31st March, 2017	Balance as at 31st March, 2017
Tangible Assets									
Land & Building (At Book value)	249,371,475	-	-	249,371,475	77,712,832	4,418,929	-	82,131,761	167,239,714
Electric Installations (At Cost)	2,965,868	-	-	2,965,868	2,965,868	-	-	2,965,868	-
Plant and Equipment (At Book value)	857,407,839	-	-	857,407,839	844,718,815	3,135,740	-	847,854,555	9,553,284
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	5,719,470	64,112	-	5,783,582	141,351
Computer	10,281,988	113,250	-	10,395,238	10,040,755	191,114	-	10,231,869	163,369
Factory equipment (At Cost)	25,598,487	-	-	25,598,487	21,186,343	798,598	-	21,984,941	3,613,546
Office equipment (At Cost)	11,416,187	-	-	11,416,187	11,366,088	49,753	-	11,415,841	346
<b>Total</b>	<b>1,170,346,053</b>	<b>113,250</b>	<b>-</b>	<b>1,170,459,303</b>	<b>981,089,447</b>	<b>8,658,245</b>	<b>-</b>	<b>989,747,692</b>	<b>180,711,611</b>

(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	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	-	10,040,754	241,234
Factory equipment (At Cost)	25,598,487	-	-	25,598,487	20,211,255	975,089	-	21,186,344	4,412,143
Office equipment (At Cost)	11,416,187	-	-	11,416,187	11,325,264	40,824	-	11,366,088	50,099
<b>Total</b>	<b>1,167,821,753</b>	<b>2,524,300</b>	<b>-</b>	<b>1,170,346,053</b>	<b>970,681,484</b>	<b>10,407,963</b>	<b>-</b>	<b>981,089,447</b>	<b>189,256,606</b>

Notes :

- Gross value of Land and Building includes a sum of ` 25,30,760 (Previous Year ` 25,30,760) being the cost of Land/Premises on ownership basis acquired in terms of agreement to purchase
- Gross value of Land and Building includes a sum of ` 250 (Previous Year ` 250) being the cost of shares in Co-operative Societies.
- Bifurcation of the Book value of Land and Building is not possible in view of the non-availability of separate value of certain Land and Building.
- Land and Building includes a Flat of ` 66,44,825 (Previous Year ` 66,44,825): Net Block ` 33,73,283 (Previous Year ` 35,45,971). 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.
- 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 and got the order to maintain the status quo.
- Land and Building includes land of ` 1,58,75,729 (Previous Year ` 1,58,75,729) at Guntur which has been charged in favor of consortium Bankers. The Parent Company has been intimated by Canara Bank the lead banker that out of 14.29 acres, 6.20 acres has been claimed by the Waqf Board. The Parent Company has challenged the claim of the Waqf Board before Hon'ble Hyderabad High Court and is pending. However based on legal advice and favorable order in similar cases, the Parent Company is expecting favorable order.

**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 2017	31st 2016		31st 2017	31st 2016
	<b>Investments in Equity Shares- Long Term</b>						
<b>A</b>	<b>In Other Body Corporate : (Unquoted , fully paid up)</b>						
	World Growth Fund Limited* (at depreciated value)	Non-Trade	10,000	10,000	₹ 10	1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	₹ 10	1	1
	Filter and Filteraids Limited # (at depreciated value)	Trade	1,800	1,800	₹ 10	1	1
	J K Cigarettes Limited # (at depreciated value)	Trade	20,000	20,000	₹ 10	1	1
	Premier Paper Mills Limited (at depreciated value)	Trade	40,000	40,000	₹ 100	5	5
	Dalmia Finance Limited (at cost)	Non-Trade	120,000	120,000	₹ 10	1,200,000	1,200,000
	Tendong Services Pvt. Limited (at depreciated value)	Non-Trade	311	311	₹ 100	1	1
<b>B</b>	<b>In Other Body Corporate : (Quoted, fully paid up)</b>						
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	₹ 10	49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	₹ 10	1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	₹ 10	10,500,000	10,500,000
	ITC Limited** (at cost)	Trade	30,720	15,360	₹ 1	1,544	1,544
	Godfrey Phillips India Limited (at cost)	Trade	2,280	2,280	₹ 2	1,515	1,515
	VST Industries Limited (at cost)	Trade	64	64	₹ 10	407	407
	<b>Total</b>					<b>62,878,173</b>	<b>62,878,173</b>

# Shares lying with Income Tax Department

\* Share certificates are yet to be received

\*\* For Western Express Industries Limited ,Share Certificate are yet to be received of 7680 Shares.

**10 Long term loans and advances**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, Considered good unless otherwise stated</b>		
Advances given towards acquisition of Development rights (refer note no. 25.4(c))	1,566,044,968	1,576,044,968
Security Deposits	7,171,591	6,950,698
Balances with Excise/Sales tax authorities	191,183,523	188,275,899
Loans and Advances for value to be received in cash or in kind	60,190,997	59,767,067
Payment of Tax (Net of Provision of ₹ 5,63,01,138; Previous year ₹ 32,98,38,675)	20,694,926	112,475,787
Other Advances - Considered Doubtful	53,795,654	39,071,335
Less: Provision for doubtful loans and advances	(53,795,654)	(39,071,335)
<b>Total</b>	<b>1,845,286,005</b>	<b>1,943,514,418</b>

**11 Inventories \***

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials	92,431,427	138,279,558
Work-in-progress	26,500,740	29,236,963
Finished goods (refer note 11.1 below)	99,591,574	67,593,731
Packing Materials	39,918,249	43,007,889
Stock in Trade (Immovable Property) (refer note 11.2 and 25.4(a))	352,198,748	352,198,748
Stores and spares	30,046,899	30,188,714
<b>Total</b>	<b>640,687,637</b>	<b>660,505,603</b>

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



11.1 The Parent Company has provided excise duty/customs duty of ` 8,13,54,149 (Previous year ` 4,29,82,018) 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.

## 12 Trade Receivables

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured (Secured Against Machinery in the Group's Possession)</b> Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	2,083,676	2,083,676
<b>Unsecured</b> Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment Considered good	3,295,271	12,449,759
Considered doubtful	49,876,368	39,750,354
Less : Provision for doubtful debts	(49,876,368)	(39,750,354)
	3,295,271	12,449,759
Others Considered good	81,374,085	74,710,314
<b>Total</b>	<b>86,753,032</b>	<b>89,243,749</b>

## 13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Cash and Cash Equivalents</b> Balances with banks	8,753,748	4,383,260
Cash on hand	1,240,082	818,249
	9,993,830	5,201,509
<b>Earmarked Bank balances</b> Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	13,619,060	13,117,208
	13,619,060	13,117,208
<b>Total</b>	<b>23,612,890</b>	<b>18,318,717</b>

13.1 Following is the disclosure in terms of notification issued by the Ministry of Corporate Affairs dated 30<sup>th</sup> March 2017 :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	443,154	743,340	1,186,494
(+) Permitted receipts	-	N.A.	-
(-) Permitted payments	26,000	N.A.	26,000
(-) Amount deposited in Banks	417,000	N.A.	417,000
Closing cash in hand as on 30.12.2016	-	742,295	742,295

**14 Short term loans and advances**

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, Considered good:</b>		
Balances with Excise authorities	1,141,764	2,008,291
Advances to suppliers	1,344,474	922,219
Other Loans and Advances recoverable in cash or in kind of for value to be received	5,720,874	20,562,455
<b>Total</b>	<b>8,207,112</b>	<b>23,492,966</b>

**15 Other Current Assets**

(Amount in `)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on fixed deposits	1,050,795	814,980
Export Incentive receivable	214,862	-
Income Tax receivable including interest on refund	197,909,855	-
Prepaid Expenses	507,264	777,580
<b>Total</b>	<b>199,682,776</b>	<b>1,592,560</b>

**16 Other Income from operations**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Other operating revenues from Scrap Sale	1,231,333	1,362,384
Export Incentives	763,252	4,004,367
<b>Total</b>	<b>1,994,585</b>	<b>5,366,751</b>

**17 Other Income**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income *	139,651,951	1,977,608
Credits in respect of excess interest charged by Banks	-	1,234,442
Dividend income from long term investments	2,236,170	1,035,192
Liabilities no longer payable written back	112,222	65,400
Provision for doubtful debts written back- net	130,000	2,460,268
Rental Income	14,074,009	6,050,333
Income Tax Refund	11,810	-
Miscellaneous Income	4,000	170,582
<b>Total</b>	<b>156,220,162</b>	<b>12,993,825</b>

\* Interest Income includes ` 13,74,07,187 on Income Tax Refund receivable pertaining to earlier years in terms of ITAT order dated 9<sup>th</sup> March, 2017.


**18 Cost of Materials Consumed**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Materials consumed	175,841,234	164,771,621
Packing Materials consumed	69,490,556	77,680,697
<b>Total</b>	<b>245,331,790</b>	<b>242,452,318</b>

**19 Manufacturing and Operating Costs**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Consumption of stores and spare parts	4,123,142	3,203,820
Repairs to machinery	1,208,241	1,439,220
Power and fuel	9,712,907	10,413,065
<b>Total</b>	<b>15,044,290</b>	<b>15,056,105</b>

**20 Changes in Inventories of Finished Goods & Work in Progress**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Opening Stock:</b>		
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
<b>Total</b>	<b>449,029,442</b>	<b>484,454,068</b>
<b>Closing Stock</b>		
Finished Goods	99,591,574	67,593,731
Work in Progress	26,500,740	29,236,963
Stock in Trade (immovable Property)	352,198,748	352,198,748
<b>Total</b>	<b>478,291,062</b>	<b>449,029,442</b>
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	34,483,157	(28,001,660)
<b>Total</b>	<b>5,221,537</b>	<b>7,422,966</b>

**21 Employee Benefits Expense**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages	90,704,563	93,830,074
Contributions to provident and other funds	6,522,594	7,068,537
Staff welfare expenses	9,204,238	9,204,191
<b>Total</b>	<b>106,431,395</b>	<b>110,102,802</b>

**22 Finance Costs**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expenses	251,477,090	232,956,268
Interest on Statutory dues	14,283,731	14,096,821
<b>Total</b>	<b>265,760,821</b>	<b>247,053,089</b>

**23 Other Expenses**

(Amount in `)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	6,005,407	5,889,029
Repairs & Maintenance - Building	4,649,996	3,643,422
Insurance	1,146,751	1,422,815
Rates and taxes	14,303,941	2,661,181
Travelling & Conveyance Expenses	16,393,041	17,509,237
Legal & Professional charges	39,536,332	36,372,108
Director's sitting Fees	371,500	400,000
Loss on Variation in Foreign Exchange Rates (Net)	343,242	3,908,122
Selling and Distribution Expenses	103,292,279	84,934,103
Provision for Doubtful Debts/Advances net	21,038,197	744,445
Commission on sales	94,950	1,287,280
Miscellaneous Expenses	35,952,621	35,999,902
<b>Total</b>	<b>243,128,257</b>	<b>194,771,644</b>



## 24. SIGNIFICANT ACCOUNTING POLICIES:

### A. Basis of Consolidation

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

### B. Principles of Consolidation

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

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

### C. Consolidation Procedures

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

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

## NOTES- 25 :

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

1.1) (a) Disputed Excise claims/demands, of ` **353,11,27,625** (Previous year ` **323,54,71,079**) 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 ` **12,20,63,866** (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 various appellate authorities and / or pending final assessments ` **1,13,22,97,543** (Previous Year ` **660,42,73,817**) including interest and penalties against which the Group has paid/refund due ` **21,65,35,545** (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) Pursuant to Hon'ble Supreme Court its order dated May 12, 2016, the Income Tax Department vide an Order of Attachment of Immovable Property dated July 13, 2016 has prohibited and restrained the Company from transferring or charging its Vile Parle property to recover principal amount of tax demand (disputed by the Parent Company).

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. – (Refer Note No. 6 )

The SICA Act 1985 (BIFR) is repealed and the Insolvency and Bankruptcy Code, 2016 (IBC) have been notified and implemented w.e.f. December 1, 2016. In view of this, the Parent Company can approach the National Company Law Tribunal (NCLT) within stipulated time for it's pending cases before BIFR/AIFR, wherever necessary.

- (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	<b>3,39,87,759</b>	3,89,55,560
ii) Disputed Sales Tax	<b>1,34,54,835</b>	55,91,679
iii) Disputed Entry Tax of Parent Company	<b>26,55,28,904</b>	25,89,21,642
iv) Disputed Land Revenue & other Taxes of Parent Company	<b>3,14,822</b>	3,14,822
v) Disputed E.S.I.C. (Employees' State Insurance) of Parent Company	<b>18,86,378</b>	18,86,378
vi) Services/materials suppliers/advance forfeited and other business related disputed matters (excluding differential interest, if any,) of Parent Company	<b>51,37,48,313</b>	45,68,22,444
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) The Group's net worth had been entirely eroded. The Group has prepared these financial statements on a going concern basis as the management is hopeful to turn around the Group's business performance especially in the realty business segment where one of the project's construction activities has Commenced and is expected to be completed in stipulated time frame in due course.
- 3) Other Liabilities (Refer Note No. 6) includes ` **Nil** (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.
- 4) 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 said developers have also filed an appeal u/s 9 and 11 of the Arbitration and Conciliation Act before the Hon'ble Bombay High Court which is pending.
- 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 pending with NCLT.





- (b) The Parent Company had entered into a development agreement in September, 2007 and supplemental agreement in October, 2008, March, 2014 and September, 2016 with a developer to jointly develop its Hyderabad property. The Parent Company has received an interest free security deposit, balance as on March 31, 2017 ` 9,00,00,000 (Previous Year ` 9,00,00,000). All necessary approvals have been obtained and project's construction activities have Commenced and are expected to be completed in stipulated time frame in due course.
- (c) The Group has given advances balance as on March 31, 2017 ` 1,56,60,44,968 (Previous Year ` 1,57,60,44,968); net of advance refunded aggregating to ` 1,55,09,93,032 (Previous year ` 1,54,09,93,032), to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development Agreement in this regard.

**5) Segment Reporting :-**

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

(Amount in `)

Particulars	Year Ended 31 <sup>st</sup> March,2017	Year Ended 31 <sup>st</sup> March,2016
<b>Segment Revenue :</b>		
(a) Tobacco Products	45,62,50,901	44,19,60,784
(b) Realty	—	—
(c) Others/Unallocable	—	—
<b>Net/Sales income from operations</b>	<b>45,62,50,901</b>	<b>44,19,60,784</b>
<b>Segment Results Profit/(Loss) before tax and interest from segment :</b>		
(a) Tobacco Products	(85,22,837)	(11,86,05,863)
(b) Realty	(664,017)	(5,59,854)
(c) Others/Unallocable	(163,012)	(7,26,721)
<b>Total</b>	<b>(93,49,866)</b>	<b>(11,98,92,438)</b>
Less : Interest expenses	26,57,60,821	24,70,53,089
Provision for Taxation	—	—
Total Profit/(Loss) after taxation	(27,51,10,687)	(36,69,45,527)
Minority Interest (loss)	—	5
<b>Net Profit/(Loss)</b>	<b>(27,51,10,687)</b>	<b>(36,69,45,522)</b>
<b>Segment Assets :</b>		
(a) Tobacco Products	111,95,44,339	104,96,07,019
(b) Realty Division	191,84,48,056	192,86,02,429
(c) Others/Unallocable	98,26,840	1,05,93,343
<b>Total Assets</b>	<b>304,78,19,235</b>	<b>298,88,02,791</b>
<b>Segment Liabilities :</b>		
(a) Tobacco Products	158,72,38,636	140,19,74,001
(b) Realty Division	379,10,09,647	363,93,92,558
(c) Others/Unallocable	29,31,847	56,67,629
<b>Total Liabilities</b>	<b>538,11,80,130</b>	<b>504,70,34,188</b>
<b>Capital Expenditure :</b>		
(a) Tobacco Products	113,250	25,24,300
(b) Realty Division	—	—
(c) Others/Unallocable	—	—
<b>Total Capital Expenditure</b>	<b>113,250</b>	<b>25,24,300</b>
<b>Depreciation/Amortisation :</b>		
(a) Tobacco Products	86,58,245	1,04,07,963
(b) Realty Division	—	—
(c) Others/Unallocable	—	—
<b>Total Depreciation/Amortization</b>	<b>86,58,245</b>	<b>1,04,07,963</b>

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

## 6) 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

#### (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, 2017	For the year ended March 31, 2016
<b>Shri A. K. Joshi - Managerial Remuneration</b>	<b>81,62,686</b>	81,74,606
<b>Shri Jaskaran S. Khurana - Managerial Remuneration</b>	<b>63,26,460</b>	50,30,789
<b>Shri Manoj Kumar Srivastava - Remuneration</b>	<b>9,38,418</b>	9,78,418
<b>Shri Pawan Kumar Malsaria - Remuneration</b>	<b>10,89,803</b>	1,52,340
<b>Shri Amit Joshi : Car Hire Charges</b>	<b>1,80,000</b>	1,80,000
<b>Shri Ashwin Joshi : Car Hire Charges</b>	<b>1,80,000</b>	1,80,000
<b>Smt. Ivleen Khurana : Car Hire Charges</b>	<b>3,60,000</b>	3,60,000
<b>Smt. Ritu Srivastava:Car Hire Charges</b>	<b>96,000</b>	56,000
<b>Smt. Savita Malsaria : Car Hire Charges</b>	<b>96,000</b>	13,714
<b>Balances</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Shri A. K. Joshi : Payable</b>	<b>6,79,174</b>	6,79,174
<b>Shri Jaskaran S. Khurana : Payable</b>	<b>10,65,402</b>	4,65,402
<b>Shri Manoj Kumar Srivastava : Payable</b>	<b>73,679</b>	73,679
<b>Shri Pawan Kumar Malsaria : Payable</b>	<b>82,976</b>	74,195
<b>Shri Amit Joshi : Payable</b>	<b>15,000</b>	15,000
<b>Shri Ashwin Joshi : Payable</b>	<b>15,000</b>	15,000
<b>Smt. Ivleen Khurana : Payable</b>	<b>29,650</b>	29,650
<b>Smt. Ritu Srivastava :Payable</b>	<b>8,000</b>	8,000
<b>Smt. Savita Malsaria:Payable</b>	<b>8,000</b>	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.



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

<b>Particulars</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
(a) <b>Numerator :</b>		
Net Loss as per Statement of profit and loss (after tax and minority interest)	<b>(27,51,10,687)</b>	(36,69,45,522)
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	<b>1,75,88,021</b>	1,75,88,021
(b) Earnings per Equity Share Basic and diluted	<b>(15.64)</b>	(20.86)
(c) Nominal Value per Equity Share	<b>10</b>	10

8) 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 29, 2017

**For and on behalf of the Board**

**A. K. Joshi**

Managing Director  
DIN : 00379820

**Bharat B. Merchant**

Director  
DIN : 00300384

**Pawan Kumar Malsaria**

Chief Financial Officer

**Manoj Kumar Srivastava**

Company Secretary

**ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**  
(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
<b>Parent</b>				
GOLDEN TOBACCO LIMITED	73.08	(1,504,238,394)	99.70	(274,283,658)
<b>Subsidiaries - Indian</b>				
WESTERN EXPRESS INDUSTRIES LTD.	3.51	(72,273,691)	0.02	(53,578)
RAIGADH PAPERS LTD.*	(0.16)	3,388,627	0.04	(97,734)
GOLDEN INVESTMENT (SIKKIM) P. LTD.	(0.14)	2,974,521	0.00	(11,700)
GOLDEN REALTY & INFRASTRUCTURE LTD.	23.54	(484,490,972)	0.24	(664,017)
<b>Subsidiaries - Foreign</b>				
GTC INC B.V.	0.18	(3,704,180)	-	-
<b>Minority Interest</b>	-	-	-	-
<b>Joint Ventures</b>				
None	-	-	-	-
<b>TOTAL</b>	<b>100.01</b>	<b>(2,058,232,389)</b>	<b>100.00</b>	<b>(275,110,687)</b>

\* Subsidiary of Western Express Industries Ltd.

## For and on behalf of the Board

Place: Mumbai  
Date : May 29, 2017

<b>A. K. Joshi</b>	<b>Bharat B. Merchant</b>	<b>Pawan Kumar Malsaria</b>	<b>Manoj Kumar Srivastava</b>
Managing Director	Director	Chief Financial Officer	Company Secretary
DIN : 00379820	DIN : 00300384		



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**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:

- Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him
- Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him
- 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 61st Annual General Meeting of the Company to be held on Tuesday, 18th July, 2017 at 12:15 P.M. at Darjipura, Post Amaliyara, Vadodara, Gujarat 390022 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolutions</b>
<b>Ordinary Business:</b>
1. <b>To receive, consider and adopt:</b>
a. the Audited Financial Statements of the Company for the year ended March 31, 2017 together with the Reports of the Board of Directors' and the Auditors' thereon.
b. the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2017 together with Reports of the Auditors' thereon.
2. To appoint a Director in place of Shri A. K. Joshi (DIN : 00379820), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint of M/s Bagaria & Co. LLP, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 61 <sup>st</sup> Annual General Meeting and to authorize the Board to fix their remuneration.

Signed this on \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of Shareholder: .....



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



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**GOLDEN TOBACCO LIMITED**

CIN: L16000GL1955PLC067605

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

Sr. No :

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

1. I/ We hereby record my/our presence at the 61st Annual General Meeting of the Company on Tuesday, July 18, 2017, 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.



## Route Map to the AGM Venue



Regd. Office : At Darjipura, Post-Amaliyara  
Vadodara, Gujarat-390022(India)  
Email : [share@goldentobacco.in](mailto:share@goldentobacco.in)  
Website : [www.goldentobacco.in](http://www.goldentobacco.in)  
CIN : L16000GJ1955PLC067605  
Toll Free No. : 1800223951