

# REPORT AND ACCOUNTS 2005-2006

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**GKW LIMITED**

MANAGING DIRECTOR  
J D Curravala  
WHOLETEIME DIRECTOR  
G Srinivasan

DIRECTORS  
P N Biyani  
M L Lahoti  
N K Navalakha  
P K Banerji

SECRETARY  
J N Ghosh

AUDITORS  
Lodha & Co.

REGISTERED OFFICE  
3A Shakespeare Sarani  
Kolkata 700 071  
Phone : 2282 2385/2386  
Fax : 2282 9747  
E-mail : gkw@cal2.vsnl.net.in

**BANKERS**

State Bank of India  
State Bank of Hyderabad  
Bank of India  
Indian Overseas Bank

**REGISTRAR & SHARE TRANSFER AGENT**

(For Physical & Demat)  
C. B. Management Services Pvt. Ltd.  
P-22, Bondel Road  
Kolkata 700 019  
Phone : 2280 6692 - 94  
Fax : 2247 0263  
E-mail : cbmsl1@cal2.vsnl.net.in

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

1. Your Directors submit their Annual Report together with the audited accounts for the year ended 31st March, 2006.
2. The results for the year under review are given below :

	Rs. Crores	
	2005-2006	2004-2005
Sales	130.19	82.63
Profit/(Loss) before interest and depreciation	7.90	(0.01)
Interest	(5.37)	(18.20)
Gross Profit/(Loss)	2.53	(18.21)
Depreciation	(8.46)	(8.70)
Profit/(Loss) before Tax	(5.93)	(26.91)
Taxation (Net)	2.89	3.32
Profit/(Loss) after taxation but before Exceptional items	(3.04)	(23.59)
Exceptional items	24.95	-
Profit/(Loss) after taxation and Exceptional items	21.91	(23.59)

As can be seen from the above table, your Company improved its performance during the year ended 31st March 2006.

- Sales increased by Rs. 47.56 Crores (58%) mainly on account of recovery through selling price of the steep increases in cost of raw materials, especially ferro alloying elements.
  - Profit before interest and depreciation amounted to Rs. 7.90 Crores against a loss of Rs. 0.01 Crores in the previous year.
  - A substantial reduction in loss after tax (but before Exceptional items - Rs. 24.95 Crores) of Rs.20.55 crores during the year under review was largely a function of the operating profit on the one hand and reduction in interest charge on the other.
3. In view of the carried forward loss, your Directors regret their inability to recommend any dividend in respect of equity shares for the year ended 31st March, 2006.

## FINANCE & ACCOUNTS

4. Share Capital - in terms of BIFR Order dated 5th October 2005, the Company allotted 3,00,00,000 Equity shares at par aggregating to Rs. 3000 lakhs and 2,30,00,000 10% non-convertible redeemable preference shares of Rs. 10/- each at a premium of Rs. 25/- per share aggregating to Rs. 8050 lakhs redeemable within one year.
5. Bank overdraft at Rs. 1387 lakhs was substantially lower than Rs. 11986 lakhs as at the end of the previous year, mainly on account of settlement of bankers dues and waiver of interest in terms of

BIFR Order dated 1st August 2005. The total borrowings as at 31st March 2006 amounted to Rs. 3422 lakhs (2004/05 Rs. 13797 lakhs).

6. Capital expenditure for the year amounted to Rs. 7 lakhs (2004/05 Rs. 6 lakhs) and value of assets put into use during the year amounted to Rs.14 lakhs (2004/05 Rs. 6 lakhs).
7. An amount of Rs. 22 lakhs (same as previous year) no longer required to be kept in Property Revaluation Reserve has been transferred to Profit and Loss Account.
8. As regards non-availability of vouchers, related documents and physical verification of assets in units under suspension of operation etc referred to in the Auditors' Report Note No. 27(d) to the Accounts is self explanatory.
9. As regards non verification of net recoverable value of the fixed assets referred to in the Auditors' Report, Note No 27(f) to the Accounts is self-explanatory.

## CONSOLIDATED ACCOUNTS

- 10 In compliance with Accounting Standard 21 of The Institute of Chartered Accountants of India, consolidated accounts are annexed hereto. As regards Auditor's comments on non-inclusion of GKW Cement Limited, Note No. 27(e) to the Accounts is self-explanatory.

## MANAGEMENT DISCUSSION AND ANALYSIS ON OPERATIONS

### 11. RESTRUCTURING

During the year under review, the Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 1st August 2005 sanctioned a scheme for revival and rehabilitation of the Company. The sanctioned scheme envisaged organisational, business and financial restructuring. In order to facilitate expeditious implementation of the said scheme, BIFR vide its Order dated 5th October 2005, inter alia permitted the promoters / Company to infuse Rs. 30 crores in the form of equity shares and upto a maximum of Rs. 125 crores by way of redeemable preference shares towards repayment of the settled dues of the Company's secured creditors and employees.

Pursuant to the said Order, the Company issued and allotted equity and redeemable preference shares as mentioned in para 4 above. The funds infused through the share allotment were utilised in terms of the sanctioned scheme as under :

- (a) to settle the dues of the Company's Bankers, thus ensuring substantial reduction in borrowings with corresponding reduction in the interest burden of the Company. This is a major step towards financial restructuring and would also enable the Bankers to release appropriate working capital finance to the operating divisions of the Company.

**GKW LIMITED**

- (b) to settle the dues of the employees of the Bangalore and Bhandup, Mumbai units of Sankey Electrical Stampings Division as also the dues of employees of Wheels Division, Durgapur. This is yet another step towards rationalisation of employee cost on the one hand and restructuring of business operations of the said divisions on the other.

The positive impact of the above referred financial and organisational restructuring undertaken since the sanction of the scheme is already reflected in the working results of your Company for the year ended 31st March 2006.

Your Directors are vigorously pursuing implementation of the sanctioned scheme in order to complete the restructuring as expeditiously as possible, and move on to consolidate the viable businesses of the Company. Towards this end, the Company has recently made a one time settlement with Unit Trust of India (UTI) and Army Group Insurance Fund (AGI), holders of 19% non-convertible debentures, for full and final settlement of all their dues against the said debentures. Your company has now reached a stage where its objectives would be :

- (a) to build a business model which can successfully withstand periods of economic downturns and grow rapidly during periods of economic prosperity.
- (b) enhance stakeholder value in all operating scenarios/ conditions.

In order to achieve the stated objectives, your directors seek co-operation and support from all stakeholders and hope that wiser counsel would prevail over certain section of employees who are opposing the implementation of the sanctioned scheme through appeals filed with the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) despite the demonstrated benefits of restructuring accruing to the Company and its stakeholders. Your Directors are taking all necessary steps to ensure that such actions do not go against the interest of the committed sections of employees and the Company at large.

**OPERATIONS**

12. Coming to the operating divisions, your Directors are pleased to report that prospects of Powmex Steels Division can further improve with judicious use of the working capital facilities which have recently been released by its bankers. All efforts will be made to ensure increased volumes which hitherto had to be sacrificed for want of timely financial support.

Sales of this division during the period under review, were substantially higher as compared to the previous year, mainly on account of recovery through pricing of the steep increase in ferro alloy prices. There was some improvement in the operating margins compared to the very low margin obtained during the previous year.

Demand for the division's products remains firm in the domestic market however, exports remain a thrust area and vigorous efforts will be made to exploit the full potential of this market. The importance of strict cost control and much improved operational efficiencies from all factors of production cannot be over emphasised. This alone would ensure profitability and growth on a sustainable basis both in the domestic and export markets.

Your Directors are preparing a blue print for major overhauling and refurbishing of the division's plant & equipment and also for investment in some balancing plant to enhance operating efficiency.

13. Screws and Fasteners Division tendered a marginal increase in turnover and profits. This division continues to face price competition from the unorganised sector resulting in loss of market share. A major constraint is high employee cost in relation to throughput. Efforts are at hand to improve efficiencies and undertake brand promotion for future growth. In this division also, refurbishing of plant and product mix rationalisation would be implemented to improve market share.
14. Metal Pressings Division at Pune is basically operating as a conversion agent for auto ancillaries. The margins in this kind of business are generally low, but given the tight liquidity situation, this business model offered the advantage of operating with minimum working capital and a very small customer base. Since this division is mainly catering to the small car segment, it is currently experiencing firming up of demand for metal pressed components in keeping with the improved demand for 'B' segment cars. Your Directors would endeavour to increase the customer base in the medium term and aim for a judicious mix between components supplied on conversion basis and components manufactured and supplied with raw materials procured by the Company. Like in the case of other operating divisions, this division will also require overhaul of plant in a phased manner with minimum impact on the operations.
15. In the case of Sankey Electrical Stampings Units at Bangalore and Bhandup, restructuring and rationalisation of the workforce in terms of the sanctioned scheme has already been achieved as stated above.
16. The Andul Road Works (ARW) divisions, comprising Steel, Bolt & Nut, Engineering & Machinery and a unit of Sankey Electrical Stampings division continued to remain under suspension of work. The sanctioned scheme envisages running only the Bolt & Nut division based on certain operating parameters on a truncated scale to make it viable. However, as the ARW labour unions are opposing the rehabilitation package and rationalisation of workforce as envisaged in the sanctioned scheme and have filed an appeal against the BIFR order,

in the AAIFR, implementation of the rehabilitation package pertaining to ARW divisions is currently stalled. The Company will initiate further action based on the outcome of the said appeal.

## RISKS AND CONCERNS

17. Your Directors recognize that there are uncertainties and risks attached to any business. The risks could be external, internal, or a combination of both. External risks can be intensification of competition, product substitution, technological obsolescence, changes in Government policy with regard to taxes and levies or economic slowdown adversely impacting demand and profitability. Such risks will be continuously monitored and appropriate action taken by the company to minimize the same. Internal risks comprise operating risks, financial risks and business risk. The company will take effective steps to deal with such risks.

All operating Divisions of the Company would identify any risks as perceived by them and take immediate steps to minimize the impact and at the same time submit a report to the next higher level of reporting.

## INTERNAL CONTROL

18. The Company has adequate internal control system to ensure protection of assets against loss from unauthorised use or disposal, proper maintenance of accounting records and adherence to Company's policies and procedures. The Company has an Internal Audit system which is commensurate with its size and nature of its business. An Audit Committee of the Board of Directors periodically reviews the internal control systems to ensure their effectiveness and adequacy as also the annual financial statements with particular reference to major accounting entries, involving estimates based on the exercise of judgment by the management.

## HUMAN RESOURCES

19. The Industrial Relations situation was generally stable with no material developments in the human resources/industrial relations front during the period under review. The total number of employees was 1839 as on 31st March, 2006.

## OUTLOOK

20. Your Directors are of the view that after further restructuring of the Company's operations, your Company can look forward to the future with confidence.

## EXPORTS

21. Products exported during the year amounted to Rs.2023 lakhs (2004/2005 Rs.1231 lakhs). Powmex Steels Division accounted for total exports.

22. Earnings in foreign exchange during the year amounted to Rs.1977 lakhs (2004/2005 - Rs.1202

lakhs) and outgo was Rs. 3527 lakhs ( 2004/2005 - Rs.1904 lakhs).

## CONSERVATION OF ENERGY

23. The prescribed Form 'A' relating to conservation of energy in the Company's Powmex Steels Division at Titilagarh in Orissa is annexed.

- Electricity consumption in melting was higher as compared to the previous year due to higher production of cobalt grade steels in the current year. More rigid specification of chemistry demanded by the customers also lead to higher processing time in the melting shop.
- Higher electricity consumption in bright bar was mainly due to product mix, involving higher quantities of smaller sizes.
- HSD / FO consumption was higher, due to larger quantities of flat and square sections being rolled in the current year leading to more consumption in reheating area in relation to tonnage.

## TECHNOLOGY AND RESEARCH & DEVELOPMENT

24. During the year under review Powmex Steels Division :

- introduced a new grade viz. cold work steel (grade S7) for the export market.
- modified the rolling mill suitably for rolling of small sizes upto 6.2 mm diameter.

## SUBSIDIARY COMPANIES

25. Accounts and annual reports of the subsidiary companies have been appended hereto.

## PARTICULARS OF EMPLOYEES

26. There was no employee in receipt of remuneration the particulars of which are required to be given as per Companies (Particulars of Employees) Rules 1975 (as amended)

## DIRECTORS

27. Mr. M. L. Lahoti and Mr. N. K. Navalakha, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

28. In terms of the Sanctioned Scheme of the BIFR, Mr. P.K. Banerji was appointed as Special Director by BIFR on the Board of Directors of the Company with effect from 5th December, 2005.

## AUDITORS

29. Messrs. Lodha & Company, the retiring Auditors, have expressed their willingness to be re-appointed.

**GKW LIMITED****DIRECTORS' RESPONSIBILITY STATEMENT  
PURSUANT TO SECTION 217 (2AA) OF THE  
COMPANIES ACT, 1956.**

30. The Directors hereby confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

31. The Company has taken adequate steps to ensure compliance of the mandatory provisions of Corporate Governance as issued by Securities and Exchange Board of India vide Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29.10.2004. A report on Corporate Governance is appended hereto.

**ACKNOWLEDGEMENT**

32. The Board of Directors would like to thank the Company's customers, employees, shareholders, bankers, financial institutions, suppliers and all others associated with the Company for their continued support.

For and on behalf of the Board

Kolkata  
29th June, 2006

J D Curavala      G. Srinivasan  
Managing Director      Director

**FORM - A**

(See Rule 2)

**Form for disclosure of particulars with respect to conservation of energy**

	Current Year Ended 31.03.2006	Previous Year Ended 31.03.2005
Powmex Steels Division		Powmex Steels Division

**(A) POWER & FUEL CONSUMPTION****1. Electricity****a) Purchased**

Units (KWh million)	7.53	7.44
Total Amount (Rs. Crores)	3.28	3.25
Rate/Unit (Rs.)	4.36	4.37

**b) Own Generation (Diesel Generator)**

Unit (KWh)	Nil	Nil
Unit/Litre of Diesel Oil	Nil	Nil
Cost/Unit - Variable (Rs.)	Nil	Nil

**2. HSD/Furnace Oil**

Quantity (Kilo Litre)	1842	1818
Total Amount (Rs. Crores)	4.57	3.94
Average Rate/Kilo Litre (Rs.)	24836	21672

**(B) CONSUMPTION PER UNIT OF PRODUCTION (M.T.)****Electricity (KWh/tonne)**

Melting	997	958
Black Bar	926	951
Bright Bar Finishing	143	98
Heat Treatment	134	132

**HSD/Furnace Oil  
(Litre/tonne)**

Rolled Product	383	347
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**REPORT ON CORPORATE GOVERNANCE**

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

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

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

**2. Composition Category and Directorship in other Companies****Board of Directors**

Director	Executive/ Non-executive Independent	Member of Board of Other Public Cos.	Total No. of other committee membership held	
			As Chairman	As Member
Mr. J. D. Curavala	Executive	—	—	—
Mr. G. Srinivasan	Executive	—	—	—
Mr. P.N. Biyani	Non-Executive*	—	—	—
Mr. M.L. Lahoti	Non-Executive*	GKW (Overseas Trading) Limited	—	—
Mr. N.K. Navalakha	Non-Executive*	—	—	—
Mr. P.K. Banerji	Special Director* (w.e.f. 05.12.2005)	Bombay Stock Exchange Ballarpur Industries Limited, Schlafhorst Engg. (India) Ltd.	—	—

\* also independent

**Board, Annual General Meeting and Attendance**

Board Meetings were held on 15th June'05, 25th August'05, 11th November'05, 29th November'05, 9th January'06, 30th January'06 and 21st February, 2006. The Annual General Meeting was held on 27th September, 2005.

Director	No. of Board Meetings		Attended last AGM
	Held	Attended	
Mr. J. D. Curavala	7	7	Yes
Mr. G. Srinivasan	7	6	Yes
Mr. P.N. Biyani	7	5	Yes
Mr. M.L. Lahoti	7	5	Yes
Mr. N.K. Navalakha	7	5	Yes
Mr. P.K. Banerji	7	3	Not applicable

**3. Code of Conduct**

The Company has laid down a code of conduct for all its Board Members and Senior Management Personnel. In terms of the revised Clause 49 of the Listing Agreement (Corporate Governance), the Company has received the necessary declarations affirming compliance with it during the period ended 31st March, 2006. All the Directors and Senior Management Personnel have affirmed to fulfill their responsibilities and uphold the high standards of behaviour laid down in the Code and further confirm that they will avoid any conflict of interest in the dealings with the Company.

**4. Audit Committee**

The terms of reference of the Audit Committee have been specified as per the revised Clause 49 of the Listing Agreement with the Stock Exchange. The terms of reference also fully conform to the requirement of Section 292(A) of the Companies Act, 1956. Broadly the following terms are specified for the Audit Committee:

- Appointment and terms thereof of Statutory Auditor.
- The statutory annual, half-yearly and quarterly financial reporting by the Company.
- Updation of applicable accounting policies of the Company in terms of the accounting standards.
- The audit approach and methodology of statutory Auditors and any material issues arising from the audit.
- The adequacy and effectiveness of accounting and financial controls of the Company, compliance with Company policies and applicable laws and regulations.
- Undertaking special tasks assigned by the Board and recommend corrective actions.
- Reviewing the adequacies of the Internal Audit function, if any, including the structure of the Internal Audit Department with reporting coverage and frequency of Internal Audit.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Compositions, Name of Members and Chairperson**

Audit Committee meetings were held on 15th June'05, 25th August'05, 29th November'05 and 21st February, 2006.

Member	Category	Meetings Held	Meetings Attended
Mr. P.N. Biyani - Chairman	Non Executive/ Independent	4	4
Mr. M.L. Lahoti	- do -	4	4
Mr. N.K. Navalakha	- do -	4	3
Mr. P.K. Banerji (w.e.f. 05.12.2005)	Non Executive/ BIFR Nominee	4	1
Mr. J.D. Curavala and Mr. G. Srinivasan attended all the meetings by invitation.			

**GKW LIMITED****5. Remuneration Committee**

The Remuneration Committee has been constituted with Mr. M.L. Lahoti, as its Chairman and Mr. P.N. Biyani, Mr. N.K. Navalakha and Mr. P.K. Banerji as its members.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Wholtime Directors. No meeting took place during the year.

**Remuneration Policy:** The remuneration of non executive directors is decided by the Board within the limits set out in the Companies Act, 1956. The remuneration of executive directors is approved by the Remuneration Committee, the Board of Directors and the Shareholders in the General Meeting.

Details of Remuneration to Directors for the year ended 31st March 2006.

Sl. No.	Name	Salary Rs.	Commission Rs.	Perquisites Rs.	Sitting fees Rs.	Total Rs.
1.	Mr.J.D.Curavala	1560000	-	725933	-	2285933
2.	Mr.G.Srinivasan	1200000	-	667364	-	1867364*
3.	Mr. P.N. Biyani	-	-	-	20000	20000
4.	Mr. M.L. Lahoti	-	-	-	20000	20000
5.	Mr.N.K.Navalakha	-	-	-	16000	16000
6.	Mr.P.K. Banerji	-	-	-	10000	10000

\* This was subject to the approval of the Central Government, which has since been received.

The above remuneration is within the ceiling prescribed under the applicable provisions of the Companies Act, 1956.

**6. Investors Grievance Committee**

The "Shareholders Grievance and Service Committee" of the Company approves transfer and transmission, duplicate, sub-division and replacement of shares, debentures, fixed deposits, other related matters and to deal with complaints regarding transfer of shares, debentures and fixed deposits, non-receipt of balance sheet and non-receipt of dividend.

The Committee is headed by Mr. P. N. Biyani and Company Secretary is the Compliance Officer. The Company has received 31 complaints during the year, all of which have been resolved.

**7. General Body Meetings**

A. Location and time for last three Annual General Meetings were:-

Financial Year	Date of AGM	Venue	Time
31st March, 2005	27th September, 2005	Kala Kunj, Kolkata	11.00 a.m.
31st March, 2004	31st August, 2004	Kala Kunj, Kolkata	11.00 a.m.
31st March, 2003	26th September, 2003	Kala Kunj, Kolkata	11.00 a.m.

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

- At the Seventythird Annual General Meeting held on 26th September, 2003
  - Delisting of Shares
- At the Seventyfourth Annual General Meeting held on 31st August, 2004.
  - Re-appointment of and remuneration of Managing Director..
- At the Seventyfifth Annual General Meeting held on 27th September, 2005
  - Revision of remuneration of Wholtime Director.

No resolution was put through postal ballot..

**8. Disclosures**

- Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, the directors, the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

Disclosure of related parties transactions as per Accounting Standard 18 issued by The Institute of Chartered Accountants of India have been set out in Note no. 23 of Schedule no. 18 of Annual Accounts. The transactions have no potential conflict with the interest of the Company.

- Details of non-compliance by the Company, penalties, strictures on the Company by Stock Exchanges, SEBI or any Statutory Authority, on any matter related to the Capital markets, during the last three years.

No penalties or strictures have been imposed by any regulatory authority on any matter related to Capital markets during the last three years.

- Details of compliance with mandatory requirement and adoption of non mandatory requirements

All mandatory requirement with respect to Corporate Governance have duly been complied with.

- Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are reviewed by the Board from time to time.

**9. Means of Communications**

- Half yearly results sent to each household of shareholders.
- Quarterly Results

No

The quarterly results published in the proforma prescribed under the Listing Agreement are approved and taken record within one month of the close of the relevant quarter. The approved results are notified forthwith to the concerned Stock Exchanges. As the Company publishes the audited financial results within the stipulated period of three months from the close of the financial year, the unaudited financial results for the last quarter of the financial



- year are not published as per the Listing Agreement with the Stock Exchanges.
- which Newspaper normally published in : Financial Express (English newspaper - all India edition)  
Aajkal (Bengali newspaper - local edition)
  - Any Website, where displayed. : No
  - Whether it displays official news releases : No
  - Whether presentation made to Institutional investors or to analyst. : No
  - Whether Management discussions and Analysis report is a part of Annual Report or not. : Yes

**10. General Shareholders Information**

	Date	Time	Venue
AGM	31st August, 2006	11.00 a.m.	Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017

**Financial Calendar (tentative) 2006-2007**

i) Financial Year	:	April - March
ii) First Quarter Results	:	July 2006
iii) Second Quarter Results	:	October 2006
iv) Third Quarter Results	:	January 2007
v) Audited results for the year ending 31st March, 2007	:	June 2007
Date of Book Closure	:	17th August, 2006 to 31st August, 2006 (both days inclusive)
Dividend payment Date	:	Not applicable

**Listing on Stock Exchanges**

National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

Stock Code	Physical	Demat
National Stock Exchange	GKW	
Demat ISIN Number	INE 528A 01012	

Annual listing fees have been paid to National Stock Exchange for the year 2006-2007.

**Stock Market Data****Stock Market Price for the year**

Month	N S E		NSE NIFTY	
	High(Rs.)	Low(Rs.)	High	Low
April 2005	14.05	10.10	2084.90	1896.30
May 2005	12.90	9.10	2099.35	1898.15
June 2005	18.85	10.30	2226.15	2064.65
July 2005	49.20	16.40	2332.55	2171.25
August 2005	42.00	32.10	2426.65	2294.25
September 2005	48.00	36.00	2633.90	2382.90
October 2005	44.70	25.20	2669.20	2307.45
November 2005	36.55	29.00	2727.05	2366.80
December 2005	48.90	31.00	2853.10	2641.95
January 2006	51.50	40.10	3005.10	2783.85
February 2006	55.95	41.45	3090.30	2928.10
March 2006	53.20	37.05	3433.85	3064.00

Registrar and Transfer Agents : C B Management Services Private Limited  
P-22 Bondel Road  
Kolkata 700 019

Share Transfer Systems : Share transfers are registered and returned within 30 days of lodgment thereof, if the documents are clear in all respects.

**GKW LIMITED****Distribution of shareholding**

Distribution of share holding as on 31.3.2006

No. of Shares held	No. of Share Holders	%	No. of Shares	%
1 to 500	96440	97.70	3791526	6.35
501 to 1000	1242	1.26	1020524	1.71
1001 to 2000	467	0.47	725730	1.22
2001 to 3000	175	0.18	455742	0.76
3001 to 4000	64	0.07	235731	0.40
4001 to 5000	78	0.08	373511	0.63
5001 to 10000	108	0.11	832010	1.39
10001 & above	140	0.13	52230234	87.54
<b>TOTAL</b>	<b>98714</b>	<b>100.00</b>	<b>59665008</b>	<b>100.00</b>

**Shareholding Pattern**

Shareholding Pattern as on 31.3.2006

Category	No. of Shares Held	% of share holding of issued share capital
<b>I) PROMOTERS' HOLDING</b>		
1) Promoters - a. Indian Promoters	33647273	56.39
b. Foreign Promoters	9059476	15.19
Sub Total	42706749	71.58
<b>II) NON PROMOTERS' HOLDING</b>		
<b>Institutional Investors</b>		
a. Mutual Fund & Unit Trust of India	48837	0.08
b. Banks, Financial Institutions & Insurance Companies, (Central/State Govt. Institution/Non Govt. Institution)	2868923	4.81
c. Foreign Institutional Investors	17090	0.03
Sub Total	2934850	4.92
<b>III) Others</b>		
a. Private Corporate Bodies	4634854	7.77
b. Indian Public	9215398	15.44
c. NRIS/OCBs	65158	0.11
d. Others	107999	0.18
Sub Total	14023409	23.50
<b>GRAND TOTAL</b>	<b>59665008</b>	<b>100.00</b>
<b>NOTE : TOTAL FOREIGN SHARE HOLDING</b>	<b>No. of Shares</b>	<b>% of Share Holding</b>
Foreign Holding (Non - Resident)	9059476	15.19
NRIS/OCBS	65158	0.11
FII	17090	0.03
<b>TOTAL</b>	<b>9141724</b>	<b>15.33</b>

Dematerialisation of shares and liquidity.

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the depository systems in India.

As on 31.3.2006 a total of 17351283 ordinary shares of the Company which forms 29.08% of the share capital stands dematerialised under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's ordinary shares is INE 528A 01012

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity.

None