



GOLDEN TOBACCO LIMITED



58th

**Annual Report
2013-2014**

*Cigarettes, Cigars, Tip Cigars,
Tube Cigars,
Slims & Superslims*



GOLDEN TOBACCO LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri R. R. Kumar	- Non Executive Independent Director
Shri Bharat B. Merchant	- Non Executive Independent Director
Shri V. K. Bhandari	- Non Executive Independent Director
Shri A. K. Joshi	- Managing Director
Shri Jaskaran S. Khurana	- Executive Director
Shri Ved Berry	- Executive Director

COMPANY SECRETARY

Manoj Kumar Srivastava

STATUTORY AUDITORS

M/s. Lodha & Co.
Chartered Accountants
Mumbai

REGISTERED OFFICE AND WORKS

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

INVESTORS' CELL

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

REGISTRAR & TRANSFER AGENT

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

BANKERS

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

STOCK EXCHANGE(S)

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

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58TH ANNUAL GENERAL MEETING

Day, Date & Time	: Monday, 22nd September, 2014 at 12.30 PM
Venue	: At Darjipura, Post Amaliyara, Vadodara - 390 022 Gujarat
Book Closure Date	: 18th September, 2014 to 22nd September, 2014 (Both Days inclusive)



NOTICE

NOTICE is hereby given that the **FIFTY- EIGHTH ANNUAL GENERAL MEETING** of the Members of **GOLDEN TOBACCO LIMITED** will be held on Monday, the September 22nd, 2014 at 12.30 P.M. at the Registered Office of the Company at Darjipura, Post-Amaliyara, Vadodara - 390022, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with Reports of the Board of Directors' and the Auditors' thereon.
2. To reappoint M/s. Lodha & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 61st Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

3. **TO APPOINT SHRI BHARAT B. MERCHANT (DIN: 00300384) AS AN INDEPENDENT DIRECTOR PURSUANT TO THE COMPANIES ACT, 2013:**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri B. B. Merchant (DIN: 00300384), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is, hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 63rd Annual General Meeting of the Company in the calendar year 2019."

4. **TO APPOINT SHRI V. K. BHANDARI (DIN: 00052716) AS AN INDEPENDENT DIRECTOR PURSUANT TO THE COMPANIES ACT, 2013 :**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri V. K. Bhandari (DIN: 00052716), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is, hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 63rd Annual General Meeting of the Company in the calendar year 2019."

5. **AUTHORITY TO THE BOARD OF DIRECTORS TO EXERCISE BORROWING POWERS :**

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

"RESOLVED THAT in supersession of the Resolution passed at the fifty Third Annual General Meeting of the Company held on 15th September, 2009 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and subject to such other approvals as may be necessary, consent of the members of the Company, be and is, hereby accorded to the Board of Directors of the Company to borrow moneys from time to time from any one or more of the Company's Bankers and/or from any one or more, individuals, other persons, Firms, Bodies Corporate, Financial Institutions, Mutual Funds, Foreign Bankers, Foreign Financial Institutions, Foreign institutional Investors, Overseas Corporate Bodies, Overseas Mutual Funds, Pension Funds, Trusts or such other bodies or entities, whether by way of cash credit, term loans, advances, deposits, loans or bill discounting, deferred payment guarantees, issue of debentures, external commercial borrowings or otherwise in any other mode or form; and whether unsecured, or secured by mortgage, charge, hypothecation, lien, or pledge of the Company's assets and properties and whether immovable or movable or stock-in-trade (including raw materials, spare parts and components in stock or in transit and work-in-progress) or by any kind of guarantees and all or any of the undertakings



of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores Only) exclusive of interest, and that the Board of Directors, be and is, hereby further authorized to execute such debenture trust deeds and/or mortgage deeds, charge deeds of hypothecation, lien, promissory notes, deposits receipts, Guarantees / Assurance deeds and other deeds and instruments or writings containing such conditions and covenants, as the Board of Directors in its absolute discretion may think fit."

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is, hereby authorized to do all such acts, deeds, matters and things that may be necessary, desirable or expedient to give the effect of the resolution."

By order of the Board,
For GOLDEN TOBACCO LIMITED,

Manoj Kumar Srivastava
Company Secretary

Place : New Delhi
Date : August 14, 2014

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on behalf of a member of the Company and that a proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share 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 person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting as no separate copy will be given in the Annual General Meeting.
6. 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.
7. 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 during business hours up to the date of the Annual General Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, September 18th, 2014 to Monday, September 22nd, 2014 (both days inclusive).
9. Members may note that all unpaid/unclaimed dividend up to 1993-94 declared by the Company has been transferred by it to the General Revenue Account of the Central Government. Unpaid dividend pertaining to the year 1994-95 is being paid as per schedule fixed by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 16.12.2002.



10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Link Intime India Pvt. Ltd.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit to their Depository Participants with whom they are maintaining their demat Accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt. Ltd.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.goldentobacco.in under the section ' Investor Relations.'
13. Members who hold share in physical form in multiple folios in identical names or joint holding in the same order of name are requested to send the share certificates to Link Intime India Pvt. Ltd. for consolidation into a single folio.
14. Non-Resident Indian Members are requested to inform Link Intime India Pvt. Ltd. immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) particulars of their bank account maintained in India with complete name, branch, account type, account number, if not furnished earlier.
15. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report , Notices, Circulars, etc. from the Company electronically.

16. E-voting:

Pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company is pleased to provide E-voting facility through Central Depository Services Limited as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 58th Annual General Meeting of the Company scheduled to be held on 22nd September, 2014 (the AGM Notice). The Company has appointed Mr. Devesh A. Pathak, Practising Company Secretary or failing him Mr. Vimal N. Betai, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 15-08-2014. The e-voting will commence at 9:00 AM on 16-09-2014 and will end at 6.00 PM on 18-09-2014. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E- VOTING

A. Instructions for Demat folios:

In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/ Depositories):

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "GOLDEN TOBACCO LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (V) Next enter the Image Verification as displayed and Click on Login.
- (VI) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(VII) If you are a first time user, follow the steps given below:

For members holding shares in Demat Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department and registered with the DP/RTA. In respect of physical shareholding as well as those holding shares in Demat form and have not provided or whose PAN is not registered, enter your unique PAN/Default Value No. printed on the bottom of Attendance slip additionally attached herewith the Annual report for your ready reference.
DOB/ Dividend Bank Details*	Enter the date of birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the dividend bank detail as recorded with your DP/RTA. In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA those can enter Folio No. of shares held by you as on the cutoff date i.e. 22 nd August, 2014.

*Any one of the details DOB or Dividend bank details should be entered for logging in to the account.

(VIII) After entering these details appropriately, click on "SUBMIT" tab.

(IX) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(X) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(XI) **Click on the 140826049 (EVSN) for the relevant < Golden Tobacco Limited> on which you choose to vote.**

(XII) 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.

(XIII) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(XIV) 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.

(XV) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(XVI) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(XVII) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 16-09-2014, 9:00 a.m. and ends on 18th September, 2014, 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



C. Other Instructions:

- i. The e-voting period commences on Tuesday, 16-09-2014 (9:00 a.m. IST) and ends on Thursday, 18-09-2014 (6:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 15th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **15-08-2014**.
- iii. Mr. Devesh A Pathak, Practising Company Secretary (Membership No. FCS 4559), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director or authorised person of the Company.
A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot at the meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.goldentobacco.in and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 58th AGM of the Company on 22nd September, 2014 and communicated to the stock exchanges, where the shares of the Company are listed.

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

Name	Shri V. K. Bhandari	Shri B.B.Merchant
Date of Birth & Age	14.09.1943 71 years	24.06.1948 66 years
Date of Appointment	31.07.2009	26.07.2002
Qualifications	F.C.A	B.A.(H),LL.M.
No. of Shares held	80	100
Experience	He has over more than 43 years of experience in the field of Banking & Finance, Audit and was with Central Bank of India from 1971 to 2003. He retired as General Manager on October 31 st , 2003. Since then he is Practising Chartered Accountant.	He is a Practising Advocate and was admitted in the Bar Council of Maharashtra in May, 1970. From November, 1972 onwards, he became a Solicitor and was then appointed as Attorney. Presently, he is a Sole Proprietor of the firm M/s Thakrdas and Madgavkar, Advocates & solicitors, one of the largest legal firms in India and is actively involved in conducting arbitration, commercial litigation and attending corporate and property matters. He is a member of the Bombay Incorporated Law Society.
\$ Directorship in other public companies	Jayant Agro-organics Ltd. HSIL Ltd. Supreme Smelters Ltd. Capital Local Area Bank Ltd. Gurunanak Enterprises Ltd. Kopran Ltd. Khanna Paper Mills Ltd. Midland microfin Ltd.	Maneesh Pharmaceutales Ltd. Crest Inimation Ltd.
@ Chairmanship/membership of committees	Nil	Nil

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

@ Represents Membership/Chairmanships of Audit Committee and Shareholders'/Investors' Grievance Committee only.



ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, TO THE ACCOMPANYING NOTICE DATED AUGUST 14, 2014:

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

ITEM NO. 3 & 4 :

Shri V.K.Bhandari and Shri B.B.Merchant are Independent Directors of the Company .

Section 149 of the Companies Act, 2013 inter-alia stipulates that an independent director can hold office for a term upto five consecutive years on the Board of a Company and he shall not be included in the total numbers of directors liable to retirement by rotation.

The Company has received a declaration each from Shri V.K.Bhandari and Shri B.B.Merchant to the effect that they meet the criteria of independence as prescribed both under Clause 49 of the Listing Agreement and under section 149(6) of the Companies Act, 2013. They possess appropriate skills, experience and knowledge, inter-alia in the field of banking and finance. In the opinion of the Board, Shri V.K.Bhandari and Shri B.B.Merchant fulfil conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri V.K.Bhandari and Shri B.B.Merchant are independent of the Management.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Shri V.K.Bhandari and Shri B.B.Merchant are appointed as independent Directors of the Company.

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

Your Directors recommend and seek your approval to the resolutions as set out in item no.3 & 4 of the accompanying notice by way of Ordinary Resolution.

Neither any Director/Key Managerial Personnel nor their relatives, except Shri V.K.Bhandari and Shri B.B.Merchant in their respective resolution, shall be deemed to be concerned or interested financially or otherwise in the resolutions.

ITEM NO. 5

In compliance with General Circular No.04/2014 dated March 25, 2014 issued by the Ministry of Corporate Affairs as also provisions of Section 180(1)(c) of the Companies Act, 2013 and in supersession of the resolution passed at the fifty Third Annual General Meeting of the Company held on September 15, 2009, it is proposed to authorise the Board of Directors of the Company to borrow moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) including existing borrowings in excess of the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose but not exceeding ` 500 crores (rupees five hundred crores only) from lenders and others as stated in the said resolution.

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

Your Directors recommend and seek approval to the resolution as set out in item no.5 of the accompanying notice by way of special Resolution.

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

By order of the Board,
For GOLDEN TOBACCO LIMITED,

Manoj Kumar Srivastava
Company Secretary

Place : New Delhi
Date : August 14, 2014
Registered Office:
At Darjipura, Post-Amaliyara,
Vadodara, Gujarat- 390022,



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fifty-Eighth Annual Report together with the Audited Accounts for the year ended March 31, 2014:

FINANCIAL HIGHLIGHTS

(` in Lacs)

Particulars	Current Year ended 31 st March,2014	Previous year ended 31 st March,2013
Profit/(Loss) before Interest, Depreciation, Exceptional item and Tax	(188.25)	(1404.50)
(Less):Interest-Net	(2558.01)	(2324.71)
(Less):Depreciation	(108.64)	(125.22)
Profit/(Loss) before Taxation	(2478.40)	(3854.43)
Provision for Taxation	NIL	NIL
Profit/(Loss)after Taxation	(2478.40)	(3854.43)
Exceptional Item-Income/(expense)	288.32	(487.30)
(Loss) for the year	(2190.08)	(4341.73)
(Loss) brought forward from previous year	(13651.32)	(9309.59)
(Loss) carried over to Balance Sheet	(15841.40)	(13651.32)

PERFORMANCE OF THE COMPANY

During the year, despite a decline in industry volume, the Company volume improved by 11% compared to the previous year. Increased grey market activities coupled with steep excise and VAT increases are the factors that have adversely affected the organized sector.

Your Company has been able to achieve some growth through launch of GGF 65mm and also through distribution extensions of Panama Deluxe Filter. The consumers' response to both these brands is favorable and your Directors are confident of increased turnover. On the export front, several new markets with new brands have been opened up and regular orders have started flowing in. This is likely to result in not only increased turnover but increase in bottom line also.

DIVIDEND

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

STATUS OF BIFR SCHEME

As per the Hon'ble Delhi High Court order, the Company has filed Modified Draft Rehabilitation Scheme before the Hon'ble BIFR for extension of implementation of Scheme period which was in operation up to 31st March, 2011. Accordingly, Hon'ble BIFR has appointed Canara Bank as monitoring agency to appraise the Scheme and submit the final report to them for their consideration. In pursuit of the recent direction given by the BIFR, the Company has submitted amended MDRS to Canara Bank for their examination and onward submission to the BIFR for their consideration.

REAL ESTATE DEVELOPMENT

The Company had started the Real Estate Business in the year 2007-2008, when its Hyderabad property was offered for Joint Development and the Company also entered into a Memorandum of Understanding in the year 2009-10 with reputed developers to jointly develop its Vile Parle, Mumbai property. However, the development could not be proceeded because of the failure of the parties to make further payment as agreed as also in view of filing of suit by the Company's minority shareholders in the Hon'ble City Civil Court Mumbai challenging the MOU signed by the Company with the developers for Vile Parle property. The Hon'ble Court has granted ad-interim stay in respect of operation of the MOU.

However, your Directors are exploring the avenues for the purpose.

Beside the above, the Hon'ble Supreme Court has also put an embargo for disposal of the said property. As already decided by the Company to develop the property on its own and in line of the same, the Company, in the Modified Draft Rehabilitation Scheme (MDRS) submitted to the Hon'ble BIFR, has sought to refund the advances received from the developers since the Company is hopeful of raising the fund as and when, the sale of the prospective/constructed sale of the proposed development of the said property would take place. In view of this, the Company is in dialogue with some strategic investors who would infuse the required fund for the purpose of the said development of property.

Central Excise department litigation is pending before the Hon'ble BIFR and Hon'ble AAIFR. However, the Income Tax department litigation is pending with the Hon'ble Supreme Court. Hence, at present, the Company is unable to proceed in its real estate business. However, the Management is hopeful to resolve the said issues in Company's favour. Your Directors are therefore optimistic of commencement of real estate business on receipt of approval of MDRS which is pending before the BIFR.

As regards Hyderabad property, the existing developer has expressed his inability to proceed in the development agreement. The Company has now floated enquiry in the market to identify some strategic investors/developers for the development of the said property. Now after a gap of a long period, the real estate market scenario is gradually moving upwards and the Company is in lookout for right opportunity to enter into the market and find a strategic investor to raise the required fund for the development of the said property.

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 provision of law and in particular those stipulated in the Listing Agreement with the Stock Exchange(s). A separate report of Corporate Governance stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BOARD OF DIRECTORS

As per section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri R. R. Kumar and Shri V.K.Bhandari, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. During the year under review, Shri Sanjay Dalmia Shri Anurag Dalmiya, Shri J.P. Khetan, Shri V. Anish Babu and Shri Rishabh Jain resigned from the Directorship of the Company. Shri Ved Berry, Whole-time Director also resigned from the Directorship of the Company. Your Directors have appreciation for valuable contributions made by them.

PARTICULARS OF EMPLOYEES

The particulars of employees drawing remuneration of Rs. 60 lacs per annum or ` 5.00 lacs per month for part of the year or more pursuant to provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 are set out below:

Name	Designation	Remuneration (`)	Qualification	Experience (yrs.)	Date of Joining	Age (yrs.)	Last Employment held
Shri A. K. Joshi	Managing Director	81,66,084	B.Com. F.C.A.	34	01.02.1993	56	Chinar Exports Ltd, Sr. Manager- Fin.& A/cs, 2 years



DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- i. That the preparations of the annual accounts and applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared annual accounts on a going concern basis.

AUDITORS' REPORT:

Emphasis of Matter:

We draw attention to the paragraph of "emphasis of matter" of the Auditor's Report, without considering the same as qualification as follows :

- (a) There is substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 3,45,31,403 as compared to its market value which in the opinion of the management, is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature. (Refer note no.9.1)
- (b) Overdue advances of ` 9,99,70,868 and an investment made of ` 2,31,20,000 in Western Express Industries Limited (WEIL), a wholly owned subsidiary company has accumulated losses far in excess of its paid up capital and reserves & surplus. As explained, the management is hopeful of recovering/realizing the same in due course of time in view of expected revival of activities/development in the said subsidiary. (Refer note no. 10.1)

AUDITORS

M/s. Lodha and Co., Chartered Accountants, statutory auditors, retire at the ensuing Annual General Meeting and have furnished their consent for reappointment, if made, as well as requisite certificate. You are requested to reappoint them as Statutory Auditors from the conclusion of 58th Annual General Meeting upto the conclusion of 61st Annual General Meeting and fix their remuneration.

SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements enclosed with the accounts are prepared in accordance with Accounting Standard 21. In view of the general exemption granted by the Ministry of Corporate Affairs, the Report and Accounts of subsidiary companies are not required to be attached to your Company's Accounts. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's Registered Office and those of subsidiary companies viz. The Golden Realty & infrastructure Limited, Golden Investment (Sikkim) Private Limited, Western Express Industries Limited, GTC INC B.V. and Raigadh Papers Limited, a subsidiary of Western Express Industries Limited are the subsidiary companies of your Company.

OTHER INFORMATION

Certificate, as required under Clause 49 of the Listing Agreement with the Stock Exchanges in India, confirming compliance by the Company with the provisions of Corporate Governance as given by the Auditors, M/s. Lodha and Co., Chartered Accountants, declaration by the CEO certifying compliance with the Code of Conduct of the Company and Certificate given by the CEO and CFO as required under the Listing Agreement are annexed herewith. Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to Foreign Exchange Earnings and Outgo, Conservation of Energy and Technology Absorption and Export Market Developments is also provided as an annexure to this report. Additional disclosures in the form of Consolidated Financial Statements and Related Party Transactions have been made by your Company in compliance with the Listing Agreement.

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
Dated : May 27, 2014

R. R. Kumar
Director

A. K. Joshi
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information in accordance with Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March, 2014.

A CONSERVATION OF ENERGY.

The Company continues to emphasize on conservation of energy, power and other energy sources.

1. As a part of continuous efforts, the company has taken following steps:

- i) Implementation of the latest know-how in each stages of production resulting into enhancement in productivity levels.
 - ii) Planned maintenance and upgradation of machineries and equipments to ensure optimum energy consumption.
- #### 2. Benefits resulted from above for reduction of energy consumption and impact on the cost of production of goods:
- i) Reduction in specific consumption of electrical energy.
 - ii) Enhanced operational efficiency.

B. TECHNOLOGY ABSORPTION:

I. Specific Areas in which R&D is 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) On going development in Packaging in enhancing the appearance in line with international quality and also improving the product durability by adopting advanced packaging technologies.
- #### 2. Improving Printing Technologies to achieve high quality printed packaging material.

II. Benefits Derived As A Result of R&D.

- (a) An appreciable enhancement in export volume, Cigars, & Cigarillos made in various categories of Fruity Flavors resulted in very wide acceptance in the Global Market.
 - (b) Resulted a significant entry in the world of highly demanding Slims and Super Slims cigarettes.
 - (c) Improved product consistency, yield and minimized fluctuations in tobacco chemistry.
 - (d) Impressive packet look and protection of the product from weather changes and increased shelf life.
- #### 2. Offering the customers products with International pack design/appearance in line with premium International Brands.

III. Further Plan for Action

Research will be carried out on the above mentioned areas.

IV. Expenditure on R&D

- (a) Efforts in brief, made towards technology, adaptation and innovation.
 1. i) Use of specific additives for improving product quality and smoke characteristics.
 - ii) Monitoring each stage of production to ensure a final product.
 - iii) Continuous 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.
2. Benefits derived as a result of above efforts are quality products at optimized production cost.
3. Technology Imported : NIL

C. ACTIVITIES RELATED TO EXPORTS AND FUTURE OUTLOOK:

Though the export of cigarettes/cigars is highly competitive and is emerging tough due to various restrictions imposed by different countries / governments, the Company has performed fairly well in export of its various brands and is confident to escalate the export volume in the years to come.

1. The Company has exported during the year various brands of cigarettes aggregating to Rs 3219.63 lacs.
2. During the year under review 740 million sticks were exported.
3. **Total foreign exchange used**

Travel & Other Expenses	: ` 26.86 lacs
Total foreign Exchange Earned	: ` 3219.63 lacs
Cigarettes	: ` 3219.63 lacs
Tobacco	: ` NIL



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The new 65mm filter category announced in the budget has added more than 1200 million per month to industry volume in the lower price sectors. However despite this gain the industry has declined by more than 800 million sticks per month.

The primary reason for this decline is steep price increase on account of excise hike and enhanced VAT in most states. It has substantially benefited Grey market. These products sell at 20%-25% price of branded products and yet offer the trade more than 250% profit margin. It is interesting to note that the excise component alone is more than the selling price of the cigarette. Further, North India is also affected by the huge influx of cheap cigarettes from Nepal. There are branded cigarettes manufactured by a subsidiary of ITC which sell at less than half the price of branded Indian cigarettes.

Though, your Company has gained in the new 65mm filter category, it has been unable to do so in the 65mm plain category in which it was the leader. This is because now plain and filter are now clubbed into the same price bracket, putting plain at a disadvantage. As such the marketing strategy will now be focused more sharply on this fast growing filter segment.

Restructuring in sales and distribution activities has resulted in considerable savings and also in increased productivity. These would be ongoing efforts which would recurring benefits.

OPPORTUNITIES, THREATS AND FUTURE OUTLOOK:

The Government in the budget 2012-13 has not increased Excise Duty on the 65mm length category which is the welcome step. This is an opportunity for the industry in general and your company in particular. This segment has already exhibited good growth prospects and your company has already taken steps to maximize benefits from the same.

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

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

SEGMENT WISE / PRODUCT WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEM AND ADEQUACY

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

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

The Company had 368 employees as on March 31, 2014 as compared to 401 at the beginning of the year, comprising of 82 in management / supervisory cadres, 36 in the staff cadres and 250 as workmen.

FINANCIAL PERFORMANCE

The performance of the Company is adversely affected due to various reasons as mentioned in the Directors' Report. The gross turnover for the year under review stood at ` 11,617.65 Lacs as against ` 12,998.65 Lacs of the previous year. The Net (loss) before tax for the year under review is ` (2,478.40) Lacs as against ` (3,854.44) Lacs of the previous year. After making adjustments for various tax provisions the Net (Loss) after tax was ` (4,341.74) Lacs as against ` (2,190.08) Lacs of previous year .

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of system and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owner of the Company and of their own role as trustees on behalf of the shareholders. The Company firmly believes in and has consistently endeavored to practice good Corporate Governance. It endeavors to provide detailed information on various issues concerning the Company's business and financial performance to the shareholders.

I. BOARD OF DIRECTORS

Composition:

The composition of the Board of Directors ("the Board ") is in conformity with Clause 49 of the Listing Agreement with the Stock Exchange(s). The Board has optimum combination of Executive and Non executive Independent Directors. The composition of the Board as on March 31, 2014 was as under:

Category	No. of Directors
Executive – Director	3
Non Executive – Independent Director	3

Meetings and attendance:

During the year, Six (6) Board Meetings were held i.e. May 23, 2013, August 8, 2013, November 14, 2013, September 27, 2013, February 10, 2014 and February 14, 2014 respectively. Attendance of directors at the meeting of the Board of Directors (BOD) held during the year 2013-14 and Annual General Meeting (AGM) held on September 27, 2013, are as under :

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended AGM	Number of Directorships in Other Companies\$		No. of Committee Positions # held in Other Companies\$	
				Chairman	Member Other than Chairman	Chairman	Member Other than Chairman
Shri A.K. Joshi	Managing Director	6	Yes	-	-	-	1
Shri Jaskaran S. Khurana	Executive Director	5	Yes	-	-	-	-
Shri Ved Berry	Executive Director	4	No	-	-	-	-
Shri R.R.Kumar	Non-Executive, Independent	5	No	1	5	1	-
Shri V.K.Bhandari	Non-executive Independent	6	Yes	-	8	3	4
Shri Bharat B. Merchant	Non-executive Independent	6	Yes	-	1	-	-

\$ Excluding directorship in Private Companies and foreign companies.

#Represents Membership/chairmanship of Audit Committee and Shareholder's'/Investor's Grievance Committee.

II. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956.

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 standards, compliance with the stock exchanges and legal requirement concerning financial statements ,
- (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relative etc. that may have potential conflict with the interest of the Company at large.
- (vii) Reviewing the Company's financial and risk policies.
- (viii) Disclosure of contingent liabilities.
- (ix) Reviewing, with the Management, external and internal auditors, the adequacy of internal control system.
- (x) Review and discussion with the Internal Auditors regarding the adequacy of the internal audit function, approval of the audit plan and its execution, structure , coverage and frequency of internal audit.

Composition and Attendance :

During the year, Four (4) meetings of the Audit Committee were held i.e May 23, 2013, August 8, 2013, November 14, 2013 and February 10, 2014. The necessary quorum was present in all the meetings. The Audit Committee consists of three Non Executive Independent Directors. Details of meetings and attendance as under :

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Shri R. R. Kumar	Chairman	4	4
Shri Bharat B. Merchant	Member	4	4
Shri V. K. Bhandari	Member	4	1

All the members of Audit Committee are having financial and accounting knowledge. The Audit Committee invites such of the executives as it considers appropriate to be present at its meetings. Shri A.K. Joshi, Managing Director and Statutory Auditors also attend the Audit Committee meeting as invitees. Shri Manoj Kumar Srivastava, Company Secretary, attended all the meeting and acted as Secretary of the Audit Committee

B. REMUNERATION COMMITTEE

Terms of reference :

Pursuant to Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956, the terms of reference the Remuneration Committee is to determine overall Company's policy on remuneration packages to Executive Directors and the other terms of employment of Executive Directors of the Company as well as sitting fees and commission to the Executive and Non Executive Directors within the overall ceiling including any compensation payments and also to approve payment of remuneration to Managing Directors or Whole Time Directors fixed by members of the Company and recommends to the Board of Directors for their approval.

Composition and Attendance :

During the year, one (1) Remuneration Committee meetings was held i. e. May 23, 2013. The details of meeting and attendance as under :

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Shri R.R.Kumar	Chairman	1	1
Shri Bharat B. Merchant	Member	1	1

All the members of remuneration committee are Non Executive Independent Directors.

Remuneration to Non Executive Directors :

S.N.	Name of the Directors	Sitting fees	Total `
1	Shri R.R. Kumar	70,000	70,000
2.	Shri Bharat B. Merchant	55,000	55,000
3.	Shri V.K.Bhandari	30,000	30,000
	Total	1,55,000	1,55,000

Sitting fees is being paid to Non-Executive Directors in accordance with the provisions of the Companies Act, 1956 and Articles of Association. No other remuneration is being paid to them by the Company. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fees, reimbursement of expenses incurred for travel etc. for attending Board and its Committee Meetings.

Remuneration to Executive Directors:

Name of the Director	Salary (`)	Retiral Benefits* (`)	Other Benefits/ Allowances (`)	Total `
Shri A.K. Joshi	7269138	864189	32757	8166084
Shri Jaskaran S. Khurana	3584007	527555	153215	4264777
Shri Ved Berry	3832794	278768	199672	4311234

*Besides salary and perks, Executive Directors are also entitled to the Company's contribution to provident fund & Superannuation Fund, Gratuity and Encashment of Leave at the end of tenure.

However, the Variable Performance Pay (VPP) is to be paid to the Executive Directors and Managing Director as per the Variable Performance Pay (VPP) package approved by the Remuneration Committee of the Company.

Information of Directors' Shareholding as on March 31, 2014 :

Name of Director	No. of Shares
Shri Bharat B. Merchant	100
Shri Vijay Kumar Bhandari	80

SHAREHOLDERS'/INVESTORES' GRIVENCE COMMITTEE

Terms of Reference:

The Company has a Shareholders'/Investors' Grievance Committee of Directors. The Committee looks after the shareholders'/ Investors' Grievance and redressal of Investor's / Shareholder's complaints related to transfer of shares, non receipt of balance sheet, non receipt of dividend etc.

COMPOSITION

The Composition of the Shareholder's /Investor's Grievance Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. R. R. Kumar	Chairman	6	6
Mr. A.K. Joshi	Member	6	6

Status of Investor's Complaints as on March 31, 2014 and reported under Clause 41 of the Listing Agreement:

During the year, the Company has received Fifteen (15) complaints and all the complaints have been resolved and no complaints are pending as on March 31, 2014.

III General Body Meetings

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

Financial Year	Date	Day	Time	Venue	Special Resolution
2010-11	December 17, 2011	Saturday	3.30 P.M.	Registered Office	NIL
2011-12	September 27, 2012	Thursday	3.30 P.M.	Registered Office	3
2012-13	September 27, 2013	Friday	3.30 P.M.	Registered Office	3

All the resolutions, including special resolutions set out in the respective notice were passed by the shareholders. Neither postal ballots were used for voting at the meeting held during the year under review at the forthcoming AGM, nor there is any items on the agenda that needs approval by postal ballots.



Disclosures

- (i) There are no materially significant related party transactions having potential conflict with the interests of the Company at large.
- (ii) The Company is in compliance with the various rules and regulations prescribed by Stock Exchanges, SEBI and other statutory authority, on all matters relating to capital markets, during the last three years.
- (iii) The Company has in place mechanism to inform Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management.
- (iv) The Code of Conduct applicable to directors and senior management personnel of the Company and the same has been complied with and they have confirmed their adherence to the provisions of the said code.
- (v) No personnel have been denied access to the Audit Committee.
- (vi) All mandatory requirements are complied with and the non mandatory provisions are adopted wherever necessary.

V. Means of Communication

- a) The quarterly financial results of the Company are forwarded to the Stock Exchanges Immediately on approval by the Board of Directors and are also published in widely circulated national daily and local Gujarati Daily.
- b) The Financial results and official news releases are also displayed on the Company's website www.goldentobacco.in
- c) Management Discussion and Analysis forms part of the Annual Report.

VI. Golden Tobacco Limited Code for Prevention of insider Trading Practices

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors of the Company formulated 'the Golden Tobacco Limited Code of Conduct for Prevention of Insider Trading' in the shares and securities of the Company by its employees. The Golden Tobacco Limited Code, inter alia, prohibits purchase/sale of shares by employees, while in the possession of unpublished price sensitive information in relation to the Company. The Company Secretary acts as the Compliance Officer to implement the provisions of the aforesaid Insider Trading Regulations.

VII. General Shareholders Information

Annual General Meeting (AGM)

The 58th Annual General Meeting is scheduled to be held on :

Day, Date and Time : Monday, September 22, 2014 at 12.30 PM

Venue : At the Registered Office of the Company at Darjipura, Post- Amaliyara, Vadodara, 390022. GUJARAT

Book Closure Date : 18.09.2014 to 22.09.2014 (both days inclusive)

Dividend : Nil

As required under Clause 49(IV)(G)(I) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment /reappointment at the forthcoming Annual General Meeting (A.G.M.) are given in the annexure to the notice of the Annual General Meeting to be held on September 22, 2014.

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

II. Financial Calendar : 1st April 2014 to 31st March, 2015

Events for the Financial Year 2014-15 as under:

Audited Annual Results for For the year ended March 31, 2014	On 27 th May, 2014
Unaudited First Quarter Results	By 15 th August, 2014
Unaudited Second Quarter Results	By 15 th November, 2014
Unaudited Third Quarter Results	By 15 th February, 2015
Audited Fourth Quarter Results	By 30 th May, 2015

III. Listing on Stock Exchanges and Stock Code

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

IV. ISIN No. : INE973A01010
CIN : L16000GJ1955PLC067605

V. Market Price Data :

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	26.90	22.55	24.90	24.00
May, 2013	26.90	23.05	24.90	24.05
June, 2013	32.00	22.55	26.85	25.10
July, 2013	28.65	24.35	27.90	25.80
August, 2013	25.85	18.55	20.55	19.05
September, 2013	27.00	18.00	24.70	23.60
October, 2013	24.70	18.80	22.95	21.95
November, 2013	21.70	18.75	-	-
December, 2013	22.00	18.10	-	-
January, 2014	22.90	18.30	19.60	18.30
February, 2014	21.25	17.50	18.70	18.50
March, 2014	23.00	16.45	21.60	19.90

VI. Distribution of Shareholding as on March 31, 2014

No. of Shares	No. of Shareholders	% of shareholders	No. of shares	% of shareholding
1-500	30053	94.4914	3118541	17.7101
501-1000	921	2.8958	710108	4.0327
1001-2000	396	1.2451	603281	3.4260
2001-3000	139	0.4370	352884	2.0040
3001-4000	63	0.1981	221470	1.2577
4001-5000	51	0.1604	241949	1.3740
5001-10000	77	0.2421	575709	3.2695
10001 and above	105	0.3301	11784860	66.9260
TOTAL	31805	100.0000	176088020	100.0000

VII. Shareholding Pattern as on March 31, 2014

Sr.No.	Shareholders	No. of Demat Shares	No. of Physical Shares	Total	% Shares
1.	Promoters	4581725	-	4581725	26.02
2.	Financial Institutions / Banks	105145	8935	114080	0.65
3.	Mutual Funds	190	850	1040	0.00*
4.	FIs	495877	-	495877	2.82
4.	Bodies Corporate	5466443	18304	5484747	31.15
5.	Non-Resident	66967	14620	81587	0.46
6.	General Public	5377513	1471517	6849030	38.90*
7.	Trusts	716	-	716	0.00
	Total	16094576	1514226	17608802	100.00

* Negligible

VIII. GDR's/ADR's

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



IX. Share Transfer System

On receipt of the applications for transfers, deletion of names, transmission etc. in physical form and if the same are found to be in order are normally registered by our Registrar and Transfer Agent within the stipulated period as mentioned in the listing agreement of the stock exchanges. Also the shares under objections are returned within the stipulated time frame.

Registrar and Transfer Agent (R & T A)

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

Email: mt.helpdesk@linkintime.co.in However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

X. Dematerialization of Shares & Liquidity :

The process of conversion of Shares from physical form to electronic form known as dematerialization. For dematerialization of shares, the shareholders have to open a Demat account with Depository Participant (DP). The shareholders is required to fill in a Demat Request Form (DRF) and submit the same along with Share Certificate(s) to the DP. The DP will allocate a Demat request number and shall forward the request, both physically and electronically, through NSDL/CDCL to the R & T A . On receipt of the Demat request electronically and after verification , the shares are dematerialized and an electronic credit of shares is given in the account of the shareholder. As on March 31, 2014, 16002773 i.e.90.87% of the shares of the Company are in electronic form.

PLANT LOCATION OF THE COMPANY :

At Darjipura, Post –Amaliyara, Vadodara, Gujarat-390022

ADDRESS FOR CORESPONDENCE

Shareholders' correspondence should be addressed to the Company 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

COMPLIANCE:

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

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT :

This is to confirm that all Board members and senior Management Personnel of the Company have complied with the code of conduct for Directors & Senior Management Personnel (i.e. D & S Code) during the year ended March 31,2014.

For Golden Tobacco Limited

Place : Mumbai
Date : May 27, 2014

A.K.JOSHI
MANAGING DIRECTOR



CEO/CFO CERTIFICATE UNDER CLAUSE 49(V)

To,
The Board of Directors,
Golden Tobacco Ltd.

1. We have reviewed financial statement and cash flow statement of Golden Tobacco Limited for the year ended March 31, 2014 and to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
3. We accept responsibility for establishing and maintain internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control system pertaining financial reporting. We have not come any reportable deficiencies in the design of operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee :
 - i. that there is no significant changes in internal control over financial reporting during the year ;
 - ii. that there is no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which we have become aware and the involvement

For Golden Tobacco Limited

Place : Mumbai
Date : May 27, 2014

A.K.JOSHI
MANAGING DIRECTOR

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Golden Tobacco Limited

We have examined the compliance of the conditions of Corporate Governance by Golden Tobacco Limited ("the Company"), for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 based on the representations given by the Management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For M/s LODHA & CO.
Firm Regn. No. 301051E
Chartered Accountants
A.M. HARIHARAN
Partner
Membership No.38323

Place : Mumbai
Date : May 27, 2014



INDEPENDENT AUDITORS' REPORT

To
The Members of
GOLDEN TOBACCO LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GOLDEN TOBACCO LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement without qualified of the cash flows for the year ended on that date.

Emphasis of Matter:

Without qualifying, we draw attention of the following:

- (a) The Company's Revised Modified Draft Rehabilitation Scheme (MDRS) submitted to the BIFR and consequential recording of reliefs etc. as and when the scheme is sanctioned (Refer note no. 25(1)(1.1) (e)).
- (b) There is substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 3,55,10,361 as compared to its market value which, in the opinion of the management is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature (Refer note no.9.1).
- (c) Overdue advances of ` 9,99,70,868 and an investment of ` 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/realizing the same in due course of time in view of expected revival of activities / developments in the said subsidiary (Refer note no. 10.1).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

R. P. Baradiya
Partner

Membership No. 44101

Place : Mumbai

Date : May 27, 2014

ANNEXURE REFERRED TO IN POINT 1 UNDER THE PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF GOLDEN TOBACCO LIMITED ('THE COMPANY')

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of 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) *During the year, the management has physically verified the fixed assets, except certain Plant & Machineries having Gross Book Value of ` 17,65,70,450 crores (Net Book Value: Nil) as on March 31, 2014 lying with third party which could neither be physically verified nor confirmed in view of dispute with the said party. The verification was in accordance with a phased programme which, in our opinion, is considered reasonable having regard to the size of the Company and nature of its assets. The discrepancies noticed on such verification have been dealt with in the books of account except a Flat having Gross Book Value of ` 66,44,825 (Net Book Value: ` 39,18,323) as on March, 2014 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) During the year, no substantial part of the fixed assets has been disposed off by the Company.
2. (a) The inventories of the Company at its major locations have been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit as on 31st March, 2014 have been verified by the management with reference to confirmation or statement of account or correspondence obtained from the third parties and /or subsequent receipt of inventory.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory and the discrepancies noticed between the physical stocks and the book records were not material and have been properly dealt with in the books of account.



3. The Company has not taken / granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that purchase of certain items of fixed assets and inventory are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5.
 - a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under the said Section have been so entered .
 - b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts and arrangements referred to in (a) above exceeding the value of ` 5 lacs with any party during the year.
6. The Company has not accepted any fixed deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Act and rules framed thereunder.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 209 (1) (d) of the Act have been maintained. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and complete.
9.
 - (a) According to the information and explanations given to us and according to the books and records as produced and examined by us and also considering the Revised Modified Draft Rehabilitation Scheme filed (awaiting sanction), the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable have generally been regularly deposited by the Company during the year with the appropriate authorities and there were no arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (b) According to the records of the Company and the information and explanations given to us by the management, there are no amounts in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute except for the amounts mentioned below:

NAME OF THE STATUTES	NATURE OF DUES	PERIOD TO WHICH IT RELATES	AMOUNT (IN `)	FORUM WHERE DISPUTE IS PENDING
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1993-98	261,308	Sales Tax Appellate Tribunal- Coimbatore
The Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	2007-08 & 2008-09	10,63,182	Sales Tax Appellate Tribunal
The Kerala Value Added Tax Act, 2003	Sales Tax	2009-10	10,32,670	Commissioner Sales Tax- Kochi
The Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1993	Entry Tax	2003-2011	13,70,39,667	High Court- Bihar
The Tamilnadu Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	Various Year	3,03,59,060	Supreme Court

The Entry Tax Act, 1976 - Madhya Pradesh	Entry Tax	2006-2013	44,19,012	Supreme Court
The Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	Various Year	60,66,890	Joint Commissioner Sales Tax
The Income Tax Act, 1961	Income Tax	1984-85 to 2007-08	1,148,381,207	Income tax Appellate Tribunal
		1984-85 to 86-87 & 2008-09	829,269,559	Income Tax Commissioner (Appeals)
		1987-88 to 1991-92	102,557,479	Assessing Officer
Central Excise Act, 1944	Excise Duty	1979,1986,1997 and 1998	29,58,17,161	Supreme Court of India
		2000,2003 and 2004	5,12,64,858	High Court, Mumbai
		1983,1994,1995,1999, 2002,2003,2007 and 2011	542,52,96,632	Customs, Excise, Service Tax Appellate Tribunal
		1979 to 2011	10,876,096	Commissioner of Central Excise

10. The accumulated losses of the Company at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses during the current financial year as well as in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a chit fund or a nidhi /mutual benefit fund/society, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loan was applied for the purposes for which it was obtained.
17. According to the information and explanations given to us and on overall examination of the Cash flow statement and balance sheet of the Company and on the basis of financial position at the year end, the funds raised on short-term basis have not been used for long term investment except for long term borrowing of ₹ 81,01,28,183 taken in the past and invested in long-term assets, have now become overdue.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act or in the recent past.
19. The Company has not raised any money by way of issue of debentures.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

R. P. Baradiya
Partner

Membership No. 44101

Place : Mumbai
Date : May 27, 2014



BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014	(Amount in `) As at March 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(928,728,190)	(707,797,777)
2 Non-Current Liabilities			
Long-Term Borrowings	3	293,368,049	277,235,683
Other Long Term Liabilities	4	1,891,635,499	1,892,596,920
3 Current Liabilities			
Short-Term Borrowings	5	380,338,361	413,320,796
Trade Payables		249,261,045	205,509,962
Other Current Liabilities	6	1,487,232,313	1,200,667,388
Short-Term Provisions	7	54,731,581	65,592,014
TOTAL		<u>3,603,718,870</u>	<u>3,523,005,198</u>
II. ASSETS			
1. Non Current Assets			
Fixed Assets(Net)			
Tangible Assets	8	243,927,261	254,210,374
Non-Current Investments	9	86,445,889	86,445,889
Long-term Loans and Advances	10	2,291,419,405	2,184,521,297
2. Current Assets			
Inventories	11	805,831,820	825,670,211
Trade Receivables	12	98,115,104	96,075,299
Cash and Bank Balances	13	44,010,726	25,425,416
Short Term Loans and Advances	14	24,077,168	42,394,838
Other Current Assets	15	9,891,497	8,261,874
TOTAL		<u>3,603,718,870</u>	<u>3,523,005,198</u>
Significant accounting policies and Accompanying Notes form an integral part of financial statements	1 - 25		

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

R P Baradiya

Partner

Membership No. 44101

Place: Mumbai

Date : May 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
(Amount in `)			
Income			
Revenue from operations		1,161,764,753	1,299,865,324
Sale of Products		(473,016,890)	(628,043,973)
Less: Excise Duty		14,126,375	17,178,938
Other income from Operation	16	702,874,238	689,000,289
Other income	17	26,976,995	5,476,485
Total Income		<u>729,851,233</u>	<u>694,476,774</u>
Expenses			
Cost of materials consumed	18	292,108,795	333,927,726
Purchases for resale		71,259,800	68,687,100
Manufacturing and Operating Costs	19	22,501,719	22,584,757
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	11,356,285	(9,540,404)
Employee Benefits Expense	21	124,326,143	130,747,742
Finance Costs	22	255,800,642	232,471,166
Depreciation and Amortization Expense	8	12,778,220	14,684,423
Less : Transferred from Revaluation Reserve	2	(1,914,555)	(2,162,416)
		10,863,665	12,522,007
Other Expenses	23	189,474,014	288,520,581
Total Expenses		977,691,063	1,079,920,675
Loss before tax		(247,839,830)	(385,443,901)
Tax Expense :			
Current tax		-	-
Loss for the year from continuing operations before Exceptional items		(247,839,830)	(385,443,901)
Exceptional items - Income/(Expenses)	25.9	28,832,209	(48,729,868)
Loss for the year		<u>(219,007,621)</u>	<u>(434,173,769)</u>
Earnings per equity share of the face value of ` 10 each :	25.10		
Basic & Diluted :			
Before Exceptional item		(14.08)	(21.92)
After Exceptional item		(12.45)	(24.69)
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 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A Cash flow from Operating Activities:		
Net loss as per statement of profit & loss	(219,007,621)	(434,173,769)
Add : Exceptional (Income)/expense	<u>(28,832,209)</u>	<u>48,729,868</u>
Net loss as per statement of profit & loss before exceptional items	(247,839,830)	(385,443,901)
Add: Adjustments for :		
Depreciation & amortisation expenses	10,863,665	12,522,007
Interest Expenses	223,651,642	232,471,166
Provision for doubtful debts written back	(10,330,000)	-
Interest received (other than investment)	(2,400,704)	(1,662,960)
Dividend received on long term non trade investments	(886,596)	(880,996)
(Profit)/Loss on sale of fixed assets	(923,063)	(375,526)
Liabilities no longer required written back	(1,224,875)	(382,629)
Provision for doubtful debts	-	65,985,499
Foreign Exchange (Gain)/Loss, Net	<u>1,607,152</u>	<u>2,741,751</u>
Operating Profit/(Loss) before Working Capital changes	(27,482,609)	(75,025,589)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	(22,221,270)	(61,358,231)
- Inventories	(13,030,527)	(43,748,087)
- Trade and Other Payable	<u>189,620,151</u>	<u>273,346,443</u>
Cash generated from Operations	126,885,745	93,214,536
Income Taxes Paid	(137,037)	(103,847)
Net cash from/(used in) Operating Activities - A	126,748,708	93,110,689
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(2,611,931)	(6,081,426)
Sale of fixed Assets	1,031,650	388,146
Interest received (other than Investment)	2,400,704	1,617,372
Dividend received	<u>886,596</u>	<u>880,996</u>
Net Cash from/(used in) Investing Activities - B	1,707,019	(3,194,912)
C Cash flow from Financing Activities:		
(Repayment)/Proceeds of borrowings	(16,850,069)	(15,421,935)
Interest paid	<u>(93,552,764)</u>	<u>(84,769,397)</u>
Net cash from/(used in) Financing Activities - C	(110,402,833)	(100,191,332)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	18,052,894	(10,275,555)
Opening Cash and Cash Equivalents	8,157,942	18,433,497
Closing Cash and Cash Equivalents	26,210,836	8,157,942

Notes:

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3, Cash Flow Statement prescribed by Companies (Accounting Standards) Rules, 2006.
- 2 Previous year's figures have been regrouped/rearranged where necessary.

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

R P Baradiya

Partner

Membership No. 44101

Place: Mumbai

Date : May 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai

Date : May 27, 2014

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014

1 Share Capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Amount in `	Number	Amount in `
Authorised				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
		350,000,000		350,000,000
Issued				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed and Paid up				
Equity Shares of ` 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
	17,598,016	175,880,212	17,598,016	175,880,212

1.1 Rights of Equity Shareholders

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

1.2 Reconciliation of numbers of equity shares

Particulars	As at March 31, 2014		As at March 31, 2013	
	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, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
J. P. Financial Services Pvt Ltd	1,090,000	6.19%	1,090,000	6.19%

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



2 Reserves and Surplus

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Securities Premium Account		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
Revaluation Reserve (On revaluation of Land, Buildings and Plant & Machinery)		
Opening Balance	123,713,855	126,066,583
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	8,237	190,312
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	1,914,555	2,162,416
Closing Balance	121,791,063	123,713,855
Deficit: Statement of Profit and Loss		
Opening Balance	(1,365,132,535)	(930,958,766)
Add : Loss for the year transferred from Statement of Profit & Loss	(219,007,621)	(434,173,769)
Closing Balance	(1,584,140,156)	(1,365,132,535)
Total	(928,728,190)	(707,797,777)

3 Long Term Borrowings

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured :		
Term Loans :		
from banks	15,523,713	22,157,969
from Bodies Corporate	183,344,336	230,077,714
working Capital Term Loans from banks	69,500,000	-
Unsecured Loans :		
from Body Corporate	25,000,000	25,000,000
Total	293,368,049	277,235,683

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

(Amount in `)

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

3.2 Repayment & other terms of the Borrowings as on March 31, 2013 are as follows :

Particulars	Rate of Interest	Total	0-1 Years	1-5 Years
Secured Loans :				
From Banks				
Term loan availed from Bank is secured by way of deposit of title deeds of property situated at Palghar Dist. Thane, Maharashtra.	14.75% (fixed)	31,877,582	9,719,613	22,157,969
From Bodies Corporate				
Secured by way of mortgage of immovable property situated at Marol, Mumbai and property to be constructed at Hyderabad.	13.2% - 15%	980,472,519	750,394,805	230,077,714
Total		1,012,350,101	760,114,418	252,235,683

4 Other Long Term Liabilities

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Unpaid Dividend*	7,115,143	7,115,143
Statutory Dues Payable*	69,882,851	69,882,851
Advance Received towards Property Development (Also refer Note No. 25.7(a))*	1,320,000,000	1,320,000,000
Advance Received towards Project Development (Also refer Note No. 25.7(a))	407,500,000	407,500,000
Other Liabilities	87,137,505	88,098,926
Total	1,891,635,499	1,892,596,920

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

5 Short Term Borrowings

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured		
Working Capital Facilities :		
from banks	376,338,361	413,320,796
Unsecured		
Inter Corporate Deposits (Refer note no. 5.3 below)	4,000,000	-
Total	380,338,361	413,320,796

5.1 Working Capital Facilities :

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

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



5.3 In respect of 12% Secured Redeemable Non-Convertible Debentures privately placed with IFCI Limited Company had in the previous year repaid the entire amount of debentures. However, till date the Company has not received the "No Due Certificate" from IFCI, therefore, the Company could not file the form for satisfaction of charge which was created on Company's property situated at village Dhanot in the State of Gujarat and a first charge by way of hypothecation of the Company's movable properties subject to prior charge on specified movables in favour of the Company's Bankers for Working Capital facilities and was further secured by equitable mortgage of the Company's immovable properties at Baroda, Gujarat ranking pari passu with the Bankers who have given working capital term loan.

6 Other Current Liabilities

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt	59,733,378	760,114,418
Interest accrued and due on borrowings	277,753,588	147,701,769
Interest accrued but not due on borrowings	47,059	-
Overdue borrowings	750,394,805	-
Security deposits (refer note no. 25.7(b))	166,699,142	117,536,458
Payable towards purchase of fixed assets	-	584,057
Advances from customers	31,967,099	35,582,092
Due to a subsidiary company	3,106,935	3,108,935
Excise duty accrued but not due	73,209,570	51,990,125
Statutory dues payable	29,877,436	37,224,159
Other liabilities	94,443,301	46,825,375
Total	1,487,232,313	1,200,667,388

7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for :		
Gratuity (refer note no. 7.1 below)	45,234,878	52,849,032
Leave	9,496,703	12,742,982
Total	54,731,581	65,592,014

7.1 Provision for gratuity liability of ` 4,52,34,878 (Previous year ` 5,28,49,032), 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, 2014	As on March 31, 2013
- Discount Rate	9.29%	8.00%
- Expected rate of Return on Assets	NIL	NIL
- Mortality Rate	Indian Assured Lives Mortality (2006-08)ultimate	Indian Assured Lives Mortality (2006-08)ultimate
- 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, 2013	Adjustment during the year	Additions during the year	Disposals during the year	Balance as at 31st March, 2014	Balance up to 31st March, 2013	Adjustment during the year	Charge for the year	Disposals during the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014
Tangible Assets Land & Building (At Book value)	241,763,971	-	925,071	-	242,689,042	61,926,487	-	5,557,408	-	67,483,895	175,205,147
Electric Installations (At Cost)	2,968,792	-	-	2,924	2,965,868	2,755,097	-	29,703	2,912	2,781,888	183,980
Plant and Equipment (At Book value)	677,104,423	176,570,450	1,188,390	651,518	854,211,745	615,388,233	176,570,450	5,151,854	643,259	796,467,278	57,744,467
Furniture and Fixtures (At Cost)	7,379,276	-	-	-	7,379,276	6,911,298	-	84,673	-	6,995,971	383,305
Vehicles (At Cost)	6,602,396	-	-	677,463	5,924,933	5,841,454	-	190,350	624,391	5,407,413	517,520
Factory & Office equipment (At Cost)	49,172,672	-	498,470	2,752,035	46,919,107	37,958,587	-	1,764,232	2,696,554	37,026,265	9,892,842
Total	984,991,530	176,570,450	2,611,931	4,083,940	1,160,089,971	730,781,156	176,570,450	12,778,220	3,967,116	916,162,710	243,927,261

(Amount in `)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	Balance as at 1st April, 2012	Adjustment during the year	Additions during the year	Disposals during the year	Balance as at 31st March, 2013	Balance up to 31st March, 2012	Adjustment during the year	Charge for the year	Disposals during the year	Balance as at 31st March, 2013	Balance as at 31st March, 2013
Tangible Assets Land & Building (At Book value)	239,233,181	-	2,530,790	-	241,763,971	55,952,779	-	5,973,708	-	61,926,487	179,837,484
Electric Installations (At Cost)	3,056,874	-	-	88,082	2,968,792	2,804,445	-	35,075	84,423	2,755,097	213,695
Plant and Equipment (At Book value)	675,715,144	-	2,951,679	1,562,400	677,104,423	610,453,678	-	6,306,619	1,372,064	615,388,233	61,716,190
Furniture and Fixtures (At Cost)	7,343,687	-	110,296	74,707	7,379,276	6,904,610	-	80,895	74,207	6,911,298	467,978
Vehicles (At Cost)	7,183,424	-	-	581,028	6,602,396	6,144,452	-	269,593	572,591	5,841,454	760,942
Factory & Office equipment (At Cost)	48,684,011	-	488,661	-	49,172,672	35,940,054	-	2,018,533	-	37,958,587	11,214,085
Total	981,216,321	-	6,081,426	2,306,217	984,991,530	718,200,018	-	14,684,423	2,103,285	730,781,156	254,210,374

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 ` 39,18,323 (Previous Year ` 40,34,532). In the possession of a legal heir of an Ex-Employee.
- Plant and Equipment includes certain machineries having Gross Book Value of ` 17,65,70,450, Accumulated Depreciation of ` 17,65,70,450 and Net Book Value of ` Nil lying with third party, earlier written off, now reinstated in view of execution of decree (passed by Hon'ble Supreme Court) pending with District Court, Sikkim. These amounts have been shown as adjustment during current year.
- Refer note no. 25.7 (a)



9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non Trade	No. of Shares / Units		Face Value	Extent of Holding (%)		Amount (₹)	
			March 31, 2014	March 31, 2013		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
A	Investments in Equity Shares- Long Term In Subsidiary Companies : (Unquoted and fully paid up)								
	Golden Realty & Infrastructure Limited (at cost)	Non-Trade	50,000	50,000	₹ 10	100%	100%	500,000	500,000
	Golden Investment (Sikkim) Private Limited#(at cost)	Non-Trade	5,998	5,998	₹ 10	99.97%	99.97%	59,980	59,980
	Western Express Industries Limited (at cost)	Non-Trade	7,500,000	7,500,000	₹ 10	100%	100%	23,120,000	23,120,000
	Raigadh Papers Limited (at depreciated value)	Non-Trade	10,000	10,000	₹ 100	6.66%	6.66%	1	1
	GTC Inc., B.V.(at cost)	Non-Trade	40	40	Euro 455	100%	100%	1,089,270	1,089,270
B	In Other Body Corporate : (Unquoted , fully paid up)								
	World Growth Fund Limited * (at depreciated value)	Non-Trade	10,000	10,000	₹ 10			1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	₹ 10			1	1
	Filter and Filteraids Limited# (at depreciated value)	Trade	1,800	1,800	₹ 10			1	1
	J K Cigarettes Limited# (at depreciated value)	Trade	20,000	20,000	₹ 10			1	1
C	In Other Body Corporate : (Quoted , fully paid up)								
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	₹ 10			49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	₹ 10			1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	₹ 10			10,500,000	10,500,000
	ITC Limited (at cost)	Trade	7,680	7,680	₹ 1			772	772
	Godfrey Phillips India Limited(at cost)	Trade	228	228	₹ 10			758	758
	VST Industries Limited(at cost)	Trade	64	64	₹ 10			407	407
Total							86,445,889	86,445,889	
	Aggregate amount of Quoted Investments						61,676,634	61,676,634	
	Aggregate amount of Un-quoted Investments						24,769,255	24,769,255	
	Aggregate Market Value of Quoted Investments						29,076,301	29,605,415	
	# Shares lying with Income Tax Department								
	*Share certificates are yet to be received								

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

10 Long term loans and advances

(Amount in ₹)

Particulars	As at March 31, 2014		As at March 31, 2013	
Unsecured, Considered good				
Capital Advance		2,572,474		49,413,636
Security Deposits		7,690,881		8,091,301
Balances with Excise/Sales tax authorities		181,782,910		178,604,367
Loans and Advances				
To Subsidiaries (Refer note no. 10.1 & 10.2 below)		1,934,141,328		1,785,615,795
To Others		56,782,633		55,439,892
Payment of Tax (Net of Provisions of ₹ 32,70,58,216; Previous year ₹ 32,80,03,840)		108,449,179		107,356,306
Considered Doubtful	35,813,951		35,558,422	
Less: Provision for doubtful loans and advances	35,813,951		35,558,422	
		-		-
Total		2,291,419,405		2,184,521,297

- 10.1 The Company has given an advance of ₹ 9,99,70,868 (Previous Year ₹ 9,94,60,043) to and made an investment of ₹ 2,31,20,000 (Previous Year ₹ 2,31,20,000) in Western Express Industries Limited (WEIL), a wholly owned subsidiary Company, which has accumulated losses far in excess of its paid up capital and reserves & surplus. As explained, the management is hopeful of recovering / realising the same in due course of time in view of expected revival of activities / developments in the said subsidiary.

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

10.2 Refer Note no. 25.7(c) regarding advances to a subsidiary of ` 183,07,23,882 (Previous Year ` 1,68,33,47,606)

11 Inventories *

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Materials	247,639,748	251,338,823
Work-in-progress	27,706,213	28,507,246
Finished goods (Including goods in transit of ` 49,32,449 ; Previous year ` 1,16,52,612)	103,624,023	92,959,161
Packing Materials	44,369,519	70,153,491
Stock in Trade (Immovable Property)	352,198,748	352,198,748
Stores and spares	30,293,569	30,512,742
Total	805,831,820	825,670,211

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

11.1 The Company has provided excise duty/customs duty of ` 7,32,09,570 (Previous year ` 5,19,90,125) on the goods lying in bonded premises as on the Balance Sheet date and included the same in the inventory value.

12 Trade Receivables

(Amount in `)

Particulars	As at March 31, 2014		As at March 31, 2013	
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		1,452,981		50,469,001
Considered good				
Unsecured				
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment		3,615,161		1,195,139
Considered good				
Considered doubtful	37,741,178		52,103,568	
Less : Provision for doubtful debts	37,741,178	-	52,103,568	-
		3,615,161		1,195,139
Others				
Considered good		93,046,962		44,411,159
Total		98,115,104		96,075,299


13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents		
Balances with banks	24,794,326	7,145,753
Cash on hand	1,416,510	1,012,189
Total	26,210,836	8,157,942
Earmarked Bank balances		
Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	17,729,258	17,130,372
Other Bank Balance	70,632	70,632
Right Issue Collection Accounts	-	66,470
Total	17,799,890	17,267,474
Total	44,010,726	25,425,416

14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured, Considered good:		
Advances (Secured against Machinery in the Company's possession)	-	8,668,562
Unsecured, Considered good:		
Balances with Excise authorities	2,351,619	4,424,629
Advances to suppliers	1,707,609	12,008,543
Other Loans and Advances	20,017,940	17,293,104
Total	24,077,168	42,394,838

15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest accrued but not due on fixed deposits	1,739,087	1,317,306
Export Incentive receivable	3,384,207	5,394,612
Insurance claims receivable	4,103,651	655,979
Prepaid Expenses	664,552	893,977
Total	9,891,497	8,261,874

16 Other Income from operations

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Other operating revenues from Scrap Sale	2,831,614	2,458,183
Export Incentives	11,294,761	14,720,755
Total	14,126,375	17,178,938

17 Other Income

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income	2,400,704	1,662,960
Credits in respect of excess interest charged by Banks	5,375,084	-
Dividend income from long term investments	886,596	880,996
Liabilities no longer required written back	1,224,875	382,629
Provision for doubtful debts written back	10,330,000	-
Profit on sale of fixed assets (net)	923,063	375,526
Rental Income	3,525,438	1,924,533
Miscellaneous Income	2,311,235	249,841
Total	26,976,995	5,476,485

18 Cost of Materials Consumed

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Materials consumed	205,339,976	227,759,284
Packing Materials consumed	86,768,819	106,168,442
Total	292,108,795	333,927,726

19 Manufacturing and Operating Costs

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	5,685,658	5,059,527
Repairs to machinery	1,850,428	1,735,154
Power and fuel	14,965,633	15,790,076
Total	22,501,719	22,584,757

20 Changes in Inventories of Finished Goods & Work in Progress

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stock:		
Finished Goods	92,959,161	60,583,008
Work in Progress	28,507,246	32,804,747
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	473,665,155	445,586,503
Closing Stock		
Finished Goods	103,624,023	92,959,161
Work in Progress	27,706,213	28,507,246
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	483,528,984	473,665,155
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	21,220,114	18,538,248
Total	11,356,285	(9,540,404)



21 Employee Benefits Expense

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	105,248,574	112,909,176
Contributions to provident and other funds	9,298,151	9,293,950
Staff welfare expenses	9,779,418	8,544,616
Total	124,326,143	130,747,742

22 Finance Costs

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expenses	223,651,642	220,673,137
Interest on Statutory dues	32,149,000	-
Other Borrowing Costs	-	11,798,029
Total	255,800,642	232,471,166

23 Other Expenses

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Rent	8,108,803	6,984,422
Repairs & Maintenance - Building	4,395,840	3,155,642
Insurance	1,877,971	1,923,372
Rates and Taxes	1,740,571	3,349,800
Travelling & Conveyance Expenses	18,818,662	19,074,708
Legal & Professional charges	29,031,978	30,361,946
Director's sitting Fees	166,383	260,000
Loss on Variation in Foreign Exchange Rates (Net)	1,607,152	2,741,751
Selling and Distribution Expenses	81,321,027	113,433,423
Provision for Doubtful Debts/Advances	747,665	65,985,499
Commission on sales	2,378,308	116,165
Miscellaneous Expenses	39,279,654	41,133,853
Total	189,474,014	288,520,581

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 prescribed by (Accounting Standards) Rules 2006 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

- a) Depreciation on Fixed Assets is provided for on written down value method in accordance with Schedule XIV to the Companies Act, 1956 (hereinafter referred to as the 'Act'). In respect of assets whose actual cost does not exceed Rupees Five thousand and acquired before 01.04.1993, depreciation is continued to be provided for at the general rates applicable to them under the said Schedule and those acquired thereafter, at the rate of 100% in the year of acquisition.
- b) Depreciation on the revalued Fixed Assets is provided for on straight line method on the increased book value of the assets (Net of scrap/ salvage value) based on the balance life of the said assets as estimated by the valuer. Out of the depreciation so calculated, the amount of depreciation as stated in (a) above is charged to the Statement of profit and loss and the balance is adjusted against a like amount transferred from Revaluation Reserve.
- c) Depreciation on spares purchased subsequently for specific machinery and having irregular use is provided prospectively over the residual life of the specific machinery.

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) Contingent liabilities not provided for in respect of :

- 1.1) (a) Guarantees and counter guarantees given by the Company to Banks/Financial Institutions / Others in respect of loans / guarantees to / for other companies (excluding in respect of Excise Duty referred to in Note no.(c) below) ` **10,55,73,000** plus interest, if any (Previous Year ` 10,55,73,000 plus interest, if any).
- (b) Guarantees given by the Bankers on behalf of the Company (excluding in respect of Excise Duty referred to in Note no.(c) below) ` **NIL** (Previous Year ` 30,79,386).
- (c) Disputed Excise claims/demands, of ` **5,90,50,96,427** (Previous year ` 3,00,08,73,377) excluding interest liability, if any, against and/or relating to the Company and counter claims by the Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the Company has paid ` **12,18,41,680** (Previous year ` 12,08,34,166) (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 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.
- (d) Excluding the claims/demands against the Company not acknowledged as debts as mentioned in (c) above:
- (i) Income Tax in respect of earlier years under dispute for which appeals/ rectification petitions have been / are being preferred by the Company and / or pending final assessments: ` **2,19,61,70,375** (Previous Year ` 2,62,01,66,348) including interest up to the date of respective demands and excluding further interest liability, if any, and penalty of ` **1,60,84,81,368** (Previous Year ` 1,99,50,37,107)
- (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 ` 1,05,03,11,158).
- (iii) The Hon'ble Supreme Court on SLP filed by Income Tax department has ordered that pending further orders from this court, the Company shall not encumber or in any way alienate the property.
- (e) As per the direction of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), Delhi, the Company has submitted Revised Modified Draft Rehabilitation Scheme to Monitoring Agency for their consideration and filing the same with BIFR, which is pending and consequential impact, if any would be considered, including reliefs asked for waiver of interest and penalties arising on implementation of the scheme as and when sanctioned.
- (f) The Company expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.
- (g) Other disputed amounts for which the Company is contingently liable :

	CURRENT YEAR	PREVIOUS YEAR
i) Disputed Demands of employees/ex-employees	1,81,20,242	33,21,277
ii) Disputed Sales Tax	29,00,552	76,53,655
iii) Disputed Entry Tax	23,33,93,500	22,37,02,975
iv) Disputed Land Revenue Tax	3,76,977	3,14,823
v) Disputed E.S.I.C (Employees' State Insurance)	18,86,378	18,86,378
vi) Services/materials suppliers/advance forfeited and other business related disputed matters	36,98,72,900	29,62,13,539
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.		



1.2) **Capital Commitment** :Estimated amount of contracts remaining to be executed on Capital account and not provided for ` **60,89,448** (Previous Year ` 64,18,286) (Net of advances of ` **25,72,474** (Previous Year of ` 4,94,13,636)

1.3) **Other Commitments** :Disclosure in respect of Operating Leases :

Assets taken on lease :

- (a) The Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.
 - (b) The rental expense in respect of Operating Leases is charged as rent under Note 23.
- 2) Land & Buildings and Plant & Equipment were revalued as on 30th June, 1980, 30th June, 1984, 30th June, 1986 (only Land and Buildings), 30th June, 1988 and 31st March,1993. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of ` **14,66,98,190** for Land & Buildings and ` **64,35,94,544** for Plant & Equipment (Previous Year ` 14,66,98,190 and ` 64,42,46,062, respectively) remain substituted for the historical costs in the gross block of Fixed Assets (refer Note 8).
- 3) (a) In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
 - (b) The Accounts of certain Trade Receivables, Trade Payables, Non-operative Banks / Lenders and Loans & Advances are however, subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 4) Other Liabilities includes ` **3,07,90,749** (Previous Year ` 3,07,90,749) on account of income tax refund received pertaining to earlier years as the disputed matters are yet to be decided.
- 5) The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small, Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

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

6) As a matter of prudence, the following net deferred tax asset as on March 31,2014 has not been recognized

Particulars	CURRENT YEAR	PREVIOUS YEAR
Deferred Tax Assets:		
Unabsorbed loss and depreciation	60,53,28,430	48,21,81,378
Expenses allowable U/s. 43B of Income Tax Act, 1961 on payment basis (including VRS and Provision for Doubtful Debts)	11,11,40,328	12,41,37,281
Deferred Tax Liability:		
Depreciation	84,92,858	65,87,484
Net Deferred Tax Assets	70,79,75,900	61,29,06,143

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

- (a) The Company had entered into Memorandum of Understanding (MOU) in December, 2009 with M/s Sheth Developers Pvt. Ltd. and Suraksha Realty Ltd. (Developers) and had received advances in earlier years aggregating to ` 1,32,00,00,000 (Previous Year ` 132,00,00,000) to jointly develop its Vile Parle property. However, the aforesaid parties have disputed and not paid balance payment which was due in March, 2011 as per the said MOU / final demand notice to the Developers.

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

The Company has in the MDRS submitted to the Operating Agency (OA) appointed by BIFR in July, 2013 sought for refunding above advances and also the advances of ` 40,75,00,000 received from a strategic investor against Vile Parle Property along with interest, if any as decided by BIFR by selling the said property. (Reference is invited to Note no. 25[1.1d(iii)] about the Hon'ble Supreme Court's Order for not to encumber or in any way alienate the property).

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

- (b) The Company had entered into a development agreement in September, 2007 and supplemental agreement in October, 2008 & March, 2014 with a developer to jointly develop its Hyderabad property. During the year, the Company has received an interest free security deposit of ` 4,00,00,000 (Previous year ` Nil), balance as on March 31, 2014 ` 90,000,000 (Previous Year ` 5,00,00,000).
- (c) The Company gave advances aggregating to ` 1,83,07,23,882 (Previous Year ` 1,68,33,47,606) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development Agreements in this regard.

8) **Related Party Disclosures :**

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

I. **List of related parties :**

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

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

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

(i) **Key Management Personnel**

Shri A. K. Joshi	Managing Director (w.e.f. September 28, 2012)
Shri. Jaskaran S. Khurana	Executive Director (w.e.f. May 23, 2013)
Shri. Ved Berry	Executive Director (w.e.f. May 23, 2013)

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

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

(iii) **Associate :**

GHCL Limited



- ii. During the year, the following transactions were carried out with the related parties in the ordinary course of business and outstanding balances as on March 31, 2014

(In `)

Transactions	For the year ended March 31, 2014	For the year ended March 31, 2013
Golden Realty & Infrastructure Limited :		
Loans & Advances given	24,20,76,276	9,09,06,004
Amount received	9,47,00,000	4,69,00,000
Western Express Industries Limited :		
Loans & Advances given	5,10,825	6,25,842
Amount received	-	26,000
Golden Investment (Sikkim) P Ltd : Amount received	2,000	7,000
GTC Inc. B.V.:		
Loans & Advances given	47,277	8,76,462
Amount received	-	4,033
Shri. A. K. Joshi : Managerial Remuneration	80,35,463	71,21,813
Shri. Jaskaran S. Khurana : Managerial Remuneration	47,85,039	-
Shri. Ved Berry : Managerial Remuneration	42,31,496	-
Shri. Amit Joshi : Car Hire Charges	1,80,000	1,80,000
Shri. Ashwin Joshi : Car Hire Charges	1,80,000	1,80,000
Smt. Ivleen Khurana : Car Hire Charges	3,60,000	-
Smt. Benu Berry : Car Hire Charges	3,60,000	-
Golden Realty & Infrastructure Limited :		
Receivable	183,07,23,882	168,33,47,606
Investment	5,00,000	5,00,000
Western Express Industries Limited :		
Receivable	9,99,70,868	9,94,60,043
Investment	2,31,20,000	2,31,20,000
Golden Investment (Sikkim) P Ltd :		
Payable	31,06,935	31,08,935
Investment	59,980	59,980
GTC Inc. B.V.:		
Receivable	34,46,578	28,08,146
Investment	10,89,270	10,89,270
GHCL Limited :		
Receivable	1,80,00,000	1,80,00,000
Provision for doubtful debts	1,80,00,000	1,80,00,000
Investments	4,95,90,697	4,95,90,697
Shri A. K. Joshi - Payable	13,33,784	17,75,580
Shri. Jaskaran S. Khurana - Payable	12,71,971	-
Shri Ved Berry - Payable	6,71,971	-
Shri Amit Joshi : Payable	30,000	15,000
Shri Ashwin Joshi : Payable	30,000	15,000
Smt. Ivleen Khurana : Payable	60,000	-
Smt. Benu Berry : Payable	60,000	-

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 disclosed above. Also, no amount has been written off/written back in respect of aforesaid parties during the year.

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

Particulars	CURRENT YEAR	PREVIOUS YEAR
Gain on assignment of old receivables which were written off/provided for in earlier years	6,17,01,128	-
Gratuity liability for earlier years determined on the basis of actuarial valuation	-	(4,87,29,868)
Provision in respect of Non Movable inventory in view of change in statutory requirement	(3,28,68,919)	-
Net Exceptional Income / (Expense)	2,88,32,209	(4,87,29,868)

10) The computation of Earnings Per Share :

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Numerator :		
Net Loss as per Statement of profit and loss (after tax) before Exceptional Item	(24,78,39,830)	(38,54,43,901)
Less/(Add) : Exceptional Item	2,88,32,209	(4,87,29,868)
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item	(21,90,07,621)	(43,41,73,769)
(b) Denominator :		
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	1,75,88,021	1,75,88,021
(c) Earnings Per Equity Share		
Basic and Diluted Before Exceptional Item	(14.08)	(21.92)
After Exceptional Item	(12.45)	(24.69)
(d) Nominal Value Per Equity Share	Rs.10	Rs.10

11) Research and Development Expenses/ Cost charged :

Particulars	CURRENT YEAR	PREVIOUS YEAR
a) to appropriate heads of expenses	40,44,707	17,98,093
b) to Miscellaneous Expenses, amongst		
Other expenses, include the following :		
Salaries, Wages and Bonus	36,21,345	13,89,969
Contribution to Provident and Other Funds	3,81,274	1,04,496
Workmen and Staff Welfare Expenses	42,088	50,029
Stores & Spare parts Consumed	6,730	30,542
Machinery Repairs and Maintenance	50,562	52,118



- (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	41,30,060	42,38,424
Contribution to Provident and Other Funds	4,20,840	4,76,901
Gratuity	6,51,601	1,43,121
Workmen and Staff Welfare Expenses	14,253	12,267
Power and Fuel	3,63,220	3,52,284
Building Repairs and Maintenance	1,37,966	85,360
Rates and Taxes	15,47,887	15,58,356
Insurance	2,18,644	3,21,452
Rent	99,000	99,000

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

(a) Raw Materials	-	4,20,181
Packing Materials	53,314	3,84,068
(b) Consumption of raw materials, packing materials and stores & spare parts includes write-offs/diminutions in the value of stocks on account of un-serviceability / obsolescence / damages / shortages.		
(c) Consumption of raw materials, packing materials and stores & spare parts has been arrived at on the basis of opening stock plus purchases less closing stock as physically verified and sale, if any.		

- 14) Payments to Auditors:

Particulars	CURRENT YEAR	PREVIOUS YEAR
(i) Audit Fees	7,50,000	7,50,000
(ii) In other capacity for :		
(a) Company Law matters/Management Services	1,92,000	1,92,000
(b) Tax Audit	1,50,000	1,50,000
(c) Certification fees	3,30,000	3,30,000
	14,22,000	14,22,000
(iii) Reimbursement of expenses [including service tax of ` 1,75,759 (Previous Year ` 2,10,546)]	3,17,074	3,47,905
	17,39,074	17,69,905

- 15) "Selling and Distribution Expenses" includes :

Particulars	CURRENT YEAR	PREVIOUS YEAR
Rent	96,000	96,000
Entry Tax/Octroi/Toll Tax	19,04,266	34,66,884

16) **ADDITIONAL INFORMATION PURSUANT TO REVISED SCHEDULE VI :**

A: Information in respect of Sales :

(Amount in `)

Particulars	Sales	Closing Inventory	Opening Inventory
Cigarettes	1,06,64,93,389 (1,22,71,89,848)	10,36,24,023 (9,29,59,161)	9,29,59,161 (6,08,85,035)
Raw Tobacco	9,12,80,150 (6,89,97,340)	NIL (NIL)	NIL (NIL)
Processed Tobacco	38,94,722 (30,34,924)	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	96,492 (6,43,212)	NIL (NIL)	NIL (NIL)
Total	1,16,17,64,753 (1,29,98,65,324)	45,58,22,771 (44,51,57,909)	44,51,57,909 (41,30,83,783)

B : Sales include transfer for own consumption of cigarettes at Sales values ` **1,68,798** (Previous year ` 2,72,693)

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

(Amount in `)

Particulars	CURRENT YEAR	PREVIOUS YEAR
Tobacco	12,16,88,360	14,46,84,546
Cigarette Paper	2,07,20,717	2,15,40,857
Filter Rods	5,00,08,780	4,92,29,850
Others	1,29,22,119	1,23,04,031
Total	20,53,39,976	22,77,59,284

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	2,24,28,884	5,13,31,148
(b) Stores and Spare Parts	1,25,612	1,01,664
(c) Packing Materials	5,55,978	9,45,128

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	1,81,84,640 (2,27,14,333)	8.86 (9.97)	1,56,240 (2,55,219)	2.75 (2.25)
Indigenous	18,71,55,336 (20,50,44,951)	91.14 (90.03)	55,29,418 (48,04,308)	97.25 (97.75)
Total	20,53,39,976 (22,77,59,284)	100.00 (100.00)	56,85,658 (50,59,527)	100.00 (100.00)

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



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

Particulars	CURRENT YEAR	PREVIOUS YEAR
Travelling, Legal & Professional and Subscription etc.	15,88,076	23,42,618
Advertisement Expenses	10,98,245	8,55,932
Commission	-	1,16,165
(ii) Earning in Foreign Currency :		
(a) Exports of Goods on F.O.B. basis (including exports through/by third parties)	31,48,97,120	31,42,28,154
(b) Recovery towards Freight and Insurance on Export	70,65,618	26,40,786
Total	32,19,62,738	31,68,68,940

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

Particulars	Type of foreign currency	As at 31-03-2014		As at 31-3-2013	
		Amount in foreign currency	Amount in `	Amount in foreign currency	Amount in `
Trade Receivable	US\$	6,950	4,14,289	6,099	3,33,920
Advances from Customer	US\$	4,50,257	2,68,39,819	5,00,937	2,74,26,301

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 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES NAMED BELOW :

PARTICULARS	GOLDEN INVESTMENT (SIKKIM) PVT. LIMITED	WESTERN EXPRESS INDUSTRIES LIMITED	RAIGADH PAPERS LIMITED**	GTC INC B.V	GOLDEN REALTY & INFRASTRUCTURE LIMITED
1 The Financial Year of the Company ending on	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014
2 Fully paid Equity Shares of ₹ 10 each held by Golden Tobacco Limited, the Holding Co. (%)	6,000 10 each (99.97)	7,500,000 10 each (100.00)	150,000 100 each (100.00)	40 37572.30 each * (100.00)	50,000 10 each (100.00)
3 The net aggregate Profit (Loss) of the Subsidiary Company Dealt with in the accounts of the Holding Company					
i) For the Financial year (`)	Nil	Nil	Nil	Nil	Nil
ii) For the Previous Financial years (`)	4,948,350	47,545,000	Nil	Nil	Nil
4 Not dealt with in the accounts of the Holding Company in so far as it relates to the Company					
i) For the Financial year (`)	(14,261)	(84,950)	(699,704)	(639,545)	(123,278,739)
ii) For the Previous Financial years (`)	2,968,090	(157,963,536)	(19,981,764)	(4,602,566)	(358,847,184)
5 a) Change of interest of the Company in the Subsidiaries between the end of the financial year of the Subsidiaries and the financial year of the Company	Nil	Nil	Nil	Nil	Nil
b) Material Changes between the end of the financial year of the Subsidiaries and the end of financial year of the Company					
i) Fixed Assets	Nil	Nil	Nil	Nil	Nil
ii) Investments	Nil	Nil	Nil	Nil	Nil
iii) Monies lent by the Subsidiary	Nil	Nil	Nil	Nil	Nil
iv) Monies borrowed by the Subsidiary other than for meeting current liabilities	Nil	Nil	Nil	Nil	Nil

* Represents 455 Euro per share.

** Subsidiary of Western Express Industries Limited

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 27, 2014



INDEPENDENT AUDITORS' REPORT

To

**The Board of Directors
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, comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and 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

Management 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 consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date, and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:-

Without qualified, we draw attention to the following :

- (a) The holding Company's Revised Modified Draft Rehabilitation Scheme (MDRS) submitted to the BIFR and consequential recording of reliefs etc. as and when the scheme is sanctioned (Refer note no. 25(1)(1.1) (e)).
- (b) Without qualifying, we draw attention regarding substantial diminution in the carrying value of certain long term investments, particularly in respect of quoted investments- the diminution being ` 3,55,10,361 as compared to its market value which in the opinion of the management, is temporary and no provisioning is considered necessary at this stage as the same are long term and of strategic in nature.

Other Matter:

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ` 1,05,87,571 as at March 31, 2014 and total revenues of ` Nil for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of such other auditors. Our opinion is not qualified in respect of this matter.

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

R.P. Baradiya
Partner

Membership No. 44101

Place : Mumbai
Date : May 27, 2014



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014	(Amount in `) As at March 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	175,880,212	175,880,212
Reserves and Surplus	2	(1,515,986,463)	(1,169,881,550)
2 Minority Interest		1,003	1,008
3 Non-Current Liabilities			
Long-Term Borrowings	3	293,868,049	1,346,315,457
Other Long Term Liabilities	4	1,891,635,499	1,892,596,920
4 Current Liabilities			
Short-Term Borrowings	5	380,338,361	413,320,796
Trade Payables		249,989,065	206,570,198
Other Current Liabilities	6	2,861,987,072	2,376,622,437
Short-Term Provisions	7	54,731,581	65,592,014
TOTAL		4,392,444,379	5,307,017,492
ASSETS			
1 Non Current Assets			
Fixed Assets(Net)			
Tangible Assets	8	250,611,858	260,895,317
Non-Current Investments	9	62,878,173	62,878,173
Long-term Loans and Advances	10	3,094,759,955	3,981,709,619
2 Current Assets			
Inventories	11	805,831,820	825,670,211
Trade Receivables	12	98,115,104	96,075,300
Cash and Bank Balances	13	46,278,804	28,400,400
Short Term Loans and Advances	14	24,077,168	42,889,484
Other Current Assets	15	9,891,497	8,498,988
TOTAL		4,392,444,379	5,307,017,492

**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 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	For the year ended March 31, 2014	(Amount in `) For the year ended March 31, 2013
Income			
Revenue from operations			
Sale of Products		1,161,764,753	1,299,865,324
Less:Excise Duty		(473,016,890)	(628,043,973)
Other income from Operation	16	14,126,375	17,178,938
		702,874,238	689,000,289
Other income	17	27,255,451	6,127,142
Total Income		730,129,689	695,127,431
Expenses			
Cost of materials consumed	18	292,108,795	333,927,726
Purchases for resale		71,259,800	68,687,100
Manufacturing and Operating Costs	19	22,501,719	22,584,757
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	11,356,285	(9,540,404)
Employee Benefits Expense	21	124,326,143	130,747,742
Finance Costs	22	459,905,206	533,481,885
Depreciation and Amortization Expense	8	12,778,566	14,684,821
Less : Transferred from Revaluation Reserve		(1,914,555)	(2,162,416)
		10,864,011	12,522,405
Other Expenses	23	191,082,931	290,224,236
Total Expenses		1,183,404,890	1,382,635,447
Loss before tax		(453,275,201)	(687,508,016)
Tax Expense :			
Current Tax		-	-
Loss for the year from continuing operations before Exceptional items		(453,275,201)	(687,508,016)
Exceptional items -Income/(Expense)	25.5	109,550,377	(48,729,868)
Loss before Minority Interest		(343,724,824)	(736,237,884)
Minority Interest(Loss)		5	5
Loss for the year		(343,724,819)	(736,237,879)
Earnings per equity share of the face value of ` 10 each :	25.9		
Basic & Diluted :			
Before Exceptional item		(25.77)	(39.09)
After Exceptional item		(19.54)	(41.86)

**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 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A Cash flow from Operating Activities:		
Net (loss) as per statement of Profit & loss after exceptional before minority interest	(343,724,824)	(736,237,884)
Add: Exceptional Items- Income/(Expense)	(109,550,377)	48,729,868
Loss before exceptional items	(453,275,201)	(687,508,016)
Add: Adjustments for :		
Depreciation and Amortization	10,864,011	12,522,405
Provision for Doubtful debts provided for/ (written back)	(10,330,000)	65,985,499
Interest Expenses	459,905,206	521,683,856
Interest received (other than investment)	(2,634,990)	(2,276,831)
Dividend received on Investment	(930,276)	(890,116)
(Profit)/Loss on sale of fixed assets	(923,063)	(375,526)
Liabilities no longer required written back	(1,225,365)	(382,629)
Effect of Foreign Currency Translation	(892,533)	(369,113)
Foreign Exchange (Gain)/Loss, net	1,607,152	2,741,751
Operating Profit/(loss) before Working Capital changes	2,164,941	(88,868,720)
Adjustments for changes in Working Capital :		
- Trade and other Receivables	973,043,128	179,909,397
- Inventories	(13,030,528)	(43,748,087)
- Trade and Other Payable	494,562,303	269,917,486
Cash generated from Operations	1,456,739,845	317,210,076
Income Taxes Paid	(137,039)	(137,818)
Net cash from/(used in) Operating Activities - A	1,456,602,806	317,072,258
B Cash flow from Investing Activities:		
Purchase of Fixed Assets	(2,611,931)	(6,081,426)
Sale of fixed Assets	1,039,887	388,141
Dividend received	930,276	890,116
Interest received (other than Investment)	2,634,990	2,276,831
Net Cash from/(used in) Investing Activities - B	1,993,222	(2,526,338)
C Cash flow from Financing Activities:		
(Repayment)/Proceeds from long term borrowings	(1,085,429,843)	(18,421,935)
Interest paid	(355,618,828)	(365,531,925)
Net cash from/(used in) Financing Activities - C	(1,441,048,671)	(383,953,860)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	17,547,357	(69,407,940)
Opening Cash and Cash Equivalents	10,931,558	80,339,498
Closing Cash and Cash Equivalents	28,478,914	10,931,558

Notes:

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3, Cash Flow Statement prescribed by Companies (Accounting Standards) Rules, 2006.
- 2 Previous year's figures have been regrouped/rearranged where necessary.

As per our attached Report of even date

For and on behalf of the Board

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

R P Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : May 27, 2014

A. K. Joshi Managing Director	R. R. Kumar Director	Manoj Kumar Srivastava Company Secretary
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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014

1 Share Capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Amount in `	Number	Amount in `
Authorised				
Equity Shares of ` 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of ` 100 each	1,000,000	100,000,000	1,000,000	100,000,000
Total		350,000,000		350,000,000
Issued				
Equity Shares of ` 10 each	17,608,802	176,088,020	17,608,802	176,088,020
Subscribed and Paid up				
Equity Shares of ` 10 each	17,598,016	175,980,160	17,598,016	175,980,160
Less : Allotment/Call money unpaid other than Directors	-	99,948	-	99,948
Total	17,598,016	175,880,212	17,598,016	175,880,212

2 Reserves and Surplus

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Reserve		
a) on profit on sale of Investments	10,848,900	10,848,900
b) on account of monies received against forfeited shares	90,000	90,000
c) Capital Reserve on Consolidation		
i) Reserves capitalized by a subsidiary company on issue of bonus shares	25,000,000	25,000,000
ii) goodwill capitalized in view of write off by the subsidiary	26,880,000	26,880,000
iii) In respect of investment made by a subsidiary	2,457,673	2,457,673
iv) General reserve of a subsidiary company	4,021,711	4,021,711
v) Investment allowance reserve of a subsidiary company	5,657,500	5,657,500
Closing Balance	74,955,784	74,955,784
Securities Premium Account		
Opening Balance	534,547,235	534,547,235
Less : Allotment/call money unpaid other than Directors	926,332	926,332
Closing Balance	533,620,903	533,620,903
Revaluation Reserve (On revaluation of Land, Buildings and Plant & Machinery)		
Opening Balance	125,019,548	126,937,045
Add : of a subsidiary on Consolidation	435,231	435,231
Less : Relating to assets sold /discarded/written off/transferred to stock in Trade	8,237	190,312
Less : Transferred to Statement of Profit & Loss being the difference between depreciation for the year on revalued amount and original cost of the assets	1,914,555	2,162,416
Closing Balance	123,531,987	125,019,548
Foreign Currency Translation Reserve		
Opening Balance	(965,624)	(596,511)
Add: Movement during the year	(892,533)	(369,113)
Closing Balance	(1,858,157)	(965,624)
Deficit: Statement of Profit and Loss		
Opening Balance	(1,902,512,161)	(1,166,274,282)
Add : Loss for the year transferred from Statement of Profit & Loss	(343,724,819)	(736,237,879)
Closing Balance	(2,246,236,980)	(1,902,512,161)
Total	(1,515,986,463)	(1,169,881,550)

3 Long Term Borrowings (Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured :		
Term Loans :		
from banks	85,023,713	22,157,969
from Bodies Corporate	183,344,336	230,077,714
Unsecured Loans :		
from Body Corporate	25,500,000	1,094,079,774
Total	293,868,049	1,346,315,457

4 Other Long Term Liabilities (Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Unpaid Dividend*	7,115,143	7,115,143
Statutory Dues Payable*	69,882,851	69,882,851
Advance Received Towards Property Development (also refer note no.25.6(a))*	1,320,000,000	1,320,000,000
Advance Received Towards Project Development (also refer note no. 25.6(a))*	407,500,000	407,500,000
Other Liabilities	87,137,505	88,098,926
Total	1,891,635,499	1,892,596,920

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

5 Short Term Borrowings (Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured		
Working Capital Facilities :		
from banks	376,338,361	413,320,796
Unsecured :		
Intercorporate Deposits	4,000,000	-
Total	380,338,361	413,320,796

6 Other Current Liabilities (Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt	1,011,313,152	1,756,446,073
Interest accrued and due on borrowings	277,753,588	173,514,269
Interest accrued but not due on borrowings	47,059	-
Overdue borrowings	1,121,807,741	152,088,571
Security Deposits (also refer note no.25.6(b))	166,699,142	117,536,458
Payable towards purchase of Fixed Assets	-	584,057
Advances from Customers	31,967,099	35,582,092
Excise Duty accrued but not due	73,209,570	51,990,125
Statutory Dues Payable	30,598,454	37,936,277
Book Overdraft in a Current Account with a Bank	49,871,177	-
Other Liabilities	98,720,090	50,944,515
Total	2,861,987,072	2,376,622,437



7 Short-term Provisions

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for :		
Gratuity	45,234,878	52,849,032
Leave	9,496,703	12,742,982
Total	54,731,581	65,592,014

8 Fixed Assets

(Amount in `)

Particulars	Gross Block				Balance as at 31st March, 2014	Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 1st April, 2013	Adjustment during the year	Additions during the year	Disposals during the year		Balance up to 31st March, 2013	Adjustment during the year	Charge for the year	Disposals during the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014
Tangible Assets Land & Building (At Book value)	248,446,404	925,071	-	-	249,371,475	61,926,486	5,557,408	-	-	67,483,894	181,887,581
Electric Installations (At Cost)	2,968,792	-	-	2,924	2,965,868	2,755,096	29,703	-	2,912	2,781,887	183,981
Plant and Equipment (At Book value)	677,104,423	1,188,390	176,570,450	651,518	854,211,745	615,388,231	5,152,200	176,570,450	643,259	796,467,622	57,744,123
Furniture and Fixtures (At Cost)	7,379,276	-	-	-	7,379,276	6,911,299	84,673	-	-	6,995,972	383,304
Vehicles (At Cost)	6,602,396	-	-	677,463	5,924,933	5,841,456	190,350	-	624,391	5,407,415	517,518
Factory & Office equipment (At Cost)	49,204,937	498,470	-	2,752,035	46,951,372	37,988,343	1,764,232	-	2,696,554	37,056,021	9,895,351
Total	991,706,228	2,611,931	176,570,450	4,083,940	1,166,804,669	730,810,911	12,778,566	176,570,450	3,967,116	916,192,811	250,611,858

(Amount in `)

Particulars	Gross Block				Balance as at 31st March, 2013	Accumulated Depreciation/Amortisation			Net Block	
	Balance as at 1st April, 2012	Additions during the year	Disposals during the year			Balance up to 31st March, 2012	Charge for the year	Disposals during the year	Balance as at 31st March, 2013	Balance as at 31st March, 2013
Tangible Assets Land & Building (At Book value)	245,915,614	2,530,790	-		248,446,404	55,952,778	5,973,708	-	61,926,486	186,519,918
Electric Installations (At Cost)	3,056,874	-	88,082		2,968,792	2,804,444	35,075	84,423	2,755,096	213,696
Plant and Equipment (At Book value)	675,715,144	2,951,679	1,562,400		677,104,423	610,453,678	6,306,619	1,372,066	615,388,231	61,716,192
Furniture and Fixtures (At Cost)	7,343,687	110,296	74,707		7,379,276	6,904,611	80,895	74,207	6,911,299	467,977
Vehicles (At Cost)	7,183,424	-	581,028		6,602,396	6,144,454	269,593	572,591	5,841,456	760,940
Factory & Office equipment (At Cost)	48,716,276	488,661	-		49,204,937	35,969,412	2,018,931	-	37,988,343	11,216,594
Total	987,931,019	6,081,426	2,306,217		991,706,228	718,229,377	14,684,821	2,103,287	730,810,911	260,895,317

9 Non Current Investments

Sr.	Name of the Body Corporate	Trade/ Non trade	No. of Shares / Units		Face Value	Amount (`)	
			As at March 31st 2014	As at March 31st 2013		As at March 31st 2014	As at March 31st 2013
	Investments in Equity Shares- Long Term						
A	In Other Body Corporate : (Unquoted , fully paid up)						
	World Growth Fund Limited (at depreciated value)	Non-Trade	10,000	10,000	` 10	1	1
	WGF Financial Services Limited (at depreciated value)	Non-Trade	200,000	200,000	` 10	1	1
	Filter and Filteraids Limited (at depreciated value)	Trade	1,800	1,800	` 10	1	1
	J K Cigarettes Limited (at depreciated value)	Trade	20,000	20,000	` 10	1	1
	Premier Paper Mills Limited (at depreciated value)	Trade	40,000	40,000	` 100	5	5
	Dalmia Finance Limited (at cost)	Non-Trade	120,000	120,000	` 10	1,200,000	1,200,000
	Tendoring Services Pvt. Limited (at depreciated value)	Non-Trade	311	311	` 100	1	1
B	In Other Body Corporate : (Quoted, fully paid up)						
	GHCL Limited (at cost)	Non-Trade	416,578	416,578	` 10	49,590,697	49,590,697
	General Exports & Credit Limited (at cost)	Non-Trade	158,400	158,400	` 10	1,584,000	1,584,000
	Bharat Explosive Limited (at cost)	Non-Trade	1,050,000	1,050,000	` 10	10,500,000	10,500,000
	ITC Limited (at cost)	Trade	15,360	15,360	` 1	1,544	1,544
	Godfrey Phillips India Limited(at cost)	Trade	456	456	` 10	1,515	1,515
	VST Industries Limited(at cost)	Trade	64	64	` 10	407	407
	Total					62,878,173	62,878,173

10 Long term loans and advances

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, Considered good		
Advances given towards acquisition of Development rights (refer note no. 25.6(c))	2,709,438,000	3,549,010,000
Capital Advance	2,572,474	55,413,636
Security Deposits	7,690,881	8,091,301
Balances with Excise/Sales tax authorities	181,782,910	178,604,366
Loans and Advances for value to be received in cash or in kind	80,974,234	79,631,492
Payment of Tax (Net of Provision of ` 32,95,85,675; Previous year ` 33,05,31,299)	112,301,456	110,958,824
Unsecured, Considered Doubtful	36,784,278	36,447,569
Less: Provision for doubtful loans and advances	(36,784,278)	(36,447,569)
Total	3,094,759,955	3,981,709,619

11 Inventories

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Materials	247,639,748	251,338,823
Work-in-progress	27,706,213	28,507,246
Finished goods (Including goods in transit of ` 49,32,499 ; Previous year ` 1,16,52,612)	103,624,023	92,959,161
Packing Materials	44,369,519	70,153,491
Stock in Trade (Immovable Property)	352,198,748	352,198,748
Stores and spares	30,293,569	30,512,742
Total	805,831,820	825,670,211



12 Trade Receivables

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured (Secured Against Machinery in the Company's Possession)		
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment		
Considered good	1,452,981	50,469,001
Unsecured		
Trade receivables outstanding for a period of exceeding six months from the date they are due for the payment		
Considered good	3,615,161	1,195,140
Considered doubtful	37,741,178	52,103,568
Less : Provision for doubtful debts	(37,741,178)	(52,103,568)
	3,615,161	1,195,140
Others		
Considered good	93,046,962	44,411,159
Total	98,115,104	96,075,300

13 Cash and Bank Balances

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents		
Balances with banks	27,062,404	9,865,071
Term deposits with maturity for less than twelve months	-	20,000
Cash on hand	1,416,510	1,046,487
	28,478,914	10,931,558
Earmarked Bank balances		
Fixed Deposits with maturities less than twelve months pledged with banks against Guarantees and Credit facilities and with Government authorities for VAT/Entry Tax registration	17,729,258	17,331,740
Other Bank Balances	70,632	70,632
Right Issue Collection Accounts	-	66,470
Total	17,799,890	17,468,842
Total	46,278,804	28,400,400

14 Short term loans and advances

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured, Considered good:		
Advances (Secured against Machinery in the Holding Company's possession)	-	8,668,562
Unsecured, Considered good:		
Balances with Excise authorities	2,351,619	4,671,546
Advances to suppliers	1,707,609	12,008,543
Other Loans and Advances	20,017,940	17,540,833
Total	24,077,168	42,889,484

15 Other Current Assets

(Amount in `)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest accrued but not due on fixed deposits	1,739,087	1,554,420
Export Incentive receivable	3,384,207	5,394,612
Insurance claim receivable	4,103,651	655,979
Prepaid Expenses	664,552	893,977
Total	9,891,497	8,498,988

16 Other Income from operations

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Other operating revenues from Scrap Sale	2,831,614	2,458,183
Export Incentives	11,294,761	14,720,755
Total	14,126,375	17,178,938

17 Other Income

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income	2,634,990	2,276,831
Credits in respect of excess interest charged by Banks	5,375,084	-
Dividend income from long term investments	930,276	890,116
Liabilities no longer required written back	1,225,365	382,629
Provision for doubtful debts written back	10,330,000	27,666
Profit on sale of fixed assets (net)	923,063	375,526
Rental Income	3,525,438	1,924,533
Miscellaneous Income	2,311,235	249,841
Total	27,255,451	6,127,142

18 Cost of Materials Consumed

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Materials consumed	205,339,976	227,759,284
Packing Materials consumed	86,768,819	106,168,442
Total	292,108,795	333,927,726


19 Manufacturing and Operating Costs

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	5,685,658	5,059,527
Repairs to machinery	1,850,428	1,735,154
Power and fuel	14,965,633	15,790,076
Total	22,501,719	22,584,757

20 Changes in Inventories of Finished Goods & Work in Progress

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stock:		
Finished Goods	92,959,161	60,583,008
Work in Progress	28,507,246	32,804,747
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	473,665,155	445,586,503
Closing Stock		
Finished Goods	103,624,023	92,959,161
Work in Progress	27,706,213	28,507,246
Stock in Trade (immovable Property)	352,198,748	352,198,748
Total	483,528,984	473,665,155
Add / (Less):- Variation in excise duty on opening and closing stock of finished goods	21,220,114	18,538,248
Total	11,356,285	(9,540,404)

21 Employee Benefits Expense

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	105,248,574	112,909,176
Contributions to provident and other funds	9,298,151	9,293,950
Staff welfare expenses	9,779,418	8,544,616
Total	124,326,143	130,747,742

22 Finance Costs

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expenses	426,773,406	521,683,856
Other Borrowing Costs	-	11,798,029
Interest on Statutory dues	33,131,800	-
Total	459,905,206	533,481,885

23 Other Expenses

(Amount in `)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Rent	8,117,203	6,992,822
Repairs & Maintenance - Building	4,395,840	3,155,642
Insurance	1,877,971	1,923,372
Rates and taxes	1,821,055	3,430,284
Travelling & Conveyance Expenses	18,818,662	19,074,708
Legal & Professional charges	29,928,406	31,318,994
Director's sitting Fees	181,883	301,500
Loss on Variation in Foreign Exchange Rates (Net)	1,607,152	2,741,751
Selling and Distribution Expenses	81,321,027	113,433,423
Provision for Doubtful Debts/Advances	747,665	65,985,499
Commission on sales	2,378,308	116,165
Miscellaneous Expenses	39,887,759	41,750,076
Total	191,082,931	290,224,236



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” prescribed by Companies (Accounting Standards) Rules 2006.

B. Principles of Consolidation

The Consolidated Financial Statements relate to Golden Tobacco Limited, (The Holding 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 Holding 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 Holding 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 holding Company and its subsidiaries are disclosed in their respective financial statements.

NOTES- 25 :

1) Contingent liabilities not provided for in respect of :

- 1.1) (a) Guarantees and counter guarantees given by the holding 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.(c) below) : ` 10,55,73,000 plus interest, if any (Previous Year ` 10,55,73,000 plus interest, if any).
- (b) Guarantees given by the Bankers on behalf of the holding Company (excluding in respect of Excise Duty referred to in Note no.(c) below) : ` Nil (Previous Year ` 30,79,386).
- (c) Disputed Excise claims/demands, of ` **5,90,50,96,427** (Previous year ` 3,00,08,73,377) excluding interest liability, of any, against and/or relating to the holding Company and counter claims by the holding Company are pending or otherwise being contested before the various Excise Authorities /Courts against which the holding Company has paid ` **12,18,41,680** (Previous year ` 12,08,34,166) (included in Loans & Advances) under protest. In the opinion of the management, appropriate provisions have been made in the books of account in respect of Excise claims/ demands that may become payable based on the legal advice /present status of various matters. Further, various show cause notices/show cause-cum-demand notices/attachment notice including in respect of Vile Parle Property, Mumbai have been received from Excise Authorities by the holding Company and/or in relation to the holding Company. Since these notices are in the nature of explanations required, the holding Company does not consider them to constitute any liability. All these notices have appropriately replied/attended to.
- (d) Excluding the claims/demands against the holding Company and its subsidiaries not acknowledged as debts as mentioned in (c) above :
 - (i) Income Tax in respect of earlier years under dispute for which appeals/ rectification petitions have been/ are being preferred by the group and / or pending final assessments ` **2,20,04,81,197** (Previous Year ` 2,62,44,77,170) including interest upto the date of respective demands and excluding further interest liability if any and penalty of ` **1,60,84,81,368** (Previous Year ` 1,99,50,37,107).

- (ii) Other Income Tax proceedings in respect of earlier years decided in the holding 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 ₹ 1,05,03,11,158).
- (iii) The Hon'ble Supreme Court on SLP filed by Income Tax department has ordered that pending further orders from this court, the holding Company shall not encumber or in any way alienate the property.
- (e) As per the direction of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), Delhi, the holding Company has submitted Revised Modified Draft Rehabilitation Scheme to Monitoring Agency for their consideration and filing the same with BIFR, which is pending and consequential impact, if any would be considered, including reliefs asked for waiver of interest and penalties arising on implementation of the scheme as and when sanctioned.
- (f) The holding Company and its subsidiaries expects to succeed in all the pending disputes, as per the expert opinions obtained by the management.

1.2) (a) Other disputed Contingent Liabilities :

Particulars	CURRENT YEAR	PREVIOUS YEAR
i) Disputed Demands of employees/ ex-employees of holding Company	1,81,20,242	33,21,277
ii) Disputed Sales Tax	29,52,040	77,05,143
iii) Disputed Entry Tax of holding Company	23,33,93,500	22,37,02,975
iv) Disputed Land Revenue & other Taxes of holding Company	3,76,977	3,14,823
v) Disputed E.S.I.C. (Employees' State Insurance)	18,86,378	18,86,378
vi) Services/materials suppliers/advance forfeited and other business related disputed matters (excluding differential interest, if any)	38,33,23,729	30,92,16,829

- (b) The holding 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 holding Company is not liable for any claims, whatsoever-amount unascertainable.

1.3) Capital Commitments :

Estimated amount of Contracts remaining to be executed on Capital account in holding Company and not provided for ₹ 60,89,448 (Previous Year ₹ 64,18,286); Net of Advances of ₹ 25,72,474 (Previous Year ₹ 5,54,13,636).

1.4) Other Commitments :Disclosure in respect of Operating Leases

Assets taken on lease :

- (a) The holding Company has taken various residential / commercial premises under cancelable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.
 - (b) The rental expense in respect of Operating Leases are charged as rent under Note 23.
- 2) Land & Buildings and Plant & Machinery were revalued as on 30th June, 1980, 30th June, 1984, 30th June, 1986 (only Land and Buildings), 30th June, 1988 and 31st March,1993. The total increase as a result of these revaluations were transferred to Revaluation Reserve in the respective years. All the above stated revaluations were carried out by an external approved valuer on the basis of market/replacement value of similar assets, using standard indices and after considering the obsolescence and age of individual assets. The revalued amounts, net of withdrawals, of ₹ 14,66,98,190 for Land & Buildings and ₹ 64,35,94,544 for Plant & Equipment (Previous Year ₹ 14,66,98,190 and ₹ 64,42,46,062, respectively) remain substituted for the historical costs in the gross block of Fixed Assets (Refer note 8).
- 3) (a) 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.
- (b) 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.



4) As a matter of prudence the net deferred tax asset in respect of holding/subsidiaries Company as on 31st March, 2014 has not been recognized.

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

Particulars	CURRENT YEAR	PREVIOUS YEAR
Gain on assignment of old receivables which were written off/provided for in earlier years	6,17,01,128	-
Liability no longer payable written back	8,07,18,168	-
Gratuity liability for earlier years determined on the basis of actuarial valuation	-	(4,87,29,868)
Provision in respect of Non Movable inventory on reassessment in view of lower manufacturing since a long time	(3,28,68,919)	-
Net Exceptional Income / (Expense)	10,95,50,377	(4,87,29,868)

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

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

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

The holding Company has in the MDRS submitted to the Operating Agency (OA) appointed by BIFR in July, 2013 sought for refunding above advances and also the advances of ₹ 40,75,00,000 received from a strategic investor against Vile Parle Property along with interest, if any as decided by BIFR by selling the said property. (Reference is invited to Note no. 25 [1.1d(iii)] about the Hon'ble Supreme Court's Order for not to encumber or in any way alienate the property).

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

(b) The holding Company had entered into a development agreement in September, 2007 and supplemental agreement in October, 2008 & March, 2014 with a developer to jointly develop its Hyderabad property. During the year, the holding Company received an interest free security deposit of ₹ 4,00,00,000 (Previous year Nil), balance as on March 31, 2014 ₹ 9,00,00,000 (Previous Year ₹ 5,00,00,000).

(c) The group has given advances aggregating to ₹ 270,94,38,000 (Previous Year ₹ 3,54,90,10,000) to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development agreement in this regard. During the year, ₹ 43,20,00,000 (Previous Year ₹ 21,80,00,000) has been received back in respect of one plot on termination of the development agreement without any compensation, interest, etc. and ₹ 43,20,00,000 (Previous Year ₹ 21,80,00,000) received back by the group during the year on cancellation of Development Agreement for one plot and ₹ 40,76,00,000 (Previous Year Nil) in view of addendum to the Development Agreement for second plot.

7 Segment Reporting :-

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

Particulars	(Amount in `)	
	Year Ended 31 st March,2014	Year Ended 31 st March,2013
Segment Revenue :		
(a) Tobacco Products	68,87,47,863	67,18,21,351
(b) Realty	—	—
(c) Others/Unallocable	—	—
Total	68,87,47,863	67,18,21,351
Add : Other Income		
(a) Tobacco Products	4,11,03,370	2,26,55,423
(b) Realty	2,34,776	4,48,870
(c) Others/Unallocable	43,680	2,01,787
Total	4,13,81,826	2,33,06,080
Net/Sales income from operations	73,01,29,689	69,51,27,431
Segment Results Profit/(Loss) before tax and interest from segment :		
(a) Tobacco Products	79,60,466	(15,29,72,735)
(b) Realty	1,07,657	2,38,865
(c) Others/Unallocable	(14,38,118)	(12,92,261)
Total	66,30,005	(15,40,26,131)
Less : Interest expenses	45,99,05,206	53,34,81,885
Add : Exceptional Income/(Expenses)	10,95,50,377	(4,87,29,868)
Provision for Taxation	—	—
Total Profit/(Loss) after taxation	(34,37,24,824)	(73,62,37,884)
Minority Interest (loss)	(5)	(5)
Net Profit/(Loss)	(34,37,24,819)	(73,62,37,879)
Segment Assets :		
(a) Tobacco Products	129,88,01,939	1,31,86,59,285
(b) Realty Division	306,19,02,933	3,95,68,88,728
(c) Others/Unallocable	3,17,39,507	3,14,69,479
Total Assets	439,24,44,379	5,30,70,17,492
Segment Liabilities :		
(a) Tobacco Products	126,84,14,767	1,15,08,08,711
(b) Realty Division	446,18,16,714	5,14,87,24,472
(c) Others/Unallocable	23,18,146	14,84,639
Total Liabilities	573,25,49,627	6,30,10,17,822
Capital Expenditure :		
(a) Tobacco Products	26,11,931	60,81,426
(b) Realty Division	—	—
(c) Others/Unallocable	—	—
Total Capital Expenditure	26,11,931	60,81,426
Depreciation/Amortisation :		
(a) Tobacco Products	10,863,665	1,25,22,007
(b) Realty Division	—	—
(c) Others/Unallocable	346	398
Total Depreciation/Amortization	1,08,64,011	1,25,22,405



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

8) Related Party Disclosures :

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

A. List of related parties :

(i) Key Management Personnel (KMP)

Shri A. K. Joshi – Managing Director
 Shri Jaskaran S. Khurana – Executive Director (w.e.f. May 23, 2013)
 Shri Ved Berry – Executive Director (w.e.f. May 23, 2013)

(ii) Associate GHCL Limited

(iii) Relatives of Key Management Personnel

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

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

Transactions	For the year ended March 31, 2014	For the year ended March 31, 2013
Shri A. K. Joshi - Managerial Remuneration	80,35,463	71,21,813
Shri Jaskaran S. Khurana - Managerial Remuneration	47,85,039	-
Shri Ved Berry - Managerial Remuneration	42,31,496	-
Shri Amit Joshi : Car Hire Charges	1,80,000	1,80,000
Shri Ashwin Joshi : Car Hire Charges	1,80,000	1,80,000
Smt. Ivleen Khurana : Car Hire Charges	3,60,000	-
Smt. Benu Berry : Car Hire Charges	3,60,000	-
Balances	As at March 31, 2014	As at March 31, 2013
GHCL Limited :		
Receivable	1,80,00,000	1,80,00,000
Provision for doubtful debts	1,80,00,000	1,80,00,000
Investments	4,95,90,697	4,95,90,697
Shri A. K. Joshi : Payable	13,33,784	17,75,580
Shri Jaskaran S. Khurana : Payable	12,71,971	-
Shri Ved Berry : Payable	6,71,971	-
Shri Amit Joshi : Payable	30,000	15,000
Shri Ashwin Joshi : Payable	30,000	15,000
Smt. Ivleen Khurana : Payable	60,000	-
Smt. Benu Berry : Payable	60,000	-

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 disclosed above. Also, no amount has been written off/written back in respect of aforesaid parties during the year.

9) The computation of Earnings Per Share :

Particulars	CURRENT YEAR	PREVIOUS YEAR
(a) Numerator :		
Net Loss as per Statement of profit and loss (after tax and minority interest) before Exceptional Item	(45,32,75,196)	(68,75,08,011)
(b) Add/Less : Exceptional Item- Income/(Expenses)	10,95,50,377	(4,87,29,868)
Net Loss as per Statement of profit and loss (after tax) after Exceptional Item	(34,37,24,819)	(73,62,37,879)
Denominator :		
Number of weighted average Equity Shares outstanding For Basic & diluted Earnings per share	1,75,88,021	1,75,88,021
(c) Earnings per Equity Share		
Basic and diluted		
Before Exceptional Item	(25.77)	(39.09)
After Exceptional Item	(19.54)	(41.86)
(d) Nominal Value per Equity Share	10	10

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

Signatures to Notes 1 to 25

As per our attached Report of even date

For LODHA & CO.

Chartered Accountants

Firm Registration No. 301051E

R P Baradiya

Partner

Membership No. 44101

Place: Mumbai

Date : May 27, 2014

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES :

(Amount in `)

PARTICULARS	GOLDEN INVESTMENT (SIKKIM) PVT. LIMITED	WESTERN EXPRESS INDUSTRIES LIMITED	RAIGADH PAPERS LIMITED*	GTC INC B. V.	GOLDEN REALTY & INFRASTRUCTURE LIMITED
1 Capital	60,000	75,000,000	15,000,000	1,502,892	500,000
2 Reserves	2,954,716	(147,109,586)	(10,567,025)	(5,253,434)	(482,125,923)
3 Total Assets	3,354,216	45,312,868	7,572,855	(83)	2,722,141,507
4 Total Liabilities	339,500	117,422,454	(3,139,880)	(3,750,459)	3,203,767,430
5 Details of Investment (except investmen in subsidiaries)	2	1,201,533	NIL	NIL	NIL
6 Turnover	NIL	NIL	NIL	NIL	NIL
7 Profit / (Loss) before Taxation	(14,265)	(84,950)	(699,704)	(639,545)	(123,278,739)
8 Provision for Taxation	NIL	NIL	NIL	NIL	NIL
9 Profit / (Loss) after Taxation	(14,265)	(84,950)	(699,704)	(639,545)	(123,278,739)
10 Proposed Dividend	NIL	NIL	NIL	NIL	NIL

* Subsidiary of Western Express Industries Limited

For and on behalf of the Board

A. K. Joshi
Managing Director

R. R. Kumar
Director

Manoj Kumar Srivastava
Company Secretary

Place : Mumbai
Date : May 27, 2014

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

PROXY FORM

Name of the Member(s) :
Registered Address :
..... E-mail Id:
Folio No./DP Id & Client Id :

I/We, being the member (s) of shares of the Golden Tobacco Limited, hereby appoint:

1. Name : Address :
Email ID : or failing him,

2. Name : Address :
Email ID : or failing him,

3. Name : Address :
Email ID : or failing him,

(TEAR FROM HERE)

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

ATTENDANCE SLIP

Folio No./DP Id -Client Id : _____

No. of Shares held : _____



I/We hereby record my/our presence at the 58th Annual General Meeting of Members of the Company being held at Registered Office At. Darjipura, Post- Amaliyara, Vadodara – 390 022, Gujarat on Monday, 22nd September , 2014 at 12:30 P.M.

Signature of First Holder / Proxy

Signature of First Joint Holder

Signature of Second Joint Holder

Notes : Please signed this attendance slip and hand over at the Attendance verification counter at the meeting venue. Shareholder/Proxy attending the meeting is requested to bring his /her copy of the annual report.

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 58th Annual General Meeting of the Company to be held on Monday, 22nd September, 2014 at 12:30 P.M. at Darjipura, Post Amaliyara, Vadodara, Gujarat 390022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with Reports of the Board of Directors' and the Auditors' thereon.
2. To reappoint M/s. Lodha & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 61st Annual General Meeting and to authorize the Board to fix their remuneration.

Special Business:

3. To appoint Shri Bharat B. Merchant (DIN: 00300384) as an independent director pursuant to the Companies Act,2013.
4. To appoint Shri V.K. Bhandari (DIN: 00052716) as an independent director pursuant to the Companies Act,2013 .
5. Authority to the Board of Directors to exercise Borrowing Powers.

Signed this on ____ day of _____, 2014

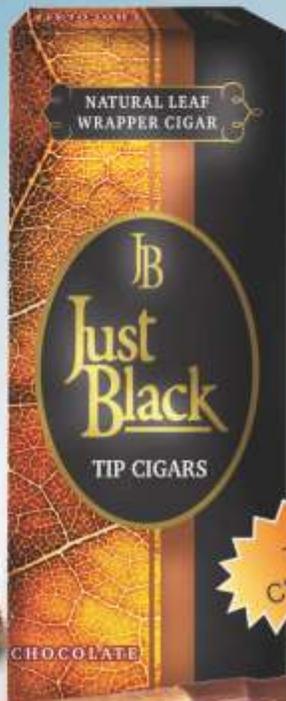
Signature of Shareholder:

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.

*Premium Range of
Handrolled Cigars*



KING SIZE
CIGARS



TIP
CIGARS



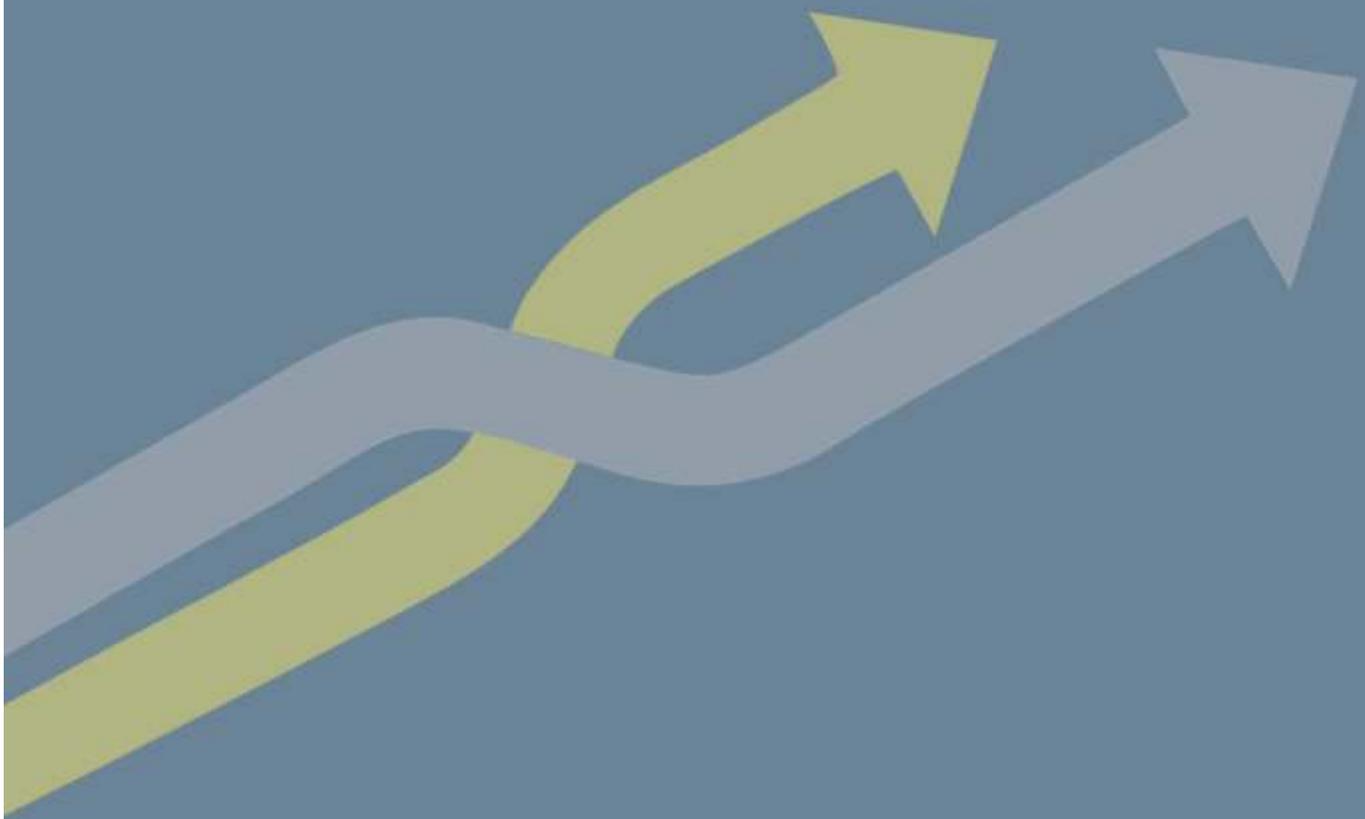
6" / 5"
CIGAR



TUBE
CIGARS



- THREE CUT WRAP
- WHITE ASH RESIDUE



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

