



GILLANDERS ARBUTHNOT  
AND COMPANY LIMITED

77th

# Annual Report

2010-2011



**Kothari**  
**Group**  
Imagine Inspire Deliver



**Shri G. D. Kothari**

*Leading industrialist and visionary, laid the foundation stone of the 'Kothari Group' in the pre-independence era. Through his business acumen and astute leadership 'Kothari Group' blossomed into a conglomerate, which touches lives. The principles by which he live is our guidance and motivation.*



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. A. K. Kothari, *Chairman*  
 Smt. P. D. Kothari, *Director*  
 Mr. P. K. Khaitan, *Director*  
 Mr. J. N. Godbole, *Director*  
 Mr. H. P. Kanoria, *Director*  
 Mr. S. Lahiri, *Director*  
 Mr. H. M. Parekh, *Director*  
 Mr. D. K. Sharda, *Managing Director (w.e.f. 1st April, 2011)*  
 Mr. A. Mallick, *Executive Director & CEO (w.e.f. 1st April, 2011)*

### JOINT PRESIDENT & CFO

Mr. P. K. Jain

### COMPANY SECRETARY

Mr. D. Karmakar

### AUDITORS

Singhi & Co., Kolkata

### SOLICITORS

Khaitan & Co., Kolkata

### BANKERS

State Bank of India  
 IDBI Bank Limited  
 State Bank of Patiala  
 United Bank of India  
 Bank of India  
 Vijaya Bank  
 Allahabad Bank

### REGISTERED OFFICE

C-4, Gillander House,  
 Netaji Subhas Road, Kolkata - 700 001  
 Phone : 033-2230-2331 (6 Lines)  
 Fax : 033-2230 4185  
 E-mail : gillander@gillandersarbuthnot.com  
 Website : www.gillandersarbuthnot.com

### Audit Committee

Mr. S. Lahiri, *Chairman*  
 Mr. A. K. Kothari, *Member*  
 Mr. J. N. Godbole, *Member*  
 Mr. H. M. Parekh, *Member*

### Share Transfer and Shareholders' / Investors' Grievance Committee

Mr. S. Lahiri, *Chairman (upto 30th July, 2010)*  
 Mr. H. M. Parekh, *Chairman (w.e.f 30th July, 2010)*  
 Mr. A. K. Kothari, *Member*  
 Smt. P. D. Kothari, *Member (w.e.f 30th July, 2010)*  
 Mr. P. K. Khaitan, *Member*  
 Mr. D. K. Sharda, *Member*

### Remuneration Committee

Mr. H. P. Kanoria, *Chairman*  
 Mr. A. K. Kothari, *Member*  
 Smt. P. D. Kothari, *Member (w.e.f 30th July, 2010)*  
 Mr. P. K. Khaitan, *Member*  
 Mr. H. M. Parekh, *Member*

### Branches/Offices

Ahmedabad, Amritsar, Bangalore, Chennai,  
 Coimbatore, Delhi, Ernakulam, Hyderabad,  
 Kundli, Ludhiana, Mumbai, Panipat, Salem,  
 Solapur.



**Mr. A. K. Kothari**  
Chairman

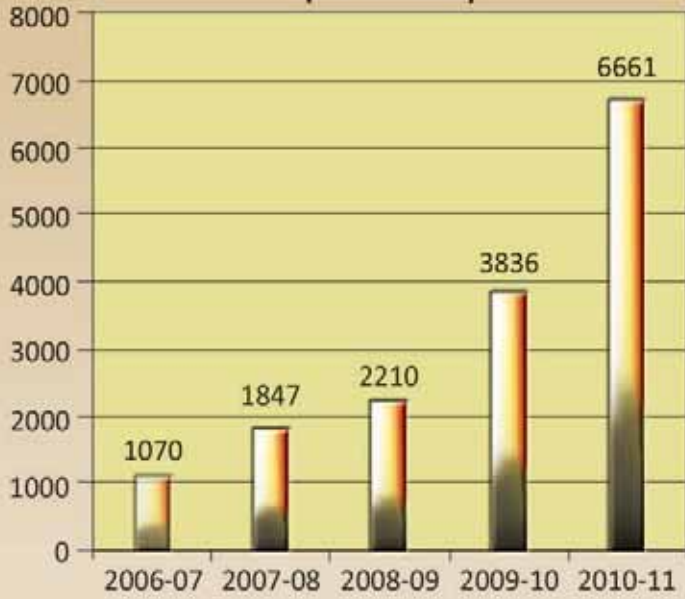
### ***Mission***

*To be a good corporate citizen and to inspire and nurture the human spirit for a sustainable value based wealth creation, contributing in the socio economic progress of India in harmony with the environment.*

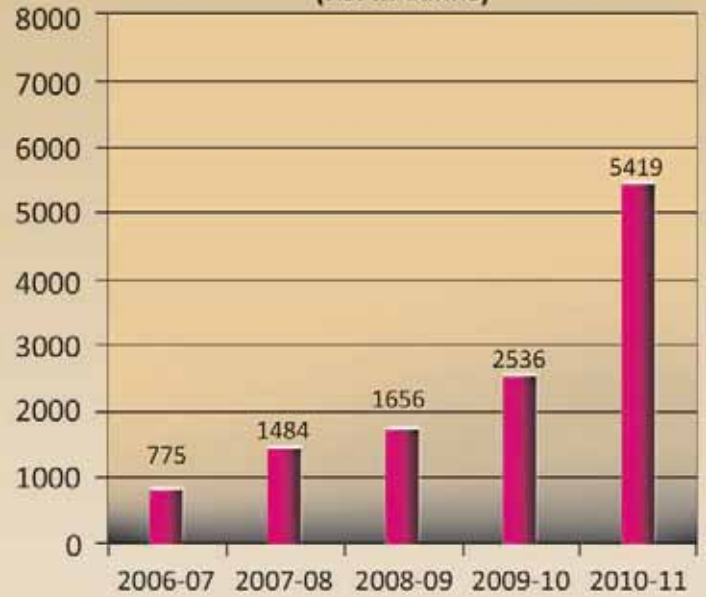
### ***Vision***

*Innovative, Dynamic and Holistic Global Conglomerate with passion for delivering outstanding performance based on integrity, professionalism, accountability and evolving in a vertical growth trajectory while enriching everyone we touch and enhancing value for all the stakeholders.*

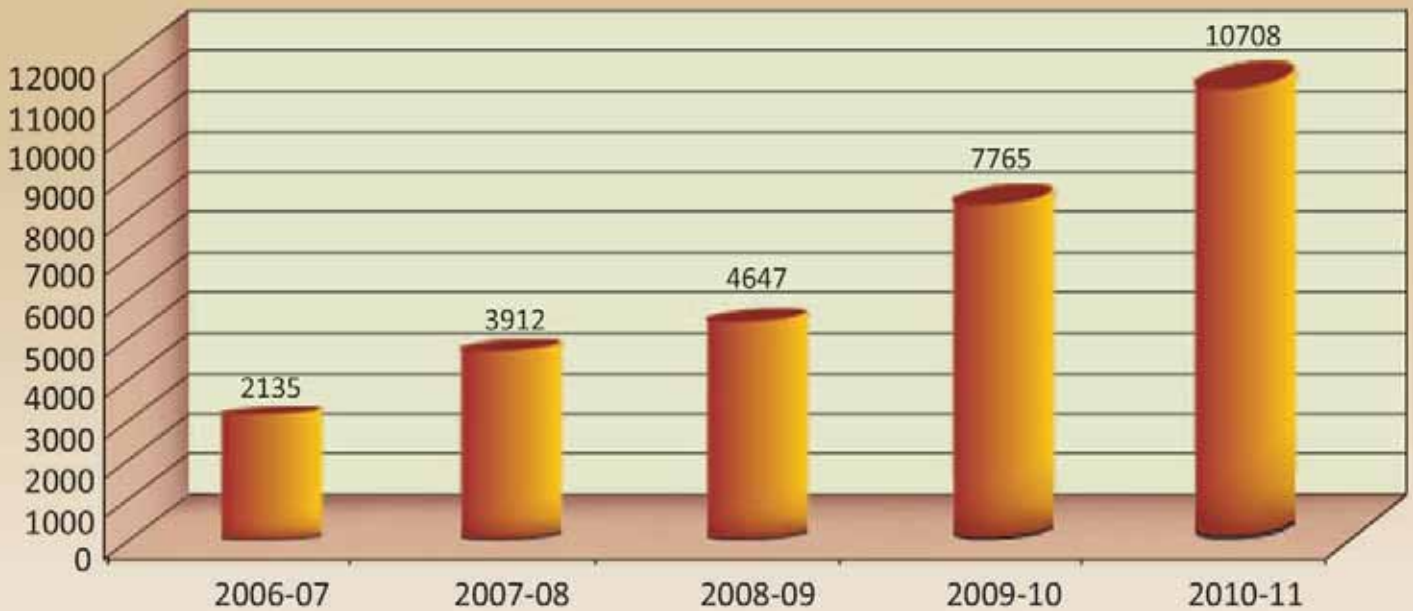
**PROFIT BEFORE TAX**  
(Rs. in Lakhs)



**PROFIT AFTER TAX**  
(Rs. in Lakhs)



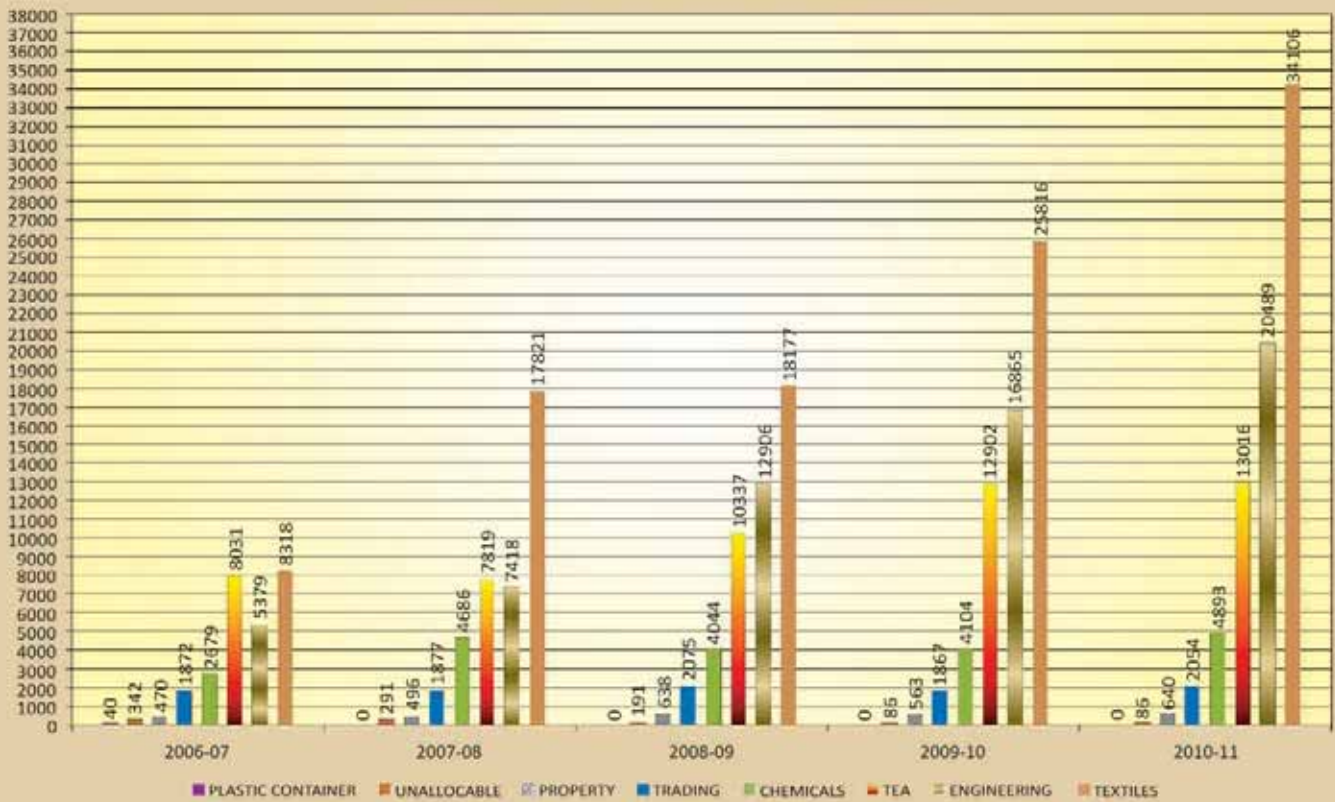
**PROFIT BEFORE INTEREST, DEPRECIATION & TAXES**  
(Rs. in Lakhs)



### SHAREHOLDER'S FUND (Rs. in Lakhs)



### SEGMENTWISE REVENUE (Rs. in Lakhs)



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## NOTICE

NOTICE is hereby given that the **SEVENTY SEVENTH** Annual General Meeting of the Members of the Company will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001 on **FRIDAY, the 12TH DAY OF AUGUST, 2011 at 11.30 A.M.** to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2011 and Profit and Loss Account for the year ended on that date along with the Reports of Auditor and Directors thereon.
2. To approve payment of Dividend on 8% Cumulative Redeemable Preference Shares of Rs.100/- each.
3. To declare dividend on Ordinary Shares.
4. To appoint a Director in place of Mr. S. Lahiri, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. H. M. Parekh, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as **Ordinary Resolutions:**
  - (a) "RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Singhi & Co., Chartered Accountants, Kolkata, be and they are hereby re-appointed as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."
  - (b) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Bagree & Co., Chartered Accountants, Kolkata, be and they are hereby re-appointed as Branch Auditor to audit the accounts in respect of Engineering (MICCO) division of the Company, and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."
  - (c) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Dutta Ghosh & Associates, Chartered Accountants, Kolkata, be and

they are hereby re-appointed as Branch Auditor to audit the accounts in respect of GIS Cotton Mill, Champdani, a unit of the Textile Division of the Company, and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."

### SPECIAL BUSINESS:

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

#### 7. Re-appointment of Mr. D. K. Sharda as Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the Company hereby approves and accords consent to the re-appointment of Mr. D. K. Sharda as 'Managing Director' of the Company for a period of one year with effect from April 01, 2011 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this Notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder."

#### 8. Re-appointment of Mr. A. Mallick as an Executive Director & CEO

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the Company hereby approves and accords consent to the re-appointment of Mr. A. Mallick as an 'Executive Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2011 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this Notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder."

*By Order of the Board*

For GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Place : Kolkata  
Date : May 30, 2011.

**D. Karmakar**  
Company Secretary



**Notes :**

- 1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.**
- 2) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 7 & 8 of the Notice set out above, is annexed hereto.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from August 03, 2011 to August 12, 2011 (both days inclusive) for the purpose of payment of dividend, if approved by the Members.
- 5) The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after August 12, 2011 to those Members or their mandates whose names are registered on the Company's Register of Members :
  - a) As Beneficial Owners as at the end of business on August 02, 2011 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and
  - b) As members in the Register of Members of the Company after giving effect to all valid share transfers in physical form, which are lodged with the Company or its Registrar & Share Transfer Agent (RTA) viz, Maheshwari Datamatics Pvt. Ltd., having their registered office at 6, Mangoe Lane (S. M. Ghosh Sarani), 2nd Floor, Kolkata – 700 001 on or before August 02, 2011.
- 6) Pursuant to the provisions of the Companies Act, 1956, all unclaimed dividends till the financial year 2002-2003 have already been transferred to the Investor Education and Protection Fund (IEPF) and all subsequent unpaid dividends will be transferred to the said Fund from time to time. Shareholders who have not yet encashed their dividend warrant(s) relating to the financial year 2003-2004 to 2009-2010 are therefore, advised to approach the Company for the payment thereof.
- 7) The Ordinary Shares of the Company are listed on the Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges for the year 2011-2012.
- 8) Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, etc. to the Company's Registrar & Share Transfer Agent-  
 Maheshwari Datamatics Pvt. Ltd.  
 ( Unit : Gillanders Arbuthnot and Company Limited )  
 6, Mangoe Lane (Surendra Mohan Ghosh Sarani),  
 2nd Floor, Kolkata – 700001.  
 Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.
- 9) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 10) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the Nomination Form.
- 11) In terms with Circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the transferee of the physical shares to furnish copy of PAN Card to the Company or its RTA for registration of transfer of shares. Shareholders are requested to furnish copy of PAN Card at the time of transferring physical shares.
- 12) The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice/documents including Annual Report can be sent by e-mail to its members. Therefore, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail ids with the RTA. Separate letters and e-mails on the above matter will be / have been already sent to all the members of the Company by the RTA.
- 13) A brief resume of the Directors seeking re-appointment/appointment at the Annual General Meeting along with details of their other Directorships and shareholding in the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are provided as an annexure to this notice.
- 14) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days of the Company, between 10.00 A.M. and 1.00 P.M. till August 11, 2011 and will also be available for inspection at the meeting.



## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

#### Item No. 7

Subject to the approval of the Members of the Company in General Meeting, the Board of Directors of the Company at its Meeting held on March 31, 2011 re-appointed Mr. D. K. Sharda, as 'Managing Director' of the Company for a period of one year with effect from April 01, 2011. The previous term of Mr. D. K. Sharda, as Managing Director expired on March 31, 2011.

The re-appointment of Mr. D. K. Sharda, as Managing Director of the Company and the remuneration being paid/payable to him as fixed by the Board of Directors at their said meeting on the recommendation of the Remuneration Committee is in accordance with the conditions specified in Parts I and II of Schedule XIII of the Companies Act, 1956.

Subsequently, an Agreement dated April 01, 2011 was entered into between the Company and Mr. D. K. Sharda, Managing Director of the Company, subject to the approval of the members of the Company. The terms and conditions of the said Agreement entered into by the Company with him are set out below:

#### 1. DUTIES AND RESPONSIBILITIES :

Mr. D. K. Sharda, as the Managing Director of the Company shall, subject to the provisions of the Companies Act, 1956 and overall superintendence and control of the Board of Directors of the Company perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred on him by the Board of Directors of the Company.

#### 2. REMUNERATION :

- I. SALARY: Rs. 1,80,000/- per month.
- II. PERQUISITES: Apart from Salary, Mr. D. K. Sharda will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

#### PART – A

- i) Housing: The Company shall provide rent free furnished accommodation with free electricity, which will be maintained by the Company. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession: The Managing Director shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel, anywhere in India.
- iii) Fees of Clubs: Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Medicaid Insurance: Premium not exceeding Rs.15,000/- per annum.

#### PART – B

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay and allowances: Encashment of leave will be permitted.

#### PART – C

- i) Use of car for Company's business. Any use of car for private purposes will be valued as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

### 3. MINIMUM REMUNERATION :

In the event of absence or inadequacy of profits during the period of service of Mr. D. K. Sharda, as Managing Director of the Company, he shall be entitled to the same Salary and Perquisites as stated hereinbefore.

The remaining provisions of the Agreement sets out the mutual rights and obligations of the parties thereto and other administrative details.

The Board of Directors is of the opinion that the above remuneration being paid/payable to Mr. D. K. Sharda, as Managing Director of the Company, is commensurate with his duties and responsibilities and is well within the limits specified in Part II of Schedule XIII of the Companies Act, 1956.

The Board considers that his association as Managing Director will be beneficial to and in the interest of the Company.

The Board of Directors recommends for your approval, his re-appointment as Managing Director of the Company.

None of the Directors, except Mr. D. K. Sharda, is concerned or interested in this resolution.

#### Item No. 8

Subject to the approval of the Members of the Company in General Meeting, the Board of Directors of the Company at its Meeting held on March 31, 2011 re-appointed Mr. A. Mallick, as an 'Executive Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2011. The previous term of Mr. A. Mallick, as an Executive Director & CEO expired on March 31, 2011.

The re-appointment of Mr. A. Mallick, as an Executive Director & CEO of the Company and the remuneration being paid/payable to him as fixed by the Board of Directors at their said meeting on the recommendation of the Remuneration Committee is in accordance with the conditions specified in Parts I and II of Schedule XIII of the Companies Act, 1956.



Subsequently, an Agreement dated April 01, 2011 was entered into between the Company and Mr. A. Mallick, Executive Director & CEO of the Company, subject to the approval of the members of the Company. The terms and conditions of the said Agreement entered into by the Company with him are set out below:

### 1. DUTIES AND RESPONSIBILITIES :

Mr. A. Mallick as an Executive Director & CEO of the Company shall, subject to the provisions of the Companies Act, 1956 and the overall superintendence and control of the Board of Directors of the Company perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred on him by the Board of Directors of the Company.

### 2. REMUNERATION :

- I. SALARY: Rs. 1,45,000/- per month.
- II. PERQUISITES: Apart from Salary, Mr. A. Mallick will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

#### PART – A

- i) He will be entitled to House Rent Allowance at the rate of 8% of his salary.
- ii) Reimbursement of expenditure incurred on gas and electricity.
- iii) Medical Reimbursement and Leave Travel Concession: The Executive Director & CEO shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel, anywhere in India.
- iv) Fees of Clubs: Up to a maximum of two Clubs. This will not include any life membership or admission fees.
- v) Personal Accident Insurance/Mediclaim Insurance: Premium not exceeding Rs. 15,000/- per annum.

#### PART – B

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay and allowances. Encashment of leave will be permitted.

#### PART – C

- i) Use of car for Company's business. Any use of car for private purposes will be valued as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

### 3. MINIMUM REMUNERATION :

In the event of absence or inadequacy of profits during the period of service of Mr. A. Mallick, as an Executive Director & CEO of the Company, he shall be entitled to the same Salary and Perquisites as stated hereinbefore.

The remaining provisions of the Agreement sets out the mutual rights and obligations of the parties thereto and other administrative details.

The Board of Directors is of the opinion that the above remuneration being paid/ payable to Mr. A. Mallick, as an Executive Director & CEO of the Company is commensurate with his duties and responsibilities and is well within the limits specified in Part II of Schedule XIII of the Companies Act, 1956.

The Board considers that his association as an Executive Director & CEO will be beneficial to and in the interest of the Company.

The Board of Directors recommends for your approval, his re-appointment as an Executive Director & CEO of the Company.

None of the Directors, except Mr. A. Mallick, is concerned or interested in this resolution.

*By Order of the Board*

For GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Place: Kolkata  
Date: May 30, 2011.

**D. Karmakar**  
*Company Secretary*



## Annexure

### Particulars of Directors proposed to be re-appointed at the 77th Annual General Meeting of the Company to be held on Friday, the 12th day of August, 2011 at 11.30 A.M.

Name of the Director	Brief resume and nature of expertise in functional area	Number of Ordinary Shares held in the Company	Other Directorship/Other Committee Membership held*
Mr. S. Lahiri	Mr. S. Lahiri aged about 59 years is a Managing Partner of M/s. G. Basu & Co., Chartered Accountants, one of eminent and oldest professional firms in the country, being founded in 1924. Has wide range of experience and expertise in the field of financial planning, management and control.	-	<b>Directorships:</b> SIL Investment Limited. <b>Committee Memberships</b> Member of Audit Committee. SIL Investment Limited.
Mr. H. M. Parekh	Mr. H. M. Parekh aged about 74 years having over 50 years of experience in tea industry. He is an Ex-Chairman of J. Thomas & Co. Pvt. Ltd, one of the largest brokers in tea industry. Mr. Parekh was a member of the Tea Board of India and at present is on the Board of eminent Tea Companies.	-	<b>Directorships:</b> <ol style="list-style-type: none"><li>1. The Methoni Tea Co., Ltd.</li><li>2. Gujarat Tea Processor &amp; Packers Limited.</li><li>3. Rossel Tea Limited.</li><li>4. Trans Global Logistics (India) Limited.</li><li>5. Diana Tea Co. Ltd.</li><li>6. The Grob Tea Co. Ltd.</li><li>7. Williamson Magor &amp; Co. Ltd.</li><li>8. Peria Karamalai Tea &amp; Produce Co. Ltd.</li><li>9. Rasoi Limited.</li><li>10. BMG Enterprises Ltd.</li></ol> <b>Committee Memberships</b> Chairman of Audit Committee Rasoi Limited <b>Member of Audit Committee</b> <ol style="list-style-type: none"><li>1. Rossel Tea Limited</li><li>2. Diana Tea Co. Ltd.</li><li>3. Williamson Magor &amp; Co. Ltd.</li><li>4. Peria Karamalai Tea &amp; Produce Co. Ltd.</li></ol> <b>Chairman of Shareholders'/ Investors' Grievance Committee</b> Rossel Tea Limited <b>Member of Shareholders'/ Investors' Grievance Committee</b> Rasoi Limited.



Name of the Director	Brief resume and nature of expertise in functional area	Number of Ordinary Shares held in the Company	Other Directorship/Other Committee Membership held*
Mr. D. K. Sharda	Mr. D. K. Sharda aged about 64 years has rich experience & expertise in the field of Finance, Administration and Textile Industry for more than 38 years.	-	<b>Directorships:</b> 1. M. D. Kothari & Co. Ltd. 2. Bhaktwatsal Investments Ltd.  <b>Committee Memberships</b> -
Mr. A. Mallick	Mr. A. Mallick aged about 64 years is a qualified Chartered Accountant & Company Secretary having experience & expertise in Finance, Corporate & Commercial matters. Expertise in functioning & monitoring of Chemical Industry.	61	<b>Directorships:</b> -

\* Only Audit Committee & Shareholders'/Investors' Grievance Committee of Indian Public Limited Companies have been taken into account.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the financial year ended March 31, 2011.

### FINANCIAL RESULTS

The Financial results for the year are as under :

	<b>(Rs. in lakhs)</b>	
<b>PARTICULARS</b>	<b>2010-11</b>	2009-10
<b>Profit before Depreciation, Interest &amp; Tax (PBDIT)</b>	<b>10,708.14</b>	7,765.13
Interest / Finance Charges	<b>1,802.77</b>	1,764.38
<b>Profit before Depreciation and Tax (PBDT)</b>	<b>8,905.37</b>	6,000.75
Depreciation / Amortisation	<b>2,244.87</b>	2,164.68
<b>Profit before Tax (PBT)</b>	<b>6,660.50</b>	3,836.07
Taxation Charge		
- Current Tax	<b>1,308.20</b>	630.00
- Deferred Tax	<b>(67.00)</b>	670.00
<b>Profit After Tax (PAT)</b>	<b>5,419.30</b>	2,536.07
Balance brought forward	<b>2,083.15</b>	895.30
Balance available for appropriation	<b><u>7,502.45</u></b>	<u>3,431.37</u>
<b>Appropriations</b>		
Proposed Dividend on:		
8% Redeemable Cumulative Preference Shares of Rs. 100/- each	<b>16.00</b>	16.00
Ordinary Shares of Rs. 10/- each	<b>960.41</b>	711.41
Corporate Dividend Tax	<b>158.40</b>	120.81
Transfer to :		
Preference Shares Redemption Reserve	<b>200.00</b>	—
General Reserve	<b>600.00</b>	500.00
Surplus carried to Balance Sheet	<b><u>5,567.64</u></b>	<u>2,083.15</u>
	<b><u>7,502.45</u></b>	<u>3,431.37</u>
Earnings per Ordinary Share (Rs.)		
- Basic	<b>25.31</b>	11.80
- Diluted	<b>25.31</b>	11.80
Dividend per Ordinary Share	<b>4.50</b>	5.00

### FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS

Despite the global economic slowdown, your Company has been able to report sizeable increase in sales, profits and net worth due to proactive approach and diversified businesses. Total revenue has increased to Rs. 75,284 lakhs during the year under review from Rs. 62,203 lakhs in the previous year. The profit before tax and profit after tax during the year have increased significantly by 73.63% and 113.69% respectively, as compared to the previous year. Operational matters have been discussed under 'Management Discussion and Analysis,' detailed in appropriate part of this Report.

### BONUS ISSUE - INCREASE IN SHARE CAPITAL

The Board of Directors at their meeting held on September 16, 2010 had issued and allotted 71,14,115 fully paid up Ordinary shares of Rs.10/-each, as Bonus Shares to those members of the Company who were entitled thereto by capitalising general reserve.

Post Bonus Issue, the Issued, Subscribed and Paid-up Share Capital of the Company increased to Rs.23,34,23,460/- divided into 2,13,42,346 Ordinary Shares of Rs.10/- each and 2,00,000 8% Cumulative Redeemable Preference Shares of Rs. 100/-



each. The said Bonus shares have been listed and admitted to trading in National Stock Exchange of India Limited, Bombay Stock Exchange Limited and the Calcutta Stock Exchange Limited.

#### **DIVIDEND**

Your Directors are pleased to recommend the following dividends:

- a) Dividend @ Rs. 8/- per Share on 2,00,000 8% Redeemable Cumulative Preference Shares of Rs. 100/- each of the Company, entailing an outflow of Rs. 16.00 lakhs.
- b) Dividend @ Rs. 4.50/- per Share on 2,13,42,346 fully paid up ordinary shares of Rs. 10/- each of the Company, entailing an outflow of Rs. 960.41 lakhs.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The industry structure, development, performance, opportunities, threats and outlook of each activities, internal control systems and industrial relations have been discussed in paragraphs to follow.

##### **Tea Division**

There was a significant increase in world production of tea due to favourable weather prevailing in major tea producing countries like Kenya, Sri Lanka and China, but India's production was lower by around 13 Million kgs compared to the previous year due to adverse weather conditions and severe pest attacks in Assam. Domestic demand for tea rose resulting in decrease in exports by about 8 Million Kgs compared to last year. North India auction prices were marginally higher with a significant difference between quality and non-quality tea.

During the year under review, your Division has produced 9.01 million kgs of Tea, being 0.27 million kgs. lesser than last year. However, realisation increased by Rs.7.34 per Kg, which reflects the premium your product enjoys in the market. As reported last year, packet segment is expected to increase its presence in markets in the coming years. In spite of competition, your Directors hope to achieve higher exports of tea by expanding market base.

In current year, upto March, there is no significant change in production of major tea producing countries except for deterioration in Kenya, due to hot and dry spell. With a strong domestic demand and minimal carry forward stock, Indian market is poised to remain firm in the current year, particularly for quality tea. However, inflating consequence on wages and other input costs like coal, gas, chemicals and fertilizer may add to the overall cost of production. Your Division is determined to stand by its policy of continuous improvement of quality and implementation of schemes for replanting and upgrading the gardens and factory.

While business is all relative, as long as Mother Nature stays in a good mood and people's desire for their refreshments remain high, production and pricing will not hold tea down.

All the tea estates of the Company are ISO 9001:2008 and HACCP certified.

##### **Engineering (MICCO) Division**

Your Division is engaged in EPC contracts covering wide range of projects in steel plants, aluminium plants etc. involving, *inter alia*, structural, mechanical, piping, electrical, instrumentation as well as refractory works. Government Policies for growth in infrastructure in India will have direct impact on growth in Steel Industry, which is the primary area of focus of your Division. There has been steady growth in business and turnover compared to previous year.

Apart from bagging further Orders, your Division has achieved new milestones in the year under review by way of obtaining a contract from Tata Steel for the largest Gasholder in the world alongwith its overseas associate, M/s. MBL – CWG, U.K., thereby establishing itself in new territory of work by commissioning the rebuilding of Battery No.10 of IISCO Steel Plant. This Division has also clinched a job alongwith another associate, Siemens VAI, for a major Blast Furnace upgradation in RINL, which is no less an achievement.

This Division is making efforts to diversify its activities by exploring possibilities in Power and other Sectors. Your Directors hope to do better in the coming years.

##### **Textile Division**

The year was marked by an increase in the prices of raw cotton to all time high with consequent rise in other fibres prices, significantly.

This added by unavailability of power and skilled labour, even at higher rate, and ever increasing cost of finance has driven up the prices of cotton and synthetic yarns to an unprecedented level. This has led to uproar and protest from the user industry thereby deteriorating the business environment within the entire realm of textile chain.

Frequent changes in the Policy Guidelines and intervention of the Government like withdrawal of DEPB on cotton yarn, imposition of quota on raw cotton and cotton yarn export, withdrawal of TUF Scheme and imposition of excise duty on branded garments has resulted in uncertainty, which further added to the catastrophe of the entire Textile Industry.

The need of the hour is that the Government should have an integrated approach and to draw up a long term policy guidelines looking into the benefit of the entire textile chain.

The cotton crop for 2010-2011 is estimated at 312 lakh bales, which is slightly higher, as compared to 295 lakh bales, in the previous year. However, the lower carry forward stock of raw cotton resulting due to lower global production is a matter of concern.

The start of the current year was marked with softening of prices of yarn with consequent softening of prices of raw cotton



& other fibre, which resulted in huge inventories of yarn with the Mills. The restart of TUF Scheme by the Government is a welcome step in this hour of crisis.

Despite the above, the overall performance of your Division during the year was satisfactory. The production during the year increased from 18,174 M.T. in 2010 to 19,292 M.T. in 2011.

Although the first six months of the current year is expected to be difficult for the industry, but increase in domestic consumption in India and increase of cost in China, the world's biggest exporter, will help in the revival and growth of the Indian Textile Industry. In view of the same, your Directors are hopeful that the division will perform reasonably in the given situation.

#### **Chemical (Waldies) Division**

During the year under review, the overall performance of your division has been satisfactory and outlook for the current year is promising. Efforts are continuing for improvement in the operation of this division. Your Directors hope that this division will perform better in the coming years.

Your Division enjoys ISO 9001 certification for its quality management systems and ISO 14001 certification for its environmental management systems. It also enjoys OHSAS 18001 certification for its occupational health and safety management systems.

#### **Trading Division**

As reported earlier, demand for Cement Paint is continuously declining due to shifting of consumer preference to Emulsion Paints. Nevertheless, turnover of your Division has increased with focus on other products such as CPVC and PVC pipes.

We are optimistic to enter into an agreement with a renowned Company for agency of marketing their products including Emulsion Paint. Your Directors expect that this Division will yield better results in the coming years.

#### **Property Division**

The division posted higher rental income during the year under review on account of increase in occupancy. Efforts are continuing towards further increasing the occupancy and ensuring improvement in facility, safety and security of the tenants.

#### **Internal Control System and their adequacy**

Your Company has proper and adequate system of internal controls. Independent professional firms of Chartered Accountants conduct the audit of your various divisions, units, factories, sites, branches and its corporate offices. The audit findings are reviewed by the Audit Committee of the Board of Directors and corrective action, as deemed necessary, are taken.

Your Company has also laid down procedures to safeguard and protect all assets and ensure that the transactions are authorized, recorded and reported correctly.

Certificate given by your Managing Director, CEO and CFO in the Corporate Governance report confirms the adequacy of your Company's internal control systems and procedures.

#### **Human Resources and Industrial Relations**

Your Company attaches great importance to human resource. The processes for attracting, retaining and rewarding talent are well laid down and the systems are transparent to identify and reward performers. Congenial environment is being maintained and recreation activities are sponsored by your Company.

#### **Caution Statement**

Management Discussion and Analysis report contains forward-looking statements, which are subject to risk of uncertainties on account of depression in global and local demand - supply conditions, finished goods prices, availability of raw materials, changes in Government regulations, tax regimes etc. over which the Company does not have any control. Forward march of your Company is always exposed to risk of hindrances arising out of aforesaid unforeseen predicaments, thereby upsetting the apple cart. Readers are cautioned not to place undue reliance on such statements and apply their own diligence and independent judgment.

#### **DIRECTORS**

Mr. D. K. Sharda and Mr. A. Mallick have been re-appointed as Managing Director and Executive Director & CEO respectively for a further period of one year with effect from April 01, 2011, subject to the approval of the members of the Company in the ensuing Annual General Meeting.

Mr. S. Lahiri and Mr. H. M. Parekh retire by rotation under Articles 109 and 110 of the Articles of Association of the Company, and being eligible offer themselves, for re-appointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the year ended March 31, 2011, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) your 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 as at March 31, 2011 and of the profit of the Company for the year ended on that date;





- c) your 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 fraud and other irregularities; and
- d) your Directors have prepared the annual accounts on a 'going concern' basis.

#### **AUDITORS' REPORT**

Auditors' Report to the members of the Company does not contain any qualification or adverse remark. The Notes to Accounts forming part of the financial statements are self explanatory and needs no further explanation.

#### **AUDITORS**

Messrs. Singhi & Co., Chartered Accountants, Kolkata, who retires after the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves, for re-appointment.

Messrs. Bagree & Co., Chartered Accountants, Kolkata, the Branch Auditor of Engineering (MICCO) Division of the Company and Messrs. Dutta, Ghosh & Associates, Chartered Accountants, Kolkata, the Branch Auditor of the Textile (GIS Cotton Mill) Division of the Company, retire at this meeting and, being eligible, offer themselves, for re-appointment for the respective Divisions.

A certificate under sub-section (1B) of Section 224 of the Companies Act, 1956, has been obtained from each of them.

#### **COST AUDIT**

The Ministry of Corporate Affairs, Government of India, by their Orders has directed audit of cost accounts maintained by the Company in respect of its Textile, Tea and Chemicals (Waldies) divisions on a yearly basis. In terms of the said Orders, Cost Audits are conducted by three firms of Cost Accountants, who are appointed with the approval of the Ministry of Corporate Affairs, Cost Audit Branch.

#### **CORPORATE GOVERNANCE**

The Report on Corporate Governance duly certified by a practicing Company Secretary confirming compliance with the conditions stipulated under Clause 49 of the Listing Agreement, which forms part of the Annual Report, is attached to this Report.

#### **FIXED DEPOSIT**

As on March 31, 2011 an amount of Rs. 1,925.78 lakhs was outstanding as fixed deposits received from the public and shareholders of your Company. No matured fixed deposit was unclaimed as on the said date.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section

217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure I) hereto forming part of the Report.

#### **PARTICULARS OF EMPLOYEES**

No employee falls under the purview of Sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

#### **ACKNOWLEDGEMENT**

Your Directors would like to record their appreciation for the co-operation and support received from the employees, shareholders, banks, Government agencies and all stakeholders.

**For and on behalf of the Board**

**A. K. Kothari**  
Chairman

Kolkata, May 30, 2011.



## ANNEXURE I TO DIRECTORS' REPORT

Additional information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended March 31, 2011.

### A. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken:

High Importance is given to energy conservation and continuous efforts are made to save energy, wherever possible. Continuous studies, discussions and analysis are made by the Company to identify areas and implement measures to conserve energy. Some of the measures taken are as under:

- i) Timely replacement of Power Capacitor and equipments for achieving ideal power factor.
- ii) Installation of transformer for redistribution of power load.
- iii) Replacement of condenser with compactor for power saving.
- iv) Use of Jute caddies in place of coal in Boiler, whenever available.
- v) Replacement of conventional tube lights by energy efficient tube lights (T-28).
- vi) Installation of inverter drive in different compressors and other electronic equipments to reduce power consumption.
- vii) Replacement of existing reciprocating compressor by Screw compressor for saving power.

- viii) Energy saving spindles retrofitted in Ring Frames.
- ix) Replacement of old conventional fans by FRP fans in our Tea Gardens.

#### b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Your Company proposes to replace old machineries, equipments and technologies with new and upgraded machineries, equipments and technologies, which are energy efficient. Awareness drives at all levels are made by the Company for economic use and conservation of energy on a regular basis.

#### c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in saving of energy with its consequential effect of decreasing the cost of production. However, due to steep increase in the cost of rice husk, petroleum products and other inputs, the overall cost of production has increased.

#### d) Disclosure of Particulars with respect to conservation of energy:

### FORM A

#### A. Power & Fuel Consumption

	2011	2010
<b>1. Electricity</b>		
<b>a) Purchased</b>		
Unit	<b>3,58,64,155</b>	3,43,89,348
Total Amount (Rs. '000)	<b>19,93,77</b>	16,03,82
Rate/Unit (Rs.)	<b>5.56</b>	4.66
<b>b) Own Generation</b>		
<b>i) Through Diesel Generator (Unit)</b>	<b>25,62,553</b>	27,98,626
Unit per litre of diesel oil	<b>3.11</b>	3.02
Cost/Unit (Rs.)	<b>12.05</b>	10.96
<b>ii) Through Gas Gen Set (Unit)</b>	<b>10,29,666</b>	13,31,597
Unit per (S.Cu.M.)	<b>1.41</b>	1.03
Cost/Unit (Rs.)	<b>4.67</b>	2.54
<b>iii) Through Steam Turbine (Unit)</b>	<b>4,15,56,951</b>	4,07,28,486
Unit per M.T.	<b>947</b>	806
Fuel Cost/Unit (Rs.)	<b>3.65</b>	3.84



	2011	2010
<b>2. a) Coal (Grade B Coal used in Drier)</b>		
Quantity (M.T.)	<b>5,910</b>	6,105
Total Cost (Rs. '000)	<b>2,45,48</b>	2,31,58
Average Rate (Rs./M.T.)	<b>4,153.78</b>	3,793.41
<b>b) Coal (Grade B Coal used in Boiler)</b>		
Quantity (M.T.)	<b>1,436</b>	2,260
Total Cost (Rs. '000)	<b>53,33</b>	95,62
Average Rate (Rs./M.T.)	<b>3,712.90</b>	4,230.23
<b>3. Furnace Oil</b>		
Quantity ( K. Ltr.)	<b>169</b>	126
Total Cost (Rs. '000)	<b>61,81</b>	42,47
Average Rate (Rs./Ltr.)	<b>36.52</b>	33.70
<b>4. Others/internal generation</b>		
<b>a) Natural Gas</b>		
Quantity (S.Cu.M.)	<b>21,10,701</b>	21,96,292
Total Cost (Rs. '000)	<b>96,91</b>	54,75
Rate/Unit (Rs./S.Cu.M.)	<b>4.59</b>	2.49
<b>b) Husk</b>		
Quantity (M.T.)	<b>43,860</b>	50,538
Total Cost (Rs. '000)	<b>15,15,92</b>	15,65,32
Average Rate (Rs./M.T.)	<b>3,456.26</b>	3,097.34
<b>c) Jute Caddies</b>		
Quantity (M.T.)	<b>1,670</b>	194
Total Cost (Rs. '000)	<b>12,82</b>	3,48
Average Rate (Rs./M.T.)	<b>767.74</b>	1,789.32
<b>B. Consumption per unit of production (Standard, if any - )</b>		
<b>1. Tea</b>		
Production (Gross) (M.T.)	<b>9,006</b>	9,278
Electricity Unit (Units per M.T.)	<b>954</b>	941
Coal (Kgs per M.T.)	<b>656</b>	658
Furnace Oil (Ltrs. Per M.T.)	<b>19</b>	14
Natural gas (C.M. per M.T.)	<b>234</b>	237
<b>2. Cotton and Man-made Fibre Yarn</b>		
Production (M.T.)	<b>19,292</b>	18,174
Electricity (units per M.T.)	<b>3,690</b>	3,810
Husk (Kgs per M.T.)	<b>3,635</b>	4,483
Coal (Kgs per M.T.)	<b>43</b>	148
Jute Caddies (Kgs per M.T.)	<b>231</b>	28
<b>3. Steel Structural</b>		
Production (M.T.)	<b>3,477</b>	2,304
Electricity (Units per M.T.)	<b>56</b>	90
<b>4. Lead Oxides</b>		
Production (M.T.)	<b>3,895</b>	3,826
Electricity (Units per M.T.)	<b>185</b>	182
Coal (Kgs per M.T.)	<b>230</b>	252
<b>5. White lead, Lead Salts &amp; Metallic Stearates</b>		
Production (M.T.)	<b>434</b>	678
Electricity (Units per M.T.)	<b>344</b>	267
Coal (Kgs per M.T.)	<b>457</b>	404

**B. TECHNOLOGY ABSORPTION****(e) Efforts made in technology absorption : FORM B****Research and Development (R & D)**

1. Specific areas in which R & D is carried out by the Company :
2. Benefits derived as a result of the above R&D:
3. Future plan of action:
4. Expenditure on R & D
  - a) Capital
  - b) Recurring
  - c) Total
  - d) Total R & D expenditure as a percentage of Total Turnover

Your Company subscribes to South India Textile Research Association (SITRA) and Tea Research Association (TRA). R & D activities are primarily concentrated on the improvement and up-gradation of the products of the Company.

The advices and suggestions of SITRA and TRA are adhered to and implemented on a regular basis, which helps in optimizing production and improvement of quality of the products.

Research & Development would continue to be a focus area for the Company. To improve the productivity and quality of products, your Company plans to procure and install innovative technologies and latest machineries, as and when required. The Company intends to actively participate in the development of advanced products and reduction of carbon footprints.

Nil  
Rs. 10,90,755  
Rs. 10,90,755

0.014

**Technology absorption, adaptation & innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, Import substitution etc.:
3. Details of Imported technology:

i) Your Company by working with world leaders in Gasholders and Furnaces, has now matured in the field of engineering and has absorbed substantial portion of the technology, which allows the Company to carry out vital technological work indigenously.

ii) Use of latest irrigation system at the Tea Gardens of your Company.

iii) Your Company has installed :

- a) Latest machines/ equipments viz., Murata make Air Vortex Spinner, ELITE Compact Set, Uster Neps Tester, AFIS Pro etc. at Akbarpur, Punjab.
- b) Latest Assembly Winding Machines (VERSA), SAPRU make TFO machines, MURATA make Autoconers and USTER Quantum yarn cleaner at Champdani, West Bengal.

i) Indigenization in the field of design, engineering and installation, reduces the overall cost, increases competitiveness and helps in reducing foreign exchange outflow.

ii) Proper and efficient use of water increases productivity due to less dependency on rainfall.

iii) Improvement in productivity, conservation of energy and overall improvement in the quality of products.

No technology has been imported by the Company during the last five years.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO****f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:**

Your Company continued with its initiatives for developing the export market for its products. The Exports during the year increased by 126.48% compared to previous year. Further, continuous efforts are being made to produce quality products, which are acceptable in overseas market, and to identify and develop new export markets.

**g) Total foreign exchange used and earned.**

	<b>2011</b>	2010
	<b>(Rs. '000)</b>	(Rs. '000)
Foreign exchange earned	<b>76,08,30</b>	34,98,06
Foreign exchange used	<b>45,49,60</b>	23,67,68

**For and on behalf of the Board**

**A. K. Kothari**  
Chairman

Kolkata, May 30, 2011.



## REPORT ON CORPORATE GOVERNANCE

*[In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Limited (CSE) with respect to the financial year ended 31st March, 2011]*

### Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance means the adoption of best practices to ensure that the Company operates not only within the regulatory framework but is also guided by the broader business ethics. The Company's policy is reflected by the very values of transparency, professionalism and accountability. The adoption of business and corporate practices based on transparency, professionalism and accountability, besides creating wealth for the shareholders, benefits the customers, creditors, employees, government and society at large.

The Company believes in meaningful policy on Corporate Governance by empowering the executive management and creating a mechanism of checks and balances to ensure that the decision making powers vested in the executive management are used with care and responsibility to meet the stakeholders' aspirations and societal expectations.

### I. Board of Directors (hereinafter referred to as the 'Board')

#### A) Composition

Your Company's Board presently comprises of 9 (Nine) Directors, 5 (Five) of whom are Non-Executive Independent Directors, 2 (Two) of whom are Non – Executive Promoter Directors and 2 (Two) of whom are Whole time Directors with considerable experience in their respective fields.

During the year under review, the Board met 9 (Nine) times. The details of Board Meetings held during the financial year 2010-2011 are as under:

Date of Board Meeting	City	No. of Directors present
1. May 15, 2010	Kolkata	8
2. June 30, 2010	Kolkata	8
3. July 30, 2010	Kolkata	7
4. August 14, 2010	Kolkata	7
5. September 7, 2010	Kolkata	7
6. September 16, 2010	Kolkata	6
7. November 12, 2010	Kolkata	7
8. February 14, 2011	Kolkata	8
9. March 31, 2011	Kolkata	6

### B) Non-Executive Directors' Compensation and Disclosures

All remuneration paid/ proposed to be paid to the Non-executive Directors and Independent Directors are paid/ proposed to be paid only after the approval of the Board and members of the Company. At present, the sitting fees paid for attending a meeting of the Board of Directors or its Committees is Rs.7,500/-. Details of sitting fees paid to them are given at respective places in this Report. The members of the Company at the Annual General Meeting held on September 07, 2010, had passed a special resolution pursuant to section 309 of the Companies Act, 1956 for payment of commission to the Non-Executive Directors of the Company, for a period of 5 (five) years commencing from the financial year ended March 31, 2010 at a rate not exceeding 1% (one percent) per annum of the net profits of the Company. The Board of Directors at their meeting held on even date proposes payment of commission to non-executive Directors of the Company, as detailed under the head 'Disclosures' of this Report.

### C) Other Provisions as to Board and Committees

Your Company's Board plays an important role in ensuring good corporate governance and functioning of the Company. All relevant information as specified in Annexure IA to Clause 49 of the above-mentioned Listing Agreements with the Stock Exchanges is regularly placed before the Board. Agenda and Notes on Agenda are circulated to the Directors in advance before each meeting of the Board.

The Members of the Board have complete freedom to express their opinion and the decisions are taken after detailed discussions.

The Board meets at least once in a quarter to review and approve the quarterly financial results and operations of your Company. Apart from the above, Board Meetings are convened as and when required by giving proper notice.



The details of the Directors with regard to the outside Directorships and Committee positions, as well as Board Meetings/Annual General Meeting (AGM) are as follows:

Name of Director	Category of Director	Attendance during 2010-2011		No. of Outside Directorship/ Chairperson of the outside Board #	No. of Membership(s)/ Chairmanship(s) in Outside Committee*
		Board Meetings	Last AGM held on 07.09.10		
1. Mr. A. K. Kothari	Non-Executive Promoter Chairman	8	Yes	8 (1 as Chairman)	3
2. Smt. P. D. Kothari	Non-Executive Promoter	9	No	5	NIL
3. Mr. P. K. Khaitan	Non-executive Independent	6	No	12	2
4. Mr. J. N. Godbole	Non-executive Independent	7	No	11	9 (1 as Jt. Chairman)
5. Mr. H. P. Kanoria	Non-executive Independent	2	Yes	2	NIL
6. Mr. S. Lahiri	Non-executive Independent	9	Yes	1	1
7. Mr. H. M. Parekh	Non-executive Independent	8	Yes	10	7 (2 as Chairman)
8. Mr. D. K. Sharda	Managing Director	9	Yes	2	NIL
9. Mr. A. Mallick	Executive Director & CEO	6	Yes	NIL	NIL

# The Directorships held by Directors as mentioned above includes only Indian Public Limited Companies and do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

\* Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies have been considered.

#### (D) Code of Conduct

- (i) The Code of Conduct as adopted by the Board of Directors is applicable to its Directors and Core Management representing all Executives from the 'General Manager' Grade and above. The Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and, conduct its daily business with its multitudinous stakeholder's

viz. shareholders, customers, creditors, employees, government, regulatory agencies, media and society at large. The Code is available on the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com).

- (ii) Declaration as required under Clause 49(I)(D)(ii) with respect to financial year ended on 31st March, 2011, signed by the Managing Director and the Executive Director & CEO has been provided to the Board and is reproduced as Annexure 1.



## II. Audit Committee

### A) Composition

Your Company has an Audit Committee with the powers and the role that are in accordance with Clause 49(II)(C), 49(II)(D) and 49(II)(E) of the Listing Agreement and Section 292A of the Companies Act, 1956, which acts as a link between the management, the statutory auditor, branch auditors and internal auditors and the Board of Directors and oversees the financial reporting process.

At present, the composition of the Audit Committee is as follows:

Name of the Director	Designation
1. Mr. S. Lahiri	Chairman
2. Mr. A. K. Kothari	Member
3. Mr. J. N. Godbole	Member
4. Mr. H. M. Parekh	Member

Except Mr. A. K. Kothari, all the members of the Audit Committee are Independent Directors. The Statutory, as well as the Internal Auditors and the Joint President & CFO of the Company are also invited to the Audit Committee Meetings, as and when required. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 07, 2010.

### (B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 5 (five) times on May 15, 2010, June 30, 2010, August 14, 2010, November 12, 2010 and February 14, 2011 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	No. of Meetings attended	Sitting fees paid
1. Mr. S. Lahiri	5	Rs.37,500/-
2. Mr. A. K. Kothari	5	Rs.37,500/-
3. Mr. J. N. Godbole	5	Rs.37,500/-
4. Mr. H. M. Parekh	4	Rs.30,000/-

### (C) Powers of Audit Committee

The audit committee is endowed with the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

### (D) Role of Audit Committee

The role of the audit committee includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditor for any other services rendered by the statutory auditor.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications, if any, in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.



11. Discussion with statutory auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience etc. of the candidate.
14. Recommending to the Board, the appointment / re-appointment of Cost Auditors.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### (E) Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions submitted by the management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditor.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Internal Auditors.

#### III. Subsidiary Companies

Your Company does not have any subsidiary Company and hence Clause 49(III) of the above-mentioned Listing Agreements is not applicable to the Company.

#### IV. Disclosures

##### A) Basis of Related Party transactions

Your Company places all the details of related party transactions

Details of total remuneration paid/payable to all the Directors of your Company for the year ended March 31, 2011 are as follows:

(Rs. '000)

Name	Salary & Allowances	Contribution to Provident & Other Funds	Leave Encashment on Retirement	Perquisites	Sitting Fees	Commission	Total
1. Mr. A. K. Kothari	N.A.	N.A.	N.A.	N.A.	1,88	1,00	2,88
2. Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	1,80	30,00	31,80
3. Mr. P. K. Khaitan	N.A.	N.A.	N.A.	N.A.	90	1,00	1,90
4. Mr. J. N. Godbole	N.A.	N.A.	N.A.	N.A.	90	1,00	1,90
5. Mr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	15	1,00	1,15
6. Mr. S. Lahiri	N.A.	N.A.	N.A.	N.A.	1,05	1,00	2,05
7. Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	1,50	1,00	2,50
8. Mr. D. K. Sharda	18,00	2,16	N.A.	4,27	N.A.	N.A.	24,43
9. Mr. A. Mallick	14,40	1,73	N.A.	3,57	N.A.	N.A.	19,70
Total	32,40	3,89	N.A.	7,84	8,18	36,00	88,31

(N.A. indicates Not Applicable)

before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 prescribed under the Companies Act, 1956, forms part of Note No. 17 of Schedule 18 to the Accounts in the Annual Report. These transactions are not likely to have any conflict with the interests of the Company at large.

##### B) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

##### C) Risk Management

The Executive Management reviews the operation/ performance of all the Divisions including assessment of risks involved and procedures of minimization thereof at regular intervals with the heads of different divisions and the members of the Board and the Audit Committee are apprised of these. Recommendations/ suggestions, if any of the Board/ Audit Committee is communicated to the divisional heads and implementation thereof are monitored by the Executive Management.

##### D) Proceeds from public issues, rights issues, preferential issues etc.

During the year under review, the Company has not raised any proceeds from public issue, right issue or preferential issue.

##### E) Remuneration to Directors

Remuneration of the Whole time Directors of the Company are recommended by the Remuneration Committee and thereafter approved by the Board subject to the approval of the members of the Company. The details of the Remuneration Committee have been mentioned under the head 'Other Board Committees' of this report.

Non Executive Directors are entitled to sitting fees for attending the meetings of the Board and Committees thereof. The present sitting fees is Rs.7,500/- for attending each meeting of the Board or Committee thereof. It is proposed to pay commission to the Non-Executive Directors, as detailed below, in accordance with the resolution passed by the members at the Annual General Meeting held on September 07, 2010.





Mr. D. K. Sharda, Managing Director and Mr. A. Mallick, Executive Director & CEO of the Company have been re-appointed for a period of 1 (one) year w.e.f. April 01, 2011. The Notice period for each of the said Directors is 3 (three) months.

No significant /material transactions have been made with the non-executive Directors vis-a-vis the Company.

All non-executive Directors have disclosed their shareholding in the Company. Details of shareholding of Non-Executive and/or Independent Directors are as follows:

Name of Director	No. of Ordinary (Equity) Shares held as on March 31, 2011
1. Mr. A. K. Kothari	1,25,288
2. Smt. P. D. Kothari	67,875
3. Mr. P. K. Khaitan	NIL
4. Mr. J. N. Godbole	NIL
5. Mr. H. P. Kanoria	NIL
6. Mr. S. Lahiri	NIL
7. Mr. H. M. Parekh	NIL

#### F) Management

- i) The Management Discussion and Analysis Report forms part of the Annual Report and are in accordance with the requirements of Clause 49 of the Listing Agreement.
- ii) No material financial and commercial transactions have been made by the Senior Management having personal interest which may have a potential conflict with the interest of the Company at large.

#### G) Shareholders

- i) The Company has provided the details of the Directors seeking re-appointment (as per the requirement of Clause 49(IV)(G) of the listing agreements) in the Notice convening the Annual General Meeting of the Company. Mr. S. Lahiri and Mr. H. M. Parekh, retire by rotation at the ensuing Annual General Meeting, and are eligible for re-election.
- ii) Out of all the Directors of your Company, only Mr. A. K. Kothari and Smt. P. D. Kothari are related to each other.
- iii) Quarterly results are regularly sent to stock exchanges where the Ordinary Shares of the Company are listed and are also put on the Company's website.
- iv) Share Transfer & Shareholders' /Investors' Grievance Committee

The Company has a Committee of the Board to specifically look into various matters relating to shareholders/investors, including transfer / transmission of shares, non-receipt of annual report, non- receipt of declared dividends, status of dematerialization/rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

At present, the Share Transfer & Shareholders' / Investors' Grievance Committee comprises of the following Directors viz., Mr. H. M. Parekh (Non-Executive Independent Director) as Chairman and Mr. A. K. Kothari, Smt. P. D. Kothari, Mr. P. K. Khaitan and Mr. D. K. Sharda as other members of the Committee. Mr. D. Karmakar, Company Secretary acts as the Compliance Officer. The said Committee met 10 (Ten) times during the year on August 14, 2010, September 03, 2010, September 15, 2010, October 13, 2010, November 12, 2010, December 10, 2010, January 07, 2011, February 04, 2011, March 03, 2011 and March 31, 2011. Details of the attendance and sitting fees paid are as follows:

Name of the Member	No. of Meetings Attended	Sitting fees paid
1. Mr. H. M. Parekh	7	Rs. 52,500
2. Mr. A. K. Kothari	8	Rs. 60,000
3. Smt. P. K. Kothari	10	Rs. 75,000
4. Mr. P. K. Khaitan	5	Rs. 37,500
5. Mr. D. K. Sharda	8	N.A.

During the year the Company received 60 (Sixty) complaints regarding non-receipt of Annual Report/ Share Certificate/ Dividend from the shareholders, all of which were attended satisfactorily.

#### v) Compliances by the Company

No strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any Statutory Authority on any matters related to capital markets during the last 3 years.

#### V. CEO and CFO Certification

The Managing Director, Executive Director & CEO and the Joint President & CFO of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

#### VI. Report on Corporate Governance

- a) This Corporate Governance Report forms part of the Annual Report. The Company is compliant with all the applicable provisions of Clause 49 of the Listing Agreement with the Stock Exchanges in India.
- b) Your Company regularly submits quarterly compliance report to the stock exchanges within 15 days from



the close of each quarter, as per the requirement of Clause 49(VI)(ii) of the above-mentioned listing agreements.

#### VII. Compliance

- a) Certificate from CS Deepak Kumar Khaitan, Practising Company Secretary, regarding the compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement with Stock Exchanges in India is annexed

to the Directors' Report and forms part of the Annual Report.

- b) The Company is compliant with all the mandatory requirements of Clause 49 of the Listing Agreement. As far as the non-mandatory requirements are concerned, the Board has set up a Remuneration Committee, the details of which have been provided under the head 'Other Board Committees' of this report.

#### VIII. General Body Meetings

##### a) Location and time for last three Annual General Meetings (AGM) :

Financial Year	Date of AGM	Venue	Time
2009-2010 (76th AGM)	07.09.2010	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	11.30 A.M.
2008-2009 (75th AGM)	27.08.2009	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	11.30 A.M.
2007-2008 (74th AGM)	11.09.2008	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	10.30 A.M.

- (b) In the previous 3 (three) AGMs, special resolution was passed only in the AGM held on September 07, 2011, for payment of commission to Non – Executive Directors of the Company.

- (d) As on date there is no plan to conduct a postal ballot for passing any special resolution in the near future. However, this is subject to any such requirement, which may arise in future.

- (c) No special resolution has been passed through postal ballot during 2010-11. However, during the said period, one ordinary resolution has been passed by the members of the Company through Postal Ballot for according consent to the Board of Directors to issue of Bonus Shares in the ratio of 1:2 i.e. one fully paid up Ordinary Share of Rs.10/- each for every two fully paid up Ordinary shares of Rs.10/- each. The Postal Ballot process was carried out following the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (The passing of Resolution by Postal Ballot) Rules, 2001 and Scrutinizer's Report was duly obtained by the Company.

#### IX. Means of Communication

- i) The half-yearly/quarterly financial results in the proforma prescribed under the above-mentioned Listing Agreements are approved by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the leading newspapers like Economic Times/ Financial Express in English and in Aajkal in Bengali. The results are also available in the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)
- ii) Quarterly/half yearly reports are not being sent to each household of shareholders.



## X. General Shareholder Information

<b>i) Date, Time and Venue of the Annual General Meeting</b>	August 12, 2011 at 11-30 A.M. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, Kolkata-700 001
<b>ii) Financial Calendar 2011-2012</b> (tentative and subject to change)	<ul style="list-style-type: none"> <li>Financial Year: April to March</li> <li>First Quarter Results: by second week of August, 2011</li> <li>Half Yearly Results: by second week of November 2011</li> <li>Third Quarter Results: by second week of February 2012</li> <li>Audited results for the year ending 31st March, 2012 : by last week of May, 2012</li> </ul>
<b>iii) Book Closure Period</b>	August 03, 2011 to August 12, 2011 (both days inclusive)
<b>iv) Dividend Payment Date</b>	Third week of August, 2011
<b>v) Listing on Stock Exchanges</b>	<ul style="list-style-type: none"> <li>i) The Calcutta Stock Exchange Ltd., (CSE) 7 Lyons Range, Kolkata-700 001.</li> <li>ii) Bombay Stock Exchange Ltd., (BSE) P J Towers, Dalal Street, Mumbai- 400 001.</li> <li>iii) National Stock Exchange of India Ltd., (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai - 400 051</li> </ul>
<b>vi) Stock Code</b>	CSE - 10017321    BSE – 532716    NSE - GILLANDERS

### vii) Stock Market Price and BSE Sensex for the financial year under review #

Months	Stock Price at BSE		Stock Price at NSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High	Low
April 2010	176.90	148.05	164.00	140.00	18,047.86	17,276.80
May 2010	182.40	131.00	177.00	147.25	17,536.86	15,960.15
June 2010	157.50	129.50	182.25	130.50	17,919.62	16,318.39
July 2010	187.00	153.95	158.00	128.20	18,237.56	17,395.58
August 2010	175.80	157.25	187.25	153.00	18,475.27	17,819.99
September 2010*	181.80	105.25	174.55	155.10	20,267.98	18,027.12
October 2010	137.00	113.90	182.90	107.50	20,854.55	19,768.96
November 2010	141.90	105.05	136.90	113.50	21,108.64	18,954.82
December 2010	122.95	98.50	141.95	91.10	20,552.03	19,074.57
January 2011	117.90	98.00	122.70	99.00	20,664.80	18,038.48
February 2011	115.00	90.25	119.90	98.00	18,690.97	17,295.62
March 2011	112.90	97.90	120.00	89.15	19,575.16	17,792.17

# Source BSE & NSE websites.

\* The value of the Company's share has been adjusted from September 16, 2010 to give effect to allotment of Bonus Shares in the ratio of 1 share for every 2 shares held on Record date i.e. September 15, 2010.



**viii) Registrars & Share Transfer Agent**  
(Both Physical & Demat Segments)

**Maheshwari Datamatics Pvt. Ltd.,**  
(Unit : Gillanders Arbuthnot and Company Limited)  
6, Mangoe Lane, (Surendra Mohan Ghosh Sarani),  
2nd floor, Kolkata - 700 001.

**ix) Share Transfer System**

Requests for transfer of shares in physical form received either at the office of the Company or at the Office of the Registrars are generally approved by the Share Transfer and Shareholders'/Investors' Grievance, Committee of the Board of Directors within a maximum period of 3 weeks from the date of receipt provided the documents are complete in all respects. Dematerialization requests are also normally disposed off within an average period of 3 weeks.

**x) Distribution of Shareholding as on March 31, 2011**

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	14305	90.0308	12,23,753	5.7339
501-1000	796	5.0098	5,96,759	2.7961
1001-2000	391	2.4608	5,63,191	2.6388
2001-3000	146	0.9189	3,72,886	1.7472
3001-4000	50	0.3147	1,79,807	0.8426
4001-5000	42	0.2643	1,91,503	0.8973
5001-10000	74	0.4657	5,44,879	2.5530
10001 and above	85	0.5350	1,76,69,568	82.7911
<b>Total</b>	<b>15889</b>	<b>100.00</b>	<b>2,13,42,346</b>	<b>100.00</b>

**xi) Categories of Shareholders as on March 31, 2011**

Category	Number of Shares	Percentage of Shareholdings
Indian Promoters	1,46,45,266	68.6207
Mutual Funds	300	0.0014
Banks, Financial Institutions, Insurance Companies	12,59,158	5.8999
Central Government/State Government(s)	7,086	0.0332
Other Private Corporate Bodies	11,76,806	5.5139
Indian Public	40,72,738	19.0829
NRI/ OCB-s	1,80,992	0.8480
<b>TOTAL</b>	<b>2,13,42,346</b>	<b>100.00</b>

**xii) Dematerialisation of Shares and Liquidity**

The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i.e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialized form in accordance with the provisions of the Depositories Act, 1996. As per SEBI Guidelines, Ordinary Shares of the Company are compulsorily traded in dematerialized form for all the investors with effect from August 28, 2000. As on March 31, 2011, 2,03,64,904 Ordinary Shares representing 95.42% of the total Ordinary Share Capital of the Company were held in dematerialized form.

The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE047B01011



<b>xiii) Outstanding ADRs/GDRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</b>	Not applicable
<b>xiv) Plant Locations</b>	<p><b>1. Tea Division :</b></p> <p>a) Betjan Tea Estate, Post Office : Makum Junction, District : Tinsukia, Assam. Pin - 786170</p> <p>b) Jutlibari Tea Estate, Post Office : Hoogrijan, District : Dibrugarh, Assam. Pin - 786601</p> <p>c) Gorunga Tea Estate, Post Office : Golaghat, District : Golaghat, Assam. Pin - 785621</p> <p>d) Arun Tea Estate, Post Office : Dhekiajuli, District : Sonitpur, Assam. Pin - 784110</p> <p>e) Dooria Tea Estate, Post Office : Golaghat, District : Golaghat, Assam. Pin - 785621</p> <p>f) Tengpani Tea Estate, P.O. - Makum JN., Dist. - Tinsukia, Assam. Pin - 786170</p> <p><b>2. Textile Division :</b></p> <p>(i) North India Spinning Mill, Vill. - Akbarpur, Ahmedgarh - 148021 District - Sangrur, Punjab.</p> <p><b>3. Engineering (MICCO) Division :</b> Sodepur, Ekford Road, 24 Parganas (North), W.B.</p> <p><b>4. Chemical (Waldies) Division :</b> 70, G. T. Road (East), P. O. Konnagar, Dist. Hooghly - 712235. W.B.</p> <p>g) Borkatonee Tea Estate, P.O. Golaghat, District : Golaghat, Assam. Pin - 785621</p> <p>h) Dherai Tea Estate, P.O. Dhekiajuli, District : Sonitpur, Assam. Pin - 784110</p> <p>i) Gairkhata Tea Estate, Post Office : Gairkhata, District : Jalpaiguri, W.B. Pin - 735212</p> <p>j) Taipoo Tea Estate, Post Office : Bagdogra, District : Darjeeling, W. B. Pin - 734 422</p> <p>k) Banwaripur Tea Factory, (Tea Processing Factory taken on lease), P.O. Golaghat, District : Golaghat, Assam. Pin - 785621</p> <p>(ii) GIS Cotton Mill, 47, G. T. Road, Champdany, P.O. Baidyabati Dist.: Hooghly, W.B. Pin - 712222</p>
<b>xv) Address for Communication</b>	<p>Gillanders Arbuthnot and Company Limited, Secretarial Department, C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001 Phone : (033) 2230 2331(6), 2230 4182 (4), Fax : 033-2230 4185 email: <a href="mailto:secretarial@gillandersarbuthnot.com">secretarial@gillandersarbuthnot.com</a></p> <p><b>(INVESTORS ARE REQUESTED TO FORWARD THEIR COMPLAINTS/ GRIEVANCES, IF ANY, TO THE ABOVE E-MAIL ADDRESS)</b></p> <p><b>R &amp; T Agent :</b> Maheshwari Datamatics Pvt. Ltd., (Unit : Gillanders Arbuthnot and Company Limited) 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd floor, Kolkata – 700 001. Phone : (033) 2248 2248, 2243 5029 Fax : 033-2248 4787 E-mail : <a href="mailto:mdpl@cal.vsnl.net.in">mdpl@cal.vsnl.net.in</a></p>

**XI. Other Board Committees****i) Finance Committee**

The Committee of Directors constituted under Section 292 of the Companies Act, 1956, was named as the 'Finance Committee' by the Board of Directors of the Company at their meeting held on July 30, 2010, and have delegated powers/ authorities to the said Committee under Section 292(1)(c), (d) and (e) of the Act, subject to certain limits. Mr. A. K. Kothari is the Chairman of the Committee and Smt. P. D. Kothari, Mr. D. K. Sharda and Mr. A. Mallick, of the Company are the other members of the said Committee. Mr. P. K. Jain, Joint President & CFO is a permanent invitee to the Committee and Mr. D. Karmakar, Company Secretary, acts as the Secretary to the Committee. During the year under review, the Finance Committee met 7 (seven) times.

**ii) Remuneration Committee**

The Remuneration Committee constituted by the Company to discharge the role envisaged in Clause 49 of the Listing Agreement and to ensure compliance of the related provisions of the Companies, Act, 1956 with respect to determination of remuneration package for Managing Director/Executive Director.

Mr. H. P. Kanoria is the Chairman of the Remuneration Committee. The Remuneration Committee met once during the year on March 31, 2011. Details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	Attendance	Sitting fees paid
1. Mr. H. P. Kanoria	No	Nil
2. Mr. A. K. Kothari	No	Nil
3. Smt. P. D. Kothari	Yes	Rs. 7,500/-
4. Mr. P. K. Khaitan	Yes	Rs. 7,500/-
5. Mr. H. M. Parekh	Yes	Rs. 7,500/-

**XII. Other Useful information for Shareholders****i) Unpaid/Unclaimed Dividends**

Shareholders who have not yet encashed their dividend warrant(s) for the years 2003-2004 to 2009-2010 may approach the Share Department of the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio Numbers. Unclaimed dividend for the year 2003-2004 is due for transfer to IEPF later during the year.

**ii) Electronic Clearing Service(ECS) / National Electronic Clearing Service (NECS) Facility**

Company is providing facility of ECS/NECS for payment of dividend to shareholders residing in selected cities. Shareholders holding shares in physical form are requested to send their ECS/NECS mandate form, duly filled in at the registered office of the Company or its RTA. ECS/NECS mandate form can be obtained by writing to the Company/ RTA. However, if the shares are held in dematerialized form, the ECS/NECS mandate has to be communicated to the respective Depository Participant (DP) directly. Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

**iii) Green Initiative in the Corporate Governance**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents of the Company.

**For and on behalf of the Board**

**A. K. Kothari**  
Chairman

Kolkata, May 30, 2011.



### Annexure 1

Declaration as required under Clause 49 of the Listing Agreement

All the Directors and the Core Management of the Company have affirmed compliance with the Company's 'Code of Conduct' for the financial year ended March 31, 2011.

**Kolkata, May 30, 2011**

**D. K. Sharda**  
Managing Director

**A. Mallick**  
Executive Director & CEO

## CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Gillanders Arbuthnot and Company Limited

I have reviewed the compliance of conditions of Corporate Governance by Gillanders Arbuthnot and Company Limited (CIN L51909WB1935PLC008194) for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company as well as Registrars of the Company and furnished to us.

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

**In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement in all material respects.**

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

Place : Kolkata  
Kolkata, May 30, 2011

**Name : CS Deepak Kumar Khaitan**  
**F.C.S. No. : 5615**  
**C. P. No. : 5207**



## AUDITORS' REPORT

### TO THE MEMBERS OF GILLANDERS ARBUTHNOT AND COMPANY LIMITED

1. We have audited the attached Balance Sheet of Gillanders Arbuthnot And Company Limited, as at 31st March 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. The report on the audit of Modern India Construction Company Division and GIS Cotton Mill Division carried out by Bagree & Co and Dutta Ghosh and Associates respectively has been forwarded to us as required under clause (c) of sub-section 3 of Section 228 of the Companies Act 1956 of India ('the Act') and has been considered in preparing our report.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
  - 5.1 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;
  - 5.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - 5.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - 5.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- 5.5 On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- 5.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon and attached thereto give the information required by the Act, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Singhi & Co.  
Firm Registration Number - 302049E  
Chartered Accountants  
**Rajiv Singhi**  
Partner  
Membership No. 053518

Kolkata, 30th May, 2011





## ANNEXURE TO AUDITORS' REPORT

**[Referred to in paragraph 4 of the Auditors' Report of even date to the members of Gillanders Arbuthnot and Company Limited on the financial statements for the year ended 31st March 2011]**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) As explained to us, the inventory of the Company (excluding stocks with third parties) has been physically verified during the year by the management or by a firm of Chartered Accountants on behalf of the management during the year. In respect of stock lying with third parties, those have substantially been confirmed by them and/or have been verified with reference to subsequent sale. In our opinion the frequency of such verification is reasonable.
- (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) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii)(b), (c), and (d) of the Order are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii) (f) and (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of the business for the purchase of inventory, fixed assets and for the sale of the goods and services. 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 have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company relating to certain products (Tea Plantation, Textile and Chemical) where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. To the best of our knowledge and according to the information and explanations given to us, the Central Government of India under the aforesaid Act have not prescribed the maintenance of cost records for other products of the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing 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, with the appropriate authorities. As at

31st March 2011, there were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable, except in respect of service tax as stated below:

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 1997	Service Tax on freight bills	2.27	1997-98	June, 2002	Not paid

b) Further, since the Central Government of India has till date not prescribed the amount of cess payable under Section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as applicable as at 31<sup>st</sup> March 2011 which have not been deposited on account of a dispute, are as follows –

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where Dispute is Pending
Central Sales Tax Act, 1956	Sales Tax	82.01	2003-04, 2004-05 & 2005-06	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		249.37	2006-07 & 2007-08	Sr. Joint Commissioner of Sales Tax, Kolkata
The West Bengal Sales Tax Act, 1944	Sales Tax	31.17	1996-97, 1998-99, 2001-02 & 2004-05	Additional/Deputy Commissioner of Commercial Taxes, Kolkata Revisional Board, Kolkata
		9.68	2003-04	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2005	Sales Tax	184.38	2005-06, 2007-08 & Quarter ended Jun 06 & Dec 06	Sr. Joint Commissioner of Sales Tax, Kolkata
		178.55	Quarter ended Sep 06 & Mar 07	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Bengal Finance (Sales Tax) Act, 1941	Sales Tax	15.66	1985-86	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Orissa Sales Tax Act, 1947	Sales Tax	0.53	1998-99	Additional Commissioner of Sales Tax, Cuttack
Central Sales Tax (Orissa) Rules, 1957	Sales Tax	9.30	1998-99 & 1999-2000	Additional Commissioner of Sales Tax, Cuttack
Central Excise Act, 1944	Excise Duty	34.32	Upto 1987-88	Office of the Commissioner - Central Excise
		63.33	Various periods from 1994-95 to 2007-08	Office of the Additional/Deputy Commissioner of Central Excise
Finance Act, 1997	Service Tax	42.46 (Paid under protest Rs. 15)	2003-04 to 2006-07	CCE (Appeal), Kolkata
Income Tax Act, 1961	Income Tax	5.86	1987-88	High Court, Kolkata



10. The Company has no accumulated losses as at 31st March 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or banks at the Balance Sheet date. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
12. According to the information and explanation given to us, 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. The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the company.
14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions in an earlier year is prima facie not prejudicial to the interests of the Company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. 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 during the year.
19. The Company has not issued any debentures and accordingly the question of creation of securities in this regard does not arise.
20. The Company has not raised any money from public issue during the year.
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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Singhi & Co.  
Firm Registration Number - 302049E  
*Chartered Accountants*  
**Rajiv Singhi**  
*Partner*  
Membership No. 053518

Kolkata, 30th May, 2011

**BALANCE SHEET as at 31st March, 2011****Rs. '000**

SOURCES OF FUNDS	Schedule No.	As at 31st March, 2011		As at 31st March, 2010	
<b>1. SHAREHOLDERS' FUNDS</b>					
a) Share Capital	1	23,34,23		16,22,82	
b) Reserves and Surplus	2	<u>1,87,47,84</u>	<b>2,10,82,07</b>	<u>1,51,74,76</u>	1,67,97,58
<b>2. LOAN FUNDS</b>	3				
Secured		1,63,92,10		1,61,71,95	
Unsecured		<u>69,25,78</u>	<b>2,33,17,88</b>	<u>49,30,14</u>	2,11,02,09
<b>3. Deferred Tax Liability - Net</b> (Note 20 on Schedule 18)			<b>12,60,00</b>		13,27,00
	<b>Total</b>		<u><b>4,56,59,95</b></u>		<u><b>3,92,26,67</b></u>
<b>APPLICATION OF FUNDS</b>					
<b>1. FIXED ASSETS</b>	4				
Gross Block		3,86,20,98		3,59,40,11	
Less : Depreciation		<u>1,52,01,47</u>		<u>1,30,79,39</u>	
Net Block		2,34,19,51		2,28,60,72	
Capital Work-in-Progress		<u>2,01,00</u>	<b>2,36,20,51</b>	<u>79,34</u>	2,29,40,06
<b>2. INVESTMENTS</b>	5		<b>17,65,80</b>		17,07,78
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>					
a) Inventories	6	1,78,58,54		1,27,57,31	
b) Sundry Debtors	7	88,40,38		83,60,43	
c) Cash and Bank Balances	8	4,02,59		5,12,43	
d) Other Current Assets	9	5,94,63		4,18,65	
e) Loans and Advances	10	<u>1,19,03,27</u>		<u>75,93,22</u>	
		<u><b>3,95,99,41</b></u>		<u>2,96,42,04</u>	
Less : -					
<b>4. CURRENT LIABILITIES AND PROVISIONS</b>					
a) Current Liabilities	11	1,45,46,35		1,22,49,02	
b) Provisions	12	<u>47,79,42</u>		<u>28,14,19</u>	
		<u><b>1,93,25,77</b></u>		<u>1,50,63,21</u>	
<b>NET CURRENT ASSETS</b>			<b>2,02,73,64</b>		1,45,78,83
	<b>Total</b>		<u><b>4,56,59,95</b></u>		<u><b>3,92,26,67</b></u>
<b>Notes on Accounts</b>	18				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Singhi & Co.  
Firm Registration Number - 302049E  
Chartered Accountants  
**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 30th May, 2011

**D. K. Sharda**  
Managing Director

**D. Karmakar**  
Company Secretary

**For and on behalf of the Board**

**A. K. Kothari**  
Chairman

**P. K. Jain**  
Joint President & CFO

**PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2011

Rs. '000

	Schedule No.	For the year ended 31st March, 2011	For the year ended 31st March, 2010
<b>INCOME</b>			
Gross Sales (other than construction)	13A	<b>5,39,44,06</b>	4,44,50,99
Income from Construction Contracts	13B	<b>2,09,73,69</b>	1,69,67,52
		<b>7,49,17,75</b>	6,14,18,51
Less: Excise Duty		<b>10,73,31</b>	7,06,85
Net Sales		<b>7,38,44,44</b>	6,07,11,66
Rental Income		<b>6,38,71</b>	5,76,51
Other Income	14	<b>8,00,48</b>	9,15,11
	<b>Total</b>	<b>7,52,83,63</b>	6,22,03,28
<b>EXPENDITURE</b>			
Cost of Materials Consumed and Inventory Adjustment	15	<b>3,73,02,81</b>	3,03,22,29
Manufacturing and Other Expenses	16	<b>2,72,72,68</b>	2,41,15,86
<b>Profit before Depreciation and Interest</b>		<b>1,07,08,14</b>	77,65,13
Less : Depreciation /Amortisation	4	<b>22,44,87</b>	21,64,68
Interest/ Finance Charges	17	<b>18,02,77</b>	17,64,38
<b>Profit before Taxation</b>		<b>66,60,50</b>	38,36,07
<b>Taxation Charge :</b>			
- Current Tax		<b>13,08,20</b>	6,30,00
- Deferred Tax (Note 20 on Schedule 18)		<b>(67,00)</b>	6,70,00
<b>Profit after Tax</b>		<b>54,19,30</b>	25,36,07
Profit Brought Forward		<b>20,83,15</b>	8,95,30
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>75,02,45</b>	34,31,37
<b>APPROPRIATIONS</b>			
Proposed Dividend :			
- Ordinary Shares		<b>9,60,41</b>	7,11,41
- Preference Shares		<b>16,00</b>	16,00
Tax on Dividend		<b>1,58,40</b>	1,20,81
Transfer to Preference Share Redemption Reserve		<b>2,00,00</b>	-
Transfer to General Reserve		<b>6,00,00</b>	5,00,00
Balance Carried Forward		<b>55,67,64</b>	20,83,15
		<b>75,02,45</b>	34,31,37
Earnings basic and diluted per share (of Rs. 10 each) Rupees (Note 19 on Schedule 18)		<b>25.31</b>	11.80
<b>Notes on Accounts</b>	18		

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For Singhi & Co.  
Firm Registration Number - 302049E  
Chartered Accountants  
**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 30th May, 2011

**D. K. Sharda**  
Managing Director

**D. Karmakar**  
Company Secretary

**For and on behalf of the Board**

**A. K. Kothari**  
Chairman

**P. K. Jain**  
Joint President & CFO

**CASH FLOW STATEMENT for the year ended 31st March, 2011****Rs. '000**

	For the year ended 31st March, 2011	For the year ended 31st March, 2010	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and extraordinary items	<b>66,60,50</b>		38,36,07
Adjustments for :			
Depreciation	<b>22,44,87</b>	21,64,68	
(Profit)/Loss on Sale of Investments (Net)	<b>(23,87)</b>	11,56	
Profit on Sale/discard of Fixed Assets (Net)	<b>(50,86)</b>	(8,46)	
Deferred Revenue Expenditure written off	-	88,89	
Bad Debts and Advances written off	<b>2,46</b>	1,23,51	
Provision for Doubtful Debts and advances (Net of write back)	<b>2,71,16</b>	(2,14,62)	
Provision for diminution in value of investment no longer required written back	-	(27,80)	
Interest /Finance Charges (Net of incentive income)	<b>18,02,77</b>	17,64,38	
Interest Income	<b>(72,17)</b>	(75,18)	
Dividend Income	<b>(46,60)</b>	(33,67)	
Liability no longer required written back	<b>(18,01)</b>	(42,20)	37,51,09
Operating profit before Working Capital Changes	<b>1,07,70,25</b>		75,87,16
Adjustments for :			
Trade and Other Receivables	<b>(34,75,46)</b>	(30,20,24)	
Inventories	<b>(51,01,23)</b>	(39,34,41)	
Trade Payables	<b>26,07,38</b>	11,69,51	(57,85,14)
Cash Generated from Operations	<b>48,00,94</b>		18,02,02
Direct Taxes Paid (Net)	<b>(14,13,60)</b>		(4,73,31)
Fringe Benefit Tax Paid	<b>(35)</b>		(8,23)
Interest received on Income Tax Refund	<b>2,05</b>		19,32
<b>Net Cash from Operating Activities</b>	<b>33,89,04</b>		13,39,80
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets including capital work-in-progress	<b>(27,83,34)</b>	(15,85,91)	
Proceeds from Sale of Fixed Assets	<b>65,17</b>	45,43	
Capital Subsidy Received	<b>1,03,93</b>	7,90	
Purchase of Investments	<b>(14,52,05)</b>	(60,40,07)	
Proceeds from Sale of Investments	<b>14,17,90</b>	56,85,02	
Interest Received	<b>46,52</b>	69,57	
Dividend Received	<b>46,60</b>	33,67	
Net Cash used in Investing Activities	<b>(25,55,27)</b>		(17,84,39)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Short Term Borrowings (Net)	<b>30,90,35</b>	31,31,31	
Proceeds from Long Term Borrowings	-	5,37	
Repayment of Long Term Borrowings	<b>(13,38,93)</b>	(5,28,73)	
Proceeds from Fixed Deposits	<b>3,63,34</b>	5,22,09	
Repayment of Fixed Deposits	<b>(3,70,96)</b>	(2,74,46)	
Dividend Paid	<b>(7,20,27)</b>	(7,24,58)	
Tax on Dividend	<b>(1,20,81)</b>	(1,23,62)	
Interest/Finance Charges Paid	<b>(18,46,33)</b>	(15,23,56)	
Net Cash from / (used) in Financing Activities	<b>(9,43,61)</b>		4,83,82
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,09,84)</b>		39,23

**CASH FLOW STATEMENT (Contd.)****Rs. '000**

	<b>For the year ended 31st March, 2011</b>		<b>For the year ended 31st March, 2010</b>
Cash and Cash Equivalents on Opening date (Schedule 8)	<b>5,12,43</b>		4,73,20
Cash and Cash Equivalents on Closing date (Schedule 8) (See Note 2 below)	<b>4,02,59</b>		5,12,43
	<b>1,09,84</b>		(39,23)

**Notes :**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
2. Includes Rs. 48,49 thousands (Previous Year - Rs. 41,35 thousands) lying in Unclaimed Dividend Account available for restricted use.
3. Previous year's figures have been rearranged and regrouped wherever necessary.

The Schedules referred to above form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our Report of even date.

**For and on behalf of the Board**

For Singhi & Co.  
Firm Registration Number - 302049E  
Chartered Accountants  
**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 30th May, 2011

**D. K. Sharda**  
Managing Director

**A. K. Kothari**  
Chairman

**D. Karmakar**  
Company Secretary

**P. K. Jain**  
Joint President & CFO

**SCHEDULES TO ACCOUNTS****Rs. '000****SCHEDULE 1****SHARE CAPITAL****Authorised**

4,20,00,000 (Previous Year - 4,20,00,000) Ordinary Shares of Rs. 10/- each  
 2,00,000 (Previous Year - 2,00,000) Preference Shares of Rs. 100/- each

**Issued and Subscribed**

2,13,42,346 (Previous Year - 1,42,28,231) Ordinary Shares of Rs.10/- each  
 Of the Above -

(i) 1,03,16,293 (Previous Year - 1,03,16,293) Ordinary Shares of Rs.10/- each have been allotted as fully paid up pursuant to a contract (Schemes of Amalgamation / Arrangement) without payment being received in cash.

(ii) 1,10,25,053 (Previous Year - 39,10,938) Ordinary Shares of Rs. 10/- each have been allotted as fully paid up Bonus Shares by way of capitalisation of General Reserve and Capital Redemption Reserve. (See Note 1 below)

2,00,000 (Previous Year - 2,00,000) 8% Redeemable Cumulative Preference Share of Rs. 100/- each issued as fully paid up pursuant to a contract (Scheme of Amalgamation / Arrangement) without payment being received in cash (See note 2 below).

	<b>As at 31st March, 2011</b>	As at 31st March, 2010
	<b>42,00,00</b>	42,00,00
	<b>2,00,00</b>	2,00,00
	<b>44,00,00</b>	44,00,00
	<b>21,34,23</b>	14,22,82
	<b>2,00,00</b>	2,00,00
	<b>23,34,23</b>	16,22,82

Note:-

- Consequent upon approval by the Shareholders through Postal Ballot, the Board of Directors at their meeting held on 16th September, 2010 had issued and allotted 71,14,115 Ordinary Shares of Rs. 10/- each as fully paid up Bonus Shares to the Shareholders in the proportion of 1 (One) Bonus Share of Rs. 10/- each for every existing 2 (Two) fully paid up Ordinary Shares of Rs. 10/- each held on the Record Date i.e. 15th September, 2010. The above shares were allotted as fully paid up Bonus Shares by way of capitalisation of General Reserve.
- The 8% Redeemable Cumulative Preference Share are redeemable at par in 15 (Fifteen) years from the date of allotment i.e. 31.03.2005 with the option to the Company to redeem the same at anytime after the expiry of 60 (Sixty) months from the date of allotment at the discretion of the Board of Directors of the Company.

**SCHEDULE 2****RESERVES AND SURPLUS****Rs. '000**

	As at 31st March, 2010	Additions	Amount transfer for Bonus Issue	<b>As at 31st March, 2011</b>
Capital Reserve	33,94,87	-	-	<b>33,94,87</b>
Amalgamation Reserve	61,93	-	-	<b>61,93</b>
Export Profit Reserve	85	-	-	<b>85</b>
Preference Shares Redemption Reserve	62,47	2,00,00*	-	<b>2,62,47</b>
General Reserve	95,71,49	6,00,00*	(7,11,41)	<b>94,60,08</b>
	1,30,91,61	8,00,00	(7,11,41)	<b>1,31,80,20</b>
Profit and Loss Account	20,83,15	-	-	<b>55,67,64</b>
	1,51,74,76	-	-	<b>1,87,47,84</b>

\* Rs. 8,00,00 thousands transferred from Profit and Loss Account.





## SCHEDULES TO ACCOUNTS

Rs. '000

### SCHEDULE 3

#### LOAN FUNDS

##### Secured Loans

(Note 4 on Schedule 18)

##### Term Loans

##### From Banks:

IDBI Bank Ltd.

**21,76,94** 28,24,90

State Bank of India

**30,19,15** 33,34,95

State Bank of Patiala

**21,40,00** 24,10,00

Vijaya Bank

**1,13,02** 2,18,19

IndusInd Bank Ltd. (For Equipments)

**5,53,04** 1,36,98

HDFC Bank Ltd. (For Vehicles)

**83,33** 29,13

**80,85,48** 89,54,15

##### From Others:

Srei Equipment Finance Pvt. Ltd. (For Equipments)

- 47,51

Tea Board of India

**2,01,20** 2,01,20

#### Working Capital Facility from Banks

Cash Credit Accounts

**81,05,42** 69,69,09

#### Total

**1,63,92,10** 1,61,71,95

#### Unsecured Loans

Fixed Deposits (From Public)

**19,25,78** 18,84,16

[Repayable within one year Rs. 15,90,10 thousands

(Previous Year - Rs. 14,09,60 thousands)]

Short Term Loans

From Banks:

ICICI Bank Ltd.

- 5,00,00

HDFC Bank Ltd.

**10,00,00** -

Axis Bank Ltd.

**40,00,00** 24,99,98

From Bodies Corporate

- 46,00

#### Total

**69,25,78** 49,30,14



**SCHEDULES TO ACCOUNTS**  
**SCHEDULE 4**  
**FIXED ASSETS**

Particulars	Rs. '000									
	Original Cost upto 31st March, 2010	Additions	Deductions/ Adjustments (See Note below)	Original Cost upto 31st March, 2011	Depreciation upto 31st March, 2010	Depreciation /Amortisation for the year	Deductions/ Adjustments	Depreciation upto 31st March, 2011	Net Book Value as at 31st March, 2011	Net Book Value as at 31st March, 2010
<b>A. TANGIBLE</b>										
<b>Land and Building</b>										
Land - Freehold	3,04,30	1,41,59	-	<b>4,45,89</b>	-	-	-	-	<b>4,45,89</b>	3,04,30
Building (Note 12 (d) on Schedule 18)	63,00,95	2,87,44	18,86	<b>65,69,53</b>	17,66,34	1,88,90	3,56	19,51,68	<b>46,17,85</b>	45,34,61
<b>Estate</b>	31,88,83	38	-	<b>31,89,21</b>	27	-	-	27	<b>31,88,94</b>	31,88,56
<b>Plant and Machinery</b>	2,20,68,25	19,61,51	1,73,96	<b>2,38,55,80</b>	96,84,99	17,34,43	90,61	1,13,28,81	<b>1,25,26,99</b>	1,23,83,26
<b>Furniture, Fixtures, Fittings and Equipment</b>	6,22,59	51,43	(9,18)	<b>6,83,20</b>	3,12,36	56,17	(7,20)	3,75,73	<b>3,07,47</b>	3,10,23
<b>Electric Installation</b>	14,64,56	53,48	28,37	<b>14,89,67</b>	5,21,92	70,32	16,14	5,76,10	<b>9,13,57</b>	9,42,64
<b>Live Stock</b>	80,86	-	-	<b>80,86</b>	80,86	-	-	80,86	-	-
<b>Motor and Other Vehicles</b>	7,89,56	1,80,34	29,26	<b>9,40,64</b>	4,25,39	82,94	19,92	4,88,41	<b>4,52,23</b>	3,64,17
<b>Tubewell and Water Supply</b>	9,02,06	1,94,19	(24)	<b>10,96,49</b>	2,41,12	67,18	(24)	3,08,54	<b>7,87,95</b>	6,60,94
<b>Sub - Total (A)</b>	<b>3,57,21,96</b>	<b>28,70,36</b>	<b>2,41,03</b>	<b>3,83,51,29</b>	<b>1,30,33,25</b>	<b>21,99,94</b>	<b>1,22,79</b>	<b>1,51,10,40</b>	<b>2,32,40,89</b>	<b>2,26,88,71</b>
<b>B. INTANGIBLE</b>										
<b>Computer Software</b>	2,18,15	51,54	-	<b>2,69,69</b>	46,14	44,93	-	91,07	<b>1,78,62</b>	1,72,01
<b>Total (A + B)</b>	<b>3,59,40,11</b>	<b>29,21,90</b>	<b>2,41,03</b>	<b>3,86,20,98</b>	<b>1,30,79,39</b>	<b>22,44,87</b>	<b>1,22,79</b>	<b>1,52,01,47</b>	<b>2,34,19,51</b>	<b>2,28,60,72</b>
Previous Year	3,43,64,52	17,37,43	1,61,84	3,59,40,11	1,10,31,68	21,64,68	1,16,97	1,30,79,39	2,28,60,72	2,29,40,06
<b>Capital Work-in-Progress</b>									<b>2,01,00</b>	79,34
									<b>2,36,20,51</b>	

Note : Deductions / Adjustments includes Rs. 1,03,93 thousands (Previous Year - Rs. 7,90 thousands) relating to Capital Subsidies received during the year.



## SCHEDULES TO ACCOUNTS

### SCHEDULE 5

#### INVESTMENTS

Rs. '000

	Number	Face Value of Each Bond, Share, Units, etc	Book Value as at 31st March, 2011	Book Value as at 31st March, 2010
<b>A. LONG TERM - INVESTMENTS UNQUOTED</b>				
<b>OTHER THAN TRADE</b>				
<b>I. Government Securities</b>				
i) 6 Years National Savings Certificates (Matured) (Deposited with Agricultural Market Committee, Sales Tax Officer and District Collector)			4	4
ii) 6 Years National Savings Certificates (Deposited with Commercial Tax Officer )			7	7
			<b>11</b>	11
<b>II. Units in Mutual Funds -</b>				
i) UTI Fixed Maturity Plan - Yearly Series (YFMP 09/09) Institutional Growth Plan (Sold during the year)	Nil (Previous Year - 30,00,000 Units)	10	-	3,00,00
ii) Birla Sunlife Capital Protection Oriented Fund Series - I	20,00,000 Units (Previous Year - 20,00,000 Units)	10	<b>2,00,00</b>	2,00,00
iii) UTI Fixed Maturity Plan - Yearly FMP Series (YFMP 03/10) Institutional Growth Plan	21,55,089.549 Units (Previous Year - 21,55,089.549 Units)	10	<b>2,15,51</b>	2,15,51
iv) UTI Fixed Term Income Fund Series - VII - I (367 Days) - Growth Option (Lateral In during the year)	10,00,000 Units (Previous Year - Nil)	10	<b>1,00,00</b>	-
v) UTI Fixed Maturity Plan - Yearly Series (YFMP 10/10) Institutional Growth Plan (Lateral In during the year)	32,37,900.00 Units (Previous Year - Nil)	10	<b>3,23,79</b>	-
			<b>8,39,30</b>	7,15,51

**SCHEDULES TO ACCOUNTS****SCHEDULE 5 (Contd.)****INVESTMENTS (Contd.)****Rs. '000****III. Fully Paid Debentures -**

i) 1/2% Debentures in Woodlands Hospital and Medical Research Centre Ltd. (See Note 4 below)

ii) 5% Non Redeemable Mortgage Debenture Stock in Woodlands Hospital and Medical Research Centre Ltd. (See Note 4 below)

iii) 5% 10 years Redeemable Debenture in Shillong Club Ltd.

**IV. Fully Paid Equity Shares -**

i) ABC Tea Workers Welfare Services Ltd.

ii) Kothari Hi Tech Consultants Pvt. Ltd.

iii) Satyam Financial Services Ltd.

Less : Provision of Diminution in value of Investment

Number	Face Value of Each Bond, Share, units, etc	Book Value as at 31st March, 2011	Book Value as at 31st March, 2010
159 (Previous Year - 159)	100	<b>16</b>	16
		<b>54</b>	54
13 (Previous Year - 13)	100	<b>1</b>	1
		<b>71</b>	71
7,502 (Previous Year - 7,502)	10	<b>75</b>	75
95,000 (Previous Year - 95,000)	10	<b>9,50</b>	9,50
1,49,669 (Previous Year - 1,49,669)	10	<b>18,00</b>	18,00
		<b>28,25</b>	28,25
		<b>5,00</b>	5,00
		<b>23,25</b>	23,25
<b>Total - (A)</b>		<b>8,63,37</b>	7,39,58



## SCHEDULES TO ACCOUNTS

### SCHEDULE 5 (Contd.)

#### INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, Units, etc	Book Value as at 31st March, 2011	Book Value as at 31st March, 2010
<b>B. CURRENT INVESTMENTS</b>				
<b>UNQUOTED</b>				
<b>OTHER THAN TRADE</b>				
Units in Mutual Funds -				
i) KOTAK Quarterly Interval Plan Series 3 - Dividend	Nil (Previous Year - 4,01,631.07 Units)	10	-	40,16
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>	<b>(Rs. '000)</b>	
Dividend				
Reinvested	30,24.590	30		
Sold/Lateral Out	40,46,55.660	40,46		
ii) UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Dividend Plan Re-investment (Purchased during the year)	Nil (Previous Year - 20,11,429.617 Units)	10	-	2,01,14
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>	<b>(Rs. '000)</b>	
Dividend Reinvested	10,98.907	1,11		
Sold/Lateral Out	20,22,528.524	2,02,25		
iii) UTI Fixed Income Interval Fund - Quartely Plan Series III Institutional Dividend Plan - Re-investment (Purchased during the year)	16,16,040.328 Units (Previous Year - 20,00,000.000 Units)	10	<b>1,61,60</b>	2,00,00
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>	<b>(Rs. '000)</b>	
Dividend Reinvested	1,16,040.328	11,60		
Sold/Lateral Out	5,00,000.000	50,00		



## SCHEDULES TO ACCOUNTS

### SCHEDULE 5 (Contd.)

#### INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, Units, etc	Book Value as at 31st March, 2011	Book Value as at 31st March, 2010
iv) UTI Floating Rate Fund - Short Term Plan - Institutional Daily Dividend Plan - Re-investment	30,392.633 Units (Previous Year - 52,648.981 Units)	1,000	<b>3,04,16</b>	5,26,90
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>		
		<b>(Rs. '000)</b>		
Purchased/				
Lateral In	35,335.658	3,53,62		
Dividend Reinvested	2,361.787	23,64		
Sold/Lateral Out	59,953.793	6,00,00		
v) UTI Fixed Income Interval Fund - Quarterly Interval Fund Series I, Institutional Dividend Plan - Re-investment	10,47,786.829 Units (Previous Year - Nil)	10	<b>1,04,78</b>	-
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>		
		<b>(Rs. '000)</b>		
Purchased/				
Lateral In	10,00,000.000	1,00,00		
Dividend Reinvested	47,786.829	4,78		
vi) UTI Fixed Income Interval Fund - Monthly Interval Plan - II Institutional Dividend Plan - Re-investment	9,99,700.09 Units (Previous Year-Nil)	10	<b>1,00,00</b>	-
(Lateral In during the year)				
vii) DSP Black Rock Focus 25 Fund (Purchased during the year)	250,000.00 Units (Previous Year-Nil)	10	<b>25,00</b>	-
viii) HDFC Equity Fund - Dividend	1,01,270.907 Units (Previous Year-Nil)	10	<b>53,72</b>	-
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>		
		<b>(Rs. '000)</b>		
Purchased/				
Lateral In	93,011.143	50,00		
Dividend Reinvested	8,259.764	3,72		
ix) L192G SBI PSU Fund (Purchased during the year)	2,50,000.000 Units (Previous Year-Nil)	10	<b>25,00</b>	-
x) L072G SBI Premier Liquid Fund - Institutional Growth	428.1731 Units (Previous Year-Nil)	10	<b>7</b>	-
Movements during the year :				
	<b>Units</b>	<b>Book Value</b>		
		<b>(Rs. '000)</b>		
Purchased/				
Lateral In	3,22,588.97	50,00		
Sold/Lateral Out	3,22,160.80	49,93		



## SCHEDULES TO ACCOUNTS

### SCHEDULE 5 (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, Units, etc	Book Value as at 31st March, 2011	Book Value as at 31st March, 2010
xi) L221G SBI Debt Fund Series-90 days-41-Growth (Lateral In during the year)	5,00,000 Units (Previous Year-Nil)	10	<b>50,00</b>	-
xii) AIG Word Gold Fund Growth (Purchased during the year)	1,74,203.888 Units (Previous Year-Nil)	10	<b>25,00</b>	-
xiii) Benchmark MF - Gold (Goldbees) (Purchased during the year)	1,500 Units (Previous Year-Nil)		<b>28,10</b>	-
xiv) DSP Black Rock World Gold Fund (Purchased during the year)	1,41,837.534 Units (Previous Year - Nil)	10	<b>25,00</b>	-
	<b>Total - (B)</b>		<b>9,02,43</b>	9,68,20
	<b>Total (A + B)</b>		<b>17,65,80</b>	17,07,78

As at 31st March, 2011      As at 31st March, 2010

Notes :

- Aggregate Book Value of Investments in Shares etc.
 

Quoted		-	-
Unquoted		<b>17,65,80</b>	17,07,78
		<b>17,65,80</b>	<b>17,07,78</b>
- Aggregate market Value of Quoted Investments  
Repurchase Price / NAV of units in Mutual Funds
 

		<b>17,83,61</b>	16,97,35
--	--	-----------------	----------
- Units in Mutual Funds purchased and sold during the year :-
 

		<b>Units</b>	Rs. '000
UTI Liquid Cash Plan institutional - Daily Income Option-Reinvestment	Purchased	<b>4,905</b>	50,00
	Dividend Reinvestment	<b>1</b>	1
	Sold	<b>4,906</b>	50,01
UTI Fixed Income Interval Fund - SERIES - II Quarterly Interval Plan IV - Institutional	Purchased	<b>10,00,000</b>	1,00,00
	Dividend Reinvestment	<b>13,720</b>	1,37
	Sold	<b>10,13,720</b>	1,01,37
- Pursuant to the Scheme of Amalgamation of Woodlands Medical Centre Ltd. (WMCL) with Woodlands Mutispeciality Hospital Limited (WMHL) Sanctioned vide Order dated 29th November, 2010 passed by the Hon'ble High Court, Calcutta, The Company being a member / Debenture holder of the Transferor Company, has applied to the Transferee Company for the issue of Equity Shares of Rs. 10/- each fully paidup in the ratio of every Rs. 10/- contributed to the Members Fund or the Debentures. Accordingly 8,656 fully paid up equity shares will be issued and allotted to the Company.

**SCHEDULES TO ACCOUNTS****Rs. '000****SCHEDULE 6****INVENTORIES**

(Refer note 1(h) of Schedule 18)

	<b>As at 31st March, 2011</b>	As at 31st March, 2010
Raw Materials	<b>1,01,42,93</b>	71,27,73
Stock-in-Trade / Contract-in-Progress	<b>48,62,32</b>	31,07,47
Stock-in-Process	<b>11,19,29</b>	7,66,67
Stores and Spare Parts	<b>15,97,86</b>	16,31,49
Waste	<b>74,50</b>	54,30
Scrap	<b>61,64</b>	69,65
	<b>1,78,58,54</b>	1,27,57,31

**SCHEDULE 7****SUNDRY DEBTORS****Unsecured**

a) Debts outstanding for more than Six Months

Considered good  
Considered doubtful

b) Other Debts :

Considered good  
Considered doubtful

**Total**

Less : Provision for Doubtful Debts

	<b>6,08,74</b>	2,00,81
	<b>3,08,28</b>	1,57,22
	<b>9,17,02</b>	3,58,03
	<b>82,31,64</b>	81,59,62
	<b>5,68</b>	-
	<b>82,37,32</b>	81,59,62
	<b>91,54,34</b>	85,17,65
	<b>3,13,96</b>	1,57,22
	<b>88,40,38</b>	83,60,43

**SCHEDULE 8****CASH AND BANK BALANCES**

Cash in hand	<b>19,44</b>	32,03
Cheques and Drafts in hands and in Transit	<b>1,02</b>	27,72
Balance with Scheduled Banks :		
On Current Accounts	<b>2,59,61</b>	3,16,44
[Including on account of Unclaimed Dividend Rs 48,49 thousands (Previous Year - Rs. 41,35 thousands)]		
On Fixed Deposit Account	<b>1,22,52</b>	1,36,24
	<b>4,02,59</b>	5,12,43

**SCHEDULE 9****OTHER CURRENT ASSETS**

(Unsecured - Considered good)

Interest accrued on Investments	<b>28</b>	1,51
Interest accrued on Loans and Deposits	<b>36,44</b>	11,61
Subsidy / Incentive Receivable	<b>5,57,42</b>	3,85,91
Claim Receivable	<b>49</b>	30
Others	<b>-</b>	19,32
	<b>5,94,63</b>	4,18,65





## SCHEDULES TO ACCOUNTS

Rs. '000

### SCHEDULE 10

#### LOANS AND ADVANCES

##### Unsecured Loans :

Considered good

Inter Corporate Loan

##### Advances Recoverable in cash or in kind or for value to be received

Considered good

Considered doubtful

Advance payment of Income Tax

Balances with Port Turst, Customs, etc.

Considered good

Considered doubtful

##### Deposits

Considered good (See Note below)

Considered doubtful

Less : Provision for Doubtful Advances and Deposits

	As at 31st March, 2011	As at 31st March, 2010
	<b>50,00</b>	-
	<b>31,63,31</b>	23,54,69
	<b>1,58,29</b>	43,86
	<b>26,54,48</b>	11,77,70
	<b>4,33,25</b>	3,39,28
	<b>12,44</b>	12,44
	<b>56,02,23</b>	37,21,55
	<b>18</b>	18
	<b>1,20,74,18</b>	76,49,70
	<b>1,70,91</b>	56,48
	<b>1,19,03,27</b>	75,93,22

Note: Includes Rs. 4,73,33 thousands (Previous Year - Rs. 1,52,25 thousands) deposited in NABARD

### SCHEDULE 11

#### CURRENT LIABILITIES

Acceptances

Sundry Creditors

- Dues to Micro and Small Enterprises  
(Refer note 22 of Schedule 18)

- Dues to others

Deposits from Contractors / Tenants

Unclaimed Dividends

Unclaimed Matured Fixed Deposit

Unclaimed Interest on Matured Fixed Deposit

Advances and Deposits

Interest Accrued but not Due on unsecured loans

	<b>22,29,92</b>	4,69,12
	-	-
	<b>71,67,67</b>	68,69,20
	<b>12,51,53</b>	8,78,26
	<b>48,49</b>	41,35
	-	3,30
	-	61
	<b>37,33,66</b>	38,83,47
	<b>1,15,08</b>	1,03,71
	<b>1,45,46,35</b>	1,22,49,02

**SCHEDULES TO ACCOUNTS****SCHEDULE 12****PROVISIONS**

Provision for Taxation	
Provision for Fringe Benefit Tax [Net of Advance Rs. 40,38 thousands (Previous Year - Rs. 68,99 thousands)]	
Proposed Dividend	
Preference Dividend	
Tax on Dividend	
Provision for Gratuity	
Leave Encashment Benefits	

**Rs. '000**

<b>As at 31st March, 2011</b>	As at 31st March, 2010
<b>24,51,28</b>	10,79,90
<b>12,51</b>	12,86
<b>9,60,41</b>	7,11,41
<b>16,00</b>	16,00
<b>1,58,40</b>	1,20,81
<b>9,46,88</b>	6,46,53
<b>2,33,94</b>	2,26,68
<b>47,79,42</b>	28,14,19

**SCHEDULE 13****SALES (GROSS)****(A) SALES**

Cotton and Man-Made Fibre Yarn	
Tea	
Lead Oxide, White Lead, Metallic Stearates	
Paints and Allied Products	
Waste	

**(B) INCOME FROM CONSTRUCTION CONTRACTS**

(i) Sales	
Add : closing contract-in-progress	
Less : opening contract-in-progress	
(ii) Design, Engineering and Services	
(iii) Sale of Bought out goods for construction jobs	
(iv) Scrap Sale	

<b>For the Year Ended 31st March, 2011</b>	For the Year Ended 31st March, 2010
<b>3,29,55,83</b>	2,49,76,87
<b>1,28,02,72</b>	1,27,53,83
<b>53,94,96</b>	43,84,01
<b>20,39,19</b>	18,56,98
<b>7,51,36</b>	4,79,30
<b>5,39,44,06</b>	4,44,50,99
<b>1,19,75,54</b>	95,98,10
<b>8,58,29</b>	7,60,82
<b>1,28,33,83</b>	1,03,58,92
<b>7,60,82</b>	6,55,85
<b>1,20,73,01</b>	97,03,07
<b>4,25,10</b>	2,35,82
<b>83,78,79</b>	69,79,67
<b>96,79</b>	48,96
<b>2,09,73,69</b>	1,69,67,52
<b>7,49,17,75</b>	6,14,18,51

**Total (A + B)**



## SCHEDULES TO ACCOUNTS

Rs. '000

### SCHEDULE 14

#### OTHER INCOME

	For the Year Ended 31st March, 2011	For the Year Ended 31st March, 2010
Dividends from Long Term other than Trade Investments (Gross)	6	32,29
Dividends from Current other than Trade Investments (Gross)	46,54	1,38
Profit on Sale of Current other than Trade Investments (Net)	8	-
Profit on Sale of Long term other than Trade Investments (Net)	23,79	12,99
Claims	60,80	22,13
Interest Received on Income Tax Refund	2,05	19,32
Interest earned on Bank and other Deposits [Tax deducted at source Rs. 7,14 thousands (Previous Year - Rs. 8,80 thousands)]	70,12	55,86
Foreign Exchange Gain (Net)	36,10	-
Subsidy	98,53	63,22
Export incentive	2,29,29	3,08,32
Profit on Sale and discardation of Fixed Assets (Net)	50,86	8,46
Liabilities no longer required Written back	18,01	42,20
Provision for Doubtful Debts and Advances written back	11,54	2,19,96
Provision for Dimunition in Value of Long Term other than Trade	-	27,80
Investment no longer required written back	-	27,80
Machinery Hire Charges	10,03	8,47
Miscellaneous Income	1,42,68	92,71
	<b>8,00,48</b>	<b>9,15,11</b>

### SCHEDULE 15

#### COST OF MATERIALS CONSUMED AND INVENTORY ADJUSTMENTS

##### Opening Stock

	For the Year Ended 31st March, 2011		For the Year Ended 31st March, 2010	
Raw Materials	71,27,73		31,62,43	
Stock-in-Process	7,66,67		6,37,01	
Finished Goods / Trading Goods	23,46,65		24,49,92	
Waste	54,30		88,87	
Scrap	69,65	1,03,65,00	35,16	63,73,39
<b>Add : Purchases</b>				
Raw Materials	3,35,71,11		2,71,27,08	
Finished Goods / Trading Goods	87,69,09	4,23,40,20	71,86,82	3,43,13,90
<b>Less : Closing Stock</b>				
Raw Materials	1,01,42,93		71,27,73	
Stock-in-Process	11,19,29		7,66,67	
Finished Goods / Trading Goods	40,04,03		23,46,65	
Waste	74,50		54,30	
Scrap	61,64	1,54,02,39	69,65	1,03,65,00
		<b>3,73,02,81</b>		<b>3,03,22,29</b>

**SCHEDULES TO ACCOUNTS****Rs. '000****SCHEDULE 16****MANUFACTURING AND OTHER EXPENSES****Salaries and Wages including Benefits to Staff**

	<b>For the Year Ended 31st March, 2011</b>	For the Year Ended 31st March, 2010
Salaries, Wages and Bonus	<b>66,68,14</b>	60,43,74
Contribution to Gratuity Fund	<b>3,08,56</b>	5,44,31
Contribution to Provident Fund	<b>4,82,54</b>	4,44,82
Staff Welfare Expenses	<b>7,40,22</b>	6,88,26
Leave Encashment	<b>50,91</b>	57,50
Deferred Revenue Expenditure written off [in respect of Voluntary Retirement Payments]	-	88,89
	<b>82,50,37</b>	78,67,52
<b>Other Expenses</b>		
Directors Fees	<b>8,18</b>	3,83
Rent	<b>1,06,81</b>	82,93
Rates and Taxes	<b>2,57,56</b>	2,49,04
Power and Fuel	<b>43,91,46</b>	40,10,74
Insurance	<b>1,45,20</b>	1,37,47
Consumption of Stores and Spare Parts	<b>27,45,90</b>	22,86,75
Repairs to Buildings	<b>2,07,18</b>	2,70,63
Repairs to Plant and Machinery	<b>7,94,08</b>	7,84,48
Repairs to Others	<b>1,18,20</b>	86,98
Travelling Expenses	<b>4,03,59</b>	3,48,50
Machinery Hire Charges	<b>3,18,16</b>	2,61,33
Bank Charges	<b>2,53,64</b>	2,16,56
Jobs on Contracts	<b>47,90,65</b>	36,27,51
Excise duty on Closing Stock (Net Charge)	<b>1,01</b>	21,63
Cess on Green Leaf and on Made Tea	<b>1,00,10</b>	96,43
Consultancy and Advisory charges	<b>2,45,54</b>	2,21,63
Motor Vehicle Expenses	<b>1,83,37</b>	1,64,79
Bad Debts and Advances written off	<b>2,46</b>	1,23,51
Provision for Doubtful Debts and Advances	<b>2,82,70</b>	5,34
Selling Agents' Commission (other than Sole Selling Agents)	<b>2,94,93</b>	1,68,49
Brokerage and Discount on Sales	<b>9,57,24</b>	9,13,88
Freight, Shipping, Delivery and Selling Expenses	<b>13,03,94</b>	11,88,25
Foreign Exchange Loss (Net)	-	16,49
Loss on Sale of Long Term other than Trade Investment	-	24,55
Miscellaneous Expenses	<b>11,10,41</b>	9,36,60
	<b>1,90,22,31</b>	1,62,48,34
	<b>2,72,72,68</b>	2,41,15,86



## SCHEDULES TO ACCOUNTS

Rs. '000

### SCHEDULE 17

#### INTEREST / FINANCE CHARGES

Term Loan (See Note below)  
Interest on Fixed Deposit  
Interest on Others  
Less : Late Payment Interest Received  
(Tax deducted at source Rs. 2,99 thousands  
(Previous Year Rs. 5,39 thousands)

For the Year Ended 31st March, 2011	For the Year Ended 31st March, 2010
<b>6,57,51</b>	7,58,34
<b>1,84,52</b>	1,92,72
<b>10,09,96</b>	8,63,85
<b>(49,22)</b>	(50,53)
<b>18,02,77</b>	17,64,38

Note : Net of incentive income of Rs. 3,95,53 thousands (Previous Year - Rs. 4,21,31 thousands)

### Schedule 18

#### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

##### 1 Significant Accounting Policies

(a) These Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.

##### (b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and cumulative Impairment losses, if any. Cost includes duties, taxes, incidental expenses, erection/commissioning expenses and borrowing cost attributable to qualifying assets up to the date, the asset is put to use. The cost of extension planting on cultivable land including cost of development is capitalised.

In respect of spares for specific machinery cost of such spare is amortised over the useful lives of the related machinery as estimated by the management.

##### (c) Intangible Assets

Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets.

##### (d) Depreciation & Amortisation

Depreciation is calculated in the manner and at applicable rates specified in Schedule XIV of the Companies Act, 1956 under straight line method except in respect of the following where written down value method is followed:

- In case of Company's Engineering (MICCO) Division.
- In respect of Tea Division assets transferred/acquired from Kothari Plantations and Industries Limited.
- In respect of the assets acquired before April, 2001 of GIS Cotton Mill Limited amalgamated with the Company.

Lease hold land is amortised over the lease period.

Computer software is amortised over a period of five years.

##### (e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of the fixed assets of a cash generating unit exceeds its net selling price or value in use whichever is higher.

**Schedule 18** (Contd.)**Notes on Accounts** (Contd.)**(f) Investments**

Long Term Investments are stated at cost with an appropriate provision for diminution in value, other than temporary in nature, in the valuation of long term investments. Current Investments are stated at lower of cost and fair value. Gains/Losses on disposal of investments are recognised as income/expenditure.

**(g) Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rate existing at the time of such transactions. Gain or Loss resulting from the settlement of such transactions is recognised in the Profit and Loss Account. At the Balance Sheet date, monetary items denominated in foreign currency are translated at year-end rates or the forward cover rates as applicable. The resultant translation differences, if any, are recognised in the profit and loss account.

**(h) Inventories**

Inventories are valued as under: -

- i) Stores and Spare Parts - At cost (on weighted average basis) or net realisable value whichever is lower.
- ii) Raw Materials - At cost (on weighted average basis) or net realisable value whichever is lower.
- iii) Stock-in-Process - Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- iv) Stock-in-Trade/Contract-in-Progress
  - Tea – At cost or net realisable value whichever is lower.
  - For long term contracts, contract in progress is valued at realisable value and provision for losses, as may be estimated for completion thereof.
  - Others – At cost or net realisable value whichever is lower.
- v) Waste / Scrap - Waste and Scrap are valued at estimated realisable value.

**(i) Employee Benefits**

Short Term Employee Benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.

Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss Account as incurred. In respect of certain employees, Provident Fund contributions are made to Trust Funds administered by the Company. The interest rate payable to the members of the Fund shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered Provident Fund towards which the company has no further obligations beyond its monthly contribution. Contribution under Employee's Pension Scheme is made as per statutory requirements and charged as expenses for the year.

The Company provides for gratuity and leave encashment (Defined Benefit plans) based on year end actuarial valuation.

Actuarial gains/losses arising under Defined Benefit Plans are recognised immediately in the Profit and Loss Account as income/expense for the year in which they occur.

**(j) Provisions, Contingent Liabilities and Contingent Assets**

- i) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
  - a) the Company has a present obligation as a result of a past event,
  - b) a probable outflow of resources is expected to settle the obligation, and
  - c) the amount of the obligation can be reasonably estimated.
- ii) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in case of
  - a) present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - b) present obligation when no reliable estimate is possible, and
  - c) a possible obligation arising from past events where the probability of outflow of resources is not remote.
- iii) Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

**(k) Recognition of Income and Expenditure**

Items of income and expenditure are recognised on accrual and prudent basis. Revenue from Construction Contracts is recognised based on the percentage completion method stated on the basis of physical measurement of work actually completed at the Balance Sheet date taking into account the contractual price and revision thereto. Dividends are accounted for to the extent declared within the accounting year.

**(l) Taxes on Income**

Income tax expense comprises current tax and deferred tax charge. Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess the realisability thereof.

**(m) Leases**

For assets acquired under Operating lease, rentals payable are charged to Profit and Loss Account. Assets acquired under Finance Lease are capitalised at lower of the Fair Value and Present Value of Minimum Lease Payments. Lease income from operating leases is recognised in the Profit and Loss Account over the period of Lease.

**(n) Government Grants**

Government Grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book value. Government Grants related to revenue are recognised in Profit and Loss Account.

**(o) Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 11,52,37 thousands (Previous Year - Rs. 1,60,75 thousands) net of advances Rs. 1,95,39 thousands (Previous Year - Rs. 33,54 thousands).

**3. Contingent Liabilities:**

**Rs. '000**

		<b>As at 31st March 2011</b>	As at 31st March 2010
a)	Claims against the Company not acknowledged as debts :		
	i) ESI	<b>17,75</b>	17,75
	ii) Sales Tax	<b>7,59,89</b>	1,63,15
	iii) Cess on Jute Bags/Jute Twine	<b>7,32</b>	7,32
	iv) Cess and Excise on Captive Consumption	<b>11,33</b>	11,33
	v) Excise Duty	<b>35,76</b>	36,53
	vi) Service Tax	<b>42,46</b>	-
	vii) Voltage Surcharge on Electricity Consumed	<b>1,87,51</b>	1,87,51
b)	Corporate Guarantee given on behalf of Company:		
	i) Amount of Guarantee given	<b>1,50,00</b>	1,50,00
	ii) Amount outstanding as on 31st March	<b>36,59</b>	61,60

Note: In respect of item (a) future cash flows is determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the company is not tenable and in case of item (b) the maximum amount of cash flows would be the amount of guarantee given by the Company. There is no possibility of any reimbursement in case of item (a) above.

**Schedule 18 (Contd.)****Notes on Accounts (Contd.)****4. Secured Loans**

- 4.1 The Term Loan from Vijaya Bank is secured by securitisation of future rentals by way of assignment of lease agreements with certain tenant of Company's premises known as "Gillander House" and also secured/to be secured by first Charge by way of equitable mortgage of the Company's said premises on pari passu basis with the other Term lenders viz., State Bank of India (SBI), State Bank of Patiala (SBP), and IDBI Bank Ltd. (IDBI) for their respective Term Loan under Technology Up-gradation Fund Scheme (TUFS) A/c 1 & 2 granted to the Company and Letter of Credit Facility from SBI for purchase of capital goods.
  - 4.2 The Term Loan from IDBI under Project Finance Scheme is secured by first charge by way of Equitable Mortgage by deposit of Title Deeds of the Company's immovable properties situated at Akbarpur in Punjab and at Champdani in West Bengal and also secured by way of hypothecation of all the movable assets both present and future relating to North India Spinning Mill, GIS Cotton Mill and MICCO Divisions of the Company both present and future but subject to prior charge(s) created on Current Assets relating to North India Spinning Mill, GIS Cotton Mill and MICCO Divisions of the Company in favour of the Company's Working Capital Bankers.
  - 4.3 The Term Loans from IDBI, SBP and SBI (under TUFS A/c 1 & 2 ) and Letter of Credit Facility from SBI for purchase of capital goods are secured/to be secured by first charge by way of Equitable Mortgage by deposit of title deeds of the company's immovable properties situated at (a) Akbarpur, Punjab (b) Champdani, West Bengal (c) Gillander House, Kolkata (d) Sodepur, 24 Parganas (North) West Bengal and (e) Konnagar, West Bengal and also secured by way of 1st charge on entire Fixed assets, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of the Company's Bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/to be created in favour of IDBI, SBI, SBP and Vijaya Bank. The term loans and Letter of Credit for Capital Goods are also secured by guarantee of a Director.
  - 4.4 The Term Loan from Tea Board under Special Purpose Tea Fund Scheme (SPTF) is secured/to be secured by second charge by way of equitable mortgage on Immovable properties situated at the Tea estates and also further secured/to be secured by second charge by way of hypothecation of Tea crop of the estates.
  - 4.5 The Term Loan from Indusind Bank Ltd., and HDFC Bank Ltd., are secured by hypothecation of the related Equipment/ vehicles purchased and guaranteed by a director.
  - 4.6 Working Capital Facilities from Banks (except those availed by Tea Division of the Company from United Bank of India) are secured/ to be secured by hypothecation of Company's (other than Tea Division) entire current assets, both present and future, ranking pari passu inter-se, and guaranteed by a Director and are further secured/ to be secured by way of second charge on the Fixed Assets of the Company (other than Tea Division) ranking pari passu inter-se.
  - 4.7 In respect of Tea Division, the working capital facilities from United Bank of India are secured/ to be secured by Hypothecation of Tea Crop, Made Tea, Book Debts and all other Current Assets of the Tea Estates and are further secured/to be secured by way of Equitable Mortgage on Immovable Properties situated at the Tea Estates.
5. The Company has made necessary application in respect of Chemical (Waldies) Division for exemption under the Urban Land (Ceiling & Regulation) Act, 1976 in respect of its landholding held in excess in terms of the said Act.





**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

6. Information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956.

**a) Capacities and Production**

Products	Unit	Licensed/Registered Capacity		Installed Capacity*		Production	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Tea (Saleable)	M.T.	<b>Not Applicable</b>	Not Applicable	<b>11,850<sup>(a)</sup></b>	11,850	<b>8,848<sup>(b)</sup></b>	9,108
Bio Fertiliser	M.T.	<b>Not Applicable</b>	Not Applicable	<b>4,000</b>	4,000	-	558
Cotton and Man-made Fibre Yarn	Spindles	<b>1,55,676</b>	1,55,676	<b>1,17,144<sup>(c)</sup></b>	1,18,252	<b>19,292 M.T.<sup>(d)</sup></b>	18,174 M.T.
Fabricated Steel, Structural/Winches & other Conveying Equipments, Furnaces, Tanks, Gasholder, etc.	M.T.	<b>19,200</b>	19,200	<b>19,200</b>	19,200	<b>12,831<sup>(e)</sup></b>	11,310
Red Lead, Litharge and Lead Sub Oxide	M.T.	<b>8,128</b>	8,128	<b>9,956</b>	9,956	<b>3,552<sup>(f)</sup></b>	3,264
White Lead and Lead Acetate	M.T.	<b>840</b>	840	<b>3,292</b>	3,292	<b>18</b>	4
Lead Pipe	M.T.	<b>300</b>	300	<b>732</b>	732	-	-
Lead Salts	M.T.	<b>1,285</b>	1,285	<b>1,650</b>	1,650	<b>350</b>	575
Zinc Oxide	M.T.	<b>3,350</b>	3,350	-	-	-	-
Zinc Dust	M.T.	<b>203</b>	203	-	-	-	-
Metallic Stearate	M.T.	<b>600</b>	600	<b>2,025</b>	2,025	<b>66</b>	99

\* As Certified by the Management.

a) Inclusive of 600 M.T. (Previous Year - 600 M.T.) of a lease hold factory.

b) Excludes internal consumption, shortage/(excess), sample and transit loss 65.64 M.T. (Previous Year - 65.52 M.T.).

c) Including Nil Rotors (Previous year - 168 Rotors).

d) Including 9 M.T. (Previous Year - 6 M.T.) transferred to Stock in process.

e) It relates to fabrication job at Sodepur.

f) Excludes internal consumption 343 M.T. (Previous Year - 562 M.T.).

**b) Consumption of Raw Materials**

**Rs.'000**

Particulars	Unit	2010-11		2009-10	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>I) Tea (Indigenous)</b>					
Green Leaf					
a) Purchased	M.T.	<b>14,311</b>	<b>24,03,59</b>	12,700	21,30,75
b) Own	M.T.	<b>25,496</b>		28,416	
<b>II) Cotton and /or Man - made Fibre</b>	M.T.	<b>22,039</b>	<b>2,19,21,42</b>	20,354	1,56,59,68
<b>III) Mild Steel</b> [Note (i) below]	M.T.	<b>58,52</b>	<b>22,67,39</b>	5,847	21,43,65
<b>IV) Lead</b> [Excluding Customer's Lead Nil M.T. (Previous Year - 26 M.T.)]	M.T.	<b>35,96</b>	<b>38,80,81</b>	3,503	31,83,08
<b>V) Others</b> [Note (ii) below]			<b>82,70</b>		44,62
<b>Total</b>			<b>3,05,55,91</b>		2,31,61,78



**Schedule 18 (Contd.)**

**Notes on Accounts (Contd.)**

**Notes:**

- (i) Excluding parties materials mild steel, etc 18,677 M.T. (Previous Year – 14,470 M.T.) pipes 2,446 Mtrs. (Previous Year – 52,893 Mtrs) Sheeting Nil M.T. (Previous Year - 18 M.T.), Equipment 2,371 M.T. (Previous Year – 5,826 M.T.).
- (ii) As none of the related items exceeded individually 10% of the total value of consumption quantitative information has not been provided.

**c) Particulars in respect of Finished Goods**

**i) Stock**

**Rs. '000**

Class of Goods	Unit	Opening Stock				Closing Stock			
		2010-11		2009-10		2010-11		2009-10	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Tea (Saleable)	M.T.	671	7,07,81	1,039	9,82,32	717	8,42,46	671	7,07,81
Paints & Allied Chemicals	Kgs. Ltrs. Nos.	59,051 20,153 4,95,876	86,41	46,064 17,737 3,74,500	73,90	56,870 22,815 7,53,215	1,26,80	59,051 20,153 4,95,876	86,41
Construction Chemicals	Kgs. Ltrs. Nos.	48,231 2,743 3,000	39,32	34,390 2,499 2,200	30,73	43,041 3,118 3,900	38,12	48,231 2,743 3,000	39,32
Bio-Fertilizer	M.T.	816	28,39	975	30,76	- (A)	-	816	28,39
Cotton and Man-made Fibre Yarn	M.T.	883	12,28,06	1,009	12,55,85	1,490	28,60,32	883	12,28,06
Job Execution, Fabrication and Construction:									
With Parties' Materials:									
a) Fabrication and Construction									
Steel Structural	M.T.	739	52,81	445	45,70	960	1,31,88	739	52,81
b) Erection									
Steel Structural	M.T.	6,43	46,22	710	56,09	808	1,28,82	6,43	46,22
Pipes	SQM.	18,048	93,45	5,108	24,59	-	-	18,048	93,45
Equipments	Mtr.	-	-	-	-	27,483	51,69	-	-
Civil	M.T.	1,054	37,75	705	56,10	632	19,51	1,054	37,75
Dismantling		-	-	-	2,02,73	-	-	-	-
Dismantling		-	-	-	9,69	-	-	-	-
With Own Materials:									
Steel Structural	M.T.	965	5,30,59	411	2,60,96	916	5,26,38	965	5,30,59
Bought out Goods for Construction Jobs [See Note 7]	-	-	91,27	-	48,37	-	-	-	91,27
Red Lead, Litharge and Lead Sub oxide	M.T.	85	98,81	10	3,25	14 <sup>(B)</sup>	18,01	85	98,81
White Lead and Lead Acetate	M.T.	-	-	1	9	13 <sup>(C)</sup>	19,81	-	-
Lead Salts	M.T.	37	41,07	7	6,30	35 <sup>(D)</sup>	48,11	37	41,07
Metallic Stearate	M.T.	12	10,25	6	3,97	9 <sup>(E)</sup>	11,90	12	10,25
Others			15,26		14,37		38,51		15,26
<b>Total</b>			<b>31,07,47</b>		31,05,77		<b>48,62,32</b>		31,07,47



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

**ii) Purchases and Sales**

Rs. '000

Class of Goods	Unit	Purchases				Sales			
		2010-11		2009-10		2010-11		2009-10	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Tea (Saleable)	M.T.	539	7,08,29	355	4,28,62	9,341	1,28,02,72	9,831	1,27,53,83
Paints & Allied Chemicals	Kgs. Ltrs. Nos.	11,35,019 1,77,776 44,28,932	9,88,98	16,92,081 2,10,169 29,57,559	9,11,88	11,37,200 1,75,114 41,71,593	11,86,14	16,79,094 2,07,753 28,36,183	11,22,69
Construction Chemicals	Kgs. Ltrs. Nos.	5,70,113 24,950 24,909	3,68,45	6,50,497 22,862 13,200	3,36,15	5,75,303 24,575 24,009	4,83,43	6,36,656 22,618 12,400	4,32,18
Cotton and Man - made Fibre yarn	M.T.	-	-	-	-	18,676	3,29,55,83	18,294	2,49,76,87
Job Execution Fabrication and Construction :									
With Parties' Materials:									
a) Fabrication and construction:									
Steel Structural	M.T.	-	-	-	-	7,595 <sup>(F)</sup>	9,97,99	6,100	8,34,94
b) Erection :									
Steel Structural	M.T.	-	-	-	-	10,888 <sup>(G)</sup>	7,76,73	8,599	10,45,95
Civil Work		-	-	-	-	-	36,10	-	4,43,09
Pipes	M.T.	-	-	-	-	595	2,88,39	1,605	4,56,52
Pipes	Inch	-	-	-	-	10,295	2,50,72	37,889	57,32
Equipments	M.T.	-	-	-	-	2,877	9,73,55	5,477	7,40,19
Dismantling		-	-	-	-	-	8,34,84	-	29,26
With Own Materials:									
Steel Structural	M.T.	-	-	-	-	4,255 <sup>(H)</sup>	78,17,22	4,060	59,90,83
Bought out goods for construction jobs [See Note 7]		-	63,99,95	-	52,62,52	-	83,78,79	-	69,79,67

**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**
**ii) Purchases and Sales (Contd.)**
**Rs. '000**

Class of Goods	Unit	Purchases				Sales			
		2010-11		2009-10		2010-11		2009-10	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Red Lead, Litharge <sup>§</sup> & Lead Sub Oxide	M.T.	-	-	-	-	<b>3,623</b>	<b>47,20,40</b>	3,175	36,19,21
White Lead & Lead Acetate	M.T.	-	-	-	-	<b>5</b>	<b>9,58</b>	4	6,90
Lead Salts	M.T.	-	-	-	-	<b>352</b>	<b>4,92,30</b>	539	6,40,10
Metallic Stearate	M.T.	-	-	-	-	<b>69</b>	<b>92,60</b>	90	99,23
Others			<b>3,03,42</b>		2,47,65		<b>18,20,42<sup>(1)</sup></b>		11,89,73
<b>Total</b>			<b>87,69,09</b>		71,86,82		<b>7,49,17,75</b>		6,14,18,51

(A) Net of Internal consumption of 816 M.T. (Previous Year – 717 M.T.).

(B) Net of Stock loss in Transit Nil M.T. (Previous Year - 8 M.T.) and Stock written off Nil M.T. (Previous Year - 6 M.T.)

(C) Net of Stock written off Nil M.T. (Previous Year - 1 M.T.)

(D) Net of Stock loss in Transit Nil M.T. (Previous Year - 5 M.T.) and Stock written off Nil M.T. (Previous Year - 1 M.T.)

(E) Net of Stock loss in Transit Nil M.T. (Previous Year - 2 M.T.) and Stock written off Nil M.T. (Previous Year - 1 M.T.)

(F) Short billed, being not realisable 110 M.T. (Previous Year - 67 M.T.)

(G) Short billed being not realisable 162 M.T. (Previous Year - 349 M.T.)

(H) Fabrication and Erection 799 M.T. (Previous Year - 369 M.T.) short billed due to exceeding maximum ceiling of Billing Schedule, being not billable.

(§) Including conversion sales of Nil M.T. of Rs. Nil (Previous Year – 28 M.T. of Rs. 2,50 thousands).

(1) Sales includes adjustment of Stock of contract-in-progress.

**d) Value of Imported and Indigenous Raw Materials, Spare Parts, etc. consumed during the year:**
**Rs. '000**

	%	2010-11 (Rs.)	%	2009-10 (Rs.)
Raw Materials :				
Imported	<b>10.34</b>	<b>31,59,13</b>	9.27	21,46,54
Indigenous	<b>89.66</b>	<b>2,73,96,78</b>	90.73	2,10,15,24
<b>Total</b>	<b>100.00</b>	<b>3,05,55,91</b>	100.00	2,31,61,78
Spare Parts and Components :				
Imported	<b>0.60</b>	<b>21,65</b>	0.76	23,52
Indigenous	<b>99.40</b>	<b>36,04,73</b>	99.24	30,65,95
<b>Total</b>	<b>100.00</b>	<b>36,26,38</b>	100.00	30,89,47



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

**7. Opening Stock, Purchases, Sales and Closing Stock of Bought Out Goods for Construction Job : Rs. '000**

	Units	2010-11		2009-10	
		Qty	Value (Rs.)	Qty	Value (Rs.)
<b>(A) OPENING STOCK</b>					
Valves	Nos./ Lots	-	-	57	48,37
Equipments and Fittings	Nos.	4	1,49	-	-
Grating, M.S. Steel	M.T.	15	20,82	-	-
Pipes/Fittings	M.T.	124	68,96	-	-
<b>Total</b>			<b>91,27</b>		<b>48,37</b>
<b>(B) PURCHASES</b>					
Valves	Nos./Lot	3,892	3,29,44	632	3,27,75
Equipment and Fittings	Nos.	1,812	5,28,19	1,569	5,80,21
Pipes/Cable wire	R. Mtrs.	67,926	5,12,92	50,593	3,81,67
Pipes/Fittings	Lot	22,922	4,97,82	32	1,90,29
Grating, M.S. Steel	M.T.	1,035	7,03,77	564	4,46,98
Grating, M.S. Steel	Mtrs.	-	-	1,057	2,00
Electrical Parts, Motors	Nos./Set	1,066	14,80,51	745	27,14,09
Pipes/Fittings	M.T.	5,215	22,80,17	938	4,15,42
Coal Tar, Tape	SQM	1,228	3,81	3,305	25,33
Miscellaneous			63,32		1,78,78
<b>Total</b>			<b>63,99,95</b>		<b>52,62,52</b>
<b>(C) SALES</b>					
Valves	Nos./Lot	903 <sup>a</sup>	6,22,13	217	5,30,64
Equipments and Fittings	Nos.	946 <sup>b</sup>	5,53,12	320	10,02,95
Pipes/Cable Wire	R. Mtrs.	25,869 <sup>c</sup>	6,23,30	4,541	53,13
Pipes/Fittings	Lot	22,134 <sup>d</sup>	13,21,03	27	5,62,10
Grating, M.S. Steel	M.T.	1,036 <sup>e</sup>	14,65,93	460	4,99,62
Grating, M.S. Steel	Mtrs.	-	-	1,057	53
Electrical Parts, Motors	Nos./Sets	503 <sup>f</sup>	20,28,04	419	37,24,12
Pipes/Fittings	M.T.	3,510 <sup>g</sup>	16,58,62	265	3,28,35
Coal Tar ,Tape	SQM	1,228 <sup>h</sup>	8,50	2,627	54,24
Miscellaneous		-	98,12	-	2,23,99
<b>Total</b>			<b>83,78,79</b>		<b>69,79,67</b>
<b>(D) CLOSING STOCK</b>					
Equipments and Fittings	Nos.	-	-	4	1,49
Grating, M.S. Steel	M.T.	-	-	15	20,82
Pipes/Fittings	M.T.	-	-	124	68,96
<b>Total</b>			<b>-</b>		<b>91,27</b>

Materials Short billed and/or for job consumption a) Valves 2,989 Nos. (Previous Year – 472 Nos.), b) Equipments and Fittings 870 Nos. (Previous Year – 1,245 Nos.) , c) Pipe/Cable Wire 42,057 Mtrs (Previous Year – 46,052 Mtrs.), d) Pipes/Fittings 788 Lots (Previous Year – 5 Lots.), e) Grating, M.S. Steel 14 M.T. (Previous Year – 89 M.T.), f) Electric Parts/Motors 563 Nos/Set (Previous Year – 326 Nos/Set), g) Pipe/Fittings 1,829 M.T. (Previous Year – 549 M.T.), h) Coal Tar Nil SQM (Previous Year – 678 SQM), costing Rs. 89,14,42 thousands (Previous Year – Rs. 13,57,23 thousands) being excess supply as per contractual obligations but not covered by billing schedule price break-up.

**Schedule 18 (Contd.)****Notes on Accounts (Contd.)****8. Value of Imports during the year (C.I.F. basis)****Rs. '000**

	<b>2010-11</b>	2009-10
i) Bought Out Goods	<b>60,15</b>	50,38
ii) Capital Equipments	<b>11,48,81</b>	1,02,17
iii) Raw Materials	<b>32,39,29</b>	21,80,12
iv) Spare Parts	<b>22,95</b>	12,21
<b>Total</b>	<b>44,71,20</b>	23,44,88

**9. Expenditure in Foreign Currency during the year**

	<b>2010-11</b>	2009-10
i) Commission on Sales/Orders	<b>57,83</b>	13,13
ii) Travelling Expenses	<b>16,18</b>	9,67
iii) Selling Expense on Export	<b>4,39</b>	-
<b>Total</b>	<b>78,40</b>	<b>22,80</b>

**10. Earnings in Foreign Exchange during the year**

	<b>2010-11</b>	2009-10
i) Claim Settling Commission	<b>44</b>	18
ii) Export of Goods on F.O.B. basis	<b>76,07,86</b>	34,21,38
iii) Commission on order / Liaison work	-	76,50
<b>Total</b>	<b>76,08,30</b>	34,98,06

**11. Information in accordance with the requirements of the revised Accounting Standard - 7 on Construction Contracts prescribed under the Act :-**

	<b>2010-11</b>	2009-10
a) Contract revenue recognised for the year	<b>2,09,73,69</b>	1,69,67,52
b) Aggregate amount of contracts costs incurred and recognised Profits (Less recognised losses) up to the year end for all the Contracts-in-Progress.	<b>4,62,98,74</b>	3,39,10,00
c) The amount of customer advances outstanding for Contracts-in-Progress as at year end.	<b>31,53,21</b>	35,65,72
d) The amount of retention money due from customers for Contracts-in-Progress as at year end.	<b>39,94,93</b>	24,45,74
e) Gross amount due from customers for Contract-in-Progress as at year end [Included in work-in-progress Rs. 8,58,29 thousands (Previous year – Rs. 7,60,82 thousands), Sundry Debtors Rs. 53,18,27 thousands (Previous year – Rs. 56,31,53 thousands)]	<b>61,76,56</b>	63,92,35
f) Gross amount due to customer for contract work in Progress as at year end	<b>3,81,90</b>	1,56,46



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

12. (a) The Company had entered into a non-cancellable operating lease agreement in earlier year for a period of 117 Months in connection with certain Plant and Machinery at its unit at Akbarpur, Punjab. The terms of the lease include operating term for renewal and restrict the right to sell, sub-let or allow any third person to use the machinery without the prior consent of the lessor in writing. The future minimum lease commitments of the Company at the year-end are as follows:

	<b>Rs. '000</b>	
	<b>2010-11</b>	2009-10
Not later than one year	<b>13,16</b>	26,33
Later than one year and not later than five years	-	13,16
Later than five years	-	-

During the year the Company has charged related lease rental of Rs. 26,33 thousands (Previous Year - Rs 26,33 thousands) in the Profit and Loss Account under the head Machinery Hire Charges (Schedule 16 to Accounts).

- (b) The Company has taken various Plant and Machinery for its Engineering (MICCO) Division under cancellable operating lease. Lease range for the period between 3 to 8 months. During the year the Company has charged related lease rental of Rs 2,91,83 thousands (Previous Year – Rs 2,35,00 thousands) in the Profit and Loss Account under the head Machinery Hire Charges (Schedule 16 to Accounts).
- (c) The Company has entered into a non- cancellable operating lease agreement during the year 2009-10 in respect of lease rental of a tea manufacturing facility for a period of two years and ten months. The terms of the lease include restriction to sell, sub-let and or part with possession of the let-out premises without prior permission of the lessor. As per terms of the lease, an additional rent at a prescribed rate is payable from 2nd April, 2009 onwards in case of production from the let-out premises exceeds a specified limit.

The future minimum lease commitments of the Company at the year end are as follows:

	<b>Rs. '000</b>	
	<b>2010-11</b>	2009-10
Not later than one year	<b>14,00</b>	14,00
Later than one year and not later than five years	-	13,13

During the year Company has charged related lease rental of Rs. 14,00 thousands (Previous Year - Rs. 13,00 thousands) in the Profit & Loss Account under the head Rent (Schedule 16 to Accounts). Contingent and Minimum Lease Rental element of the same are as follows :

	<b>Rs. '000</b>	
	<b>2010-11</b>	2009-10
Minimum Lease Rental	<b>14,00</b>	13,00
Contingent Rent	-	-

- (d) The Company has given office premises under cancellable operating leases. These leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial Direct costs for such leases are borne by the Company and charged off to revenue. Lease rentals are recognised as income which was Rs.4,30,93 thousands during the year (Previous Year – Rs. 3,86,24 thousands). The gross value and accumulated depreciation of such asset as at 31st March, 2011 was Rs. 23,59 thousands (Previous Year – Rs. 23,59 thousands) and Rs 23,55 thousands (Previous Year – Rs. 23,55 thousands ) respectively.
- (e) The Company has certain operating leases for premises (residential, offices and godowns) which are not non-cancellable range between 3 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged in the Profit & Loss Account under the head Rent (Schedule 16 to Accounts).

**Schedule 18** (Contd.)**Notes on Accounts** (Contd.)

**13.** Advances recoverable in cash or kind or for value to be received include Rs Nil thousands (Previous Year Rs. 13,12 thousands) adjustable against future lease rental of a manufacturing facility availed during the year as disclosed in Note 12(c) above.

**14. Directors' Remuneration**

a. The total amount of Directors' Remuneration charged to these accounts under various heads is set out below: -

	<b>Rs. '000</b>	
	<b>2010-11</b>	2009-10
<b>i) Whole-time Directors</b>		
Salaries	<b>32,40</b>	46,02
Contribution to Provident Fund	<b>3,89</b>	5,52
Monetary Value of Perquisites	<b>7,84</b>	8,81
Leave encashment on retirement of the Executive Director & CEO of the company	-	6,87
	<b>44,13*</b>	67,22
<b>ii) Non – Wholetime Directors</b>		
Directors' Fees	<b>8,18</b>	3,82
Commission to Non-Executive Directors	<b>36,00#</b>	-
	<b>88,31</b>	71,04

\* It excludes contribution to the gratuity funds and provisions for leave encashment which are actuarially determined on an overall company basis.

# Subject to approval of the Shareholders at the ensuing 77th Annual General Meeting.

**Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and Directors' Commission**

	<b>2010-11</b>		2009-10	
<b>Profit before Taxation</b>		<b>66,60,50</b>		38,36,07
Add: Provision for Doubtful debts	<b>2,82,70</b>		5,34	
Directors Remuneration	<b>44,13</b>		67,22	
Commission to Non-Executive Directors	<b>36,00</b>	<b>3,62,83</b>	-	72,56
		<b>70,23,33</b>		39,08,63
Less: Profit on Sale of Fixed Assets	<b>50,86</b>		8,46	
Profit on Sale of Long Term Other than Trade Investment	<b>23,79</b>	<b>74,65</b>	12,99	21,45
<b>Profit for the purpose of Directors Remuneration</b>		<b>69,48,68</b>		38,87,18
Maximum Commission Payable to Non-Executive Directors' @ 1%		<b>69,49</b>		38,87
Commission Payable for the year		<b>36,00</b>		-





**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

**15. Amount paid/payable to the Auditors**

	<b>Rs. '000</b>	
	<b>2010-11</b>	2009-10
As Audit Fees	<b>17,85</b>	17,65
In Other Capacity :		
For Tax Audit	<b>1,70</b>	1,75
For Various Certificates/Reports	<b>4,50</b>	6,45
Reimbursement of Expenses	<b>57</b>	86
<b>Total #</b>	<b>24,62</b>	26,71

# Including Rs. 8,26 thousands (Previous Year - 6,69 thousands) to Branch Auditors and Rs. 1,04 thousands (Previous Year - Nil) to retired Statutory Auditors.

**16. Details of Employee Benefits as required by Accounting Standard – 15 "Employee Benefits" are as follows:**

**16.1 Provident Fund**

The Company makes a contribution for Provident fund towards defined contribution Plans for eligible employees. In respect of certain employees, Provident Fund Contribution is made to Trust Funds administered by the Company towards defined benefit plans. The company shall make good for deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

During the year, based on applicable rates, the Company has recognised Rs. 4,82,54 thousands (Previous year - Rs. 4,44,82 thousands) on this account in "Contribution to Provident Fund" under Schedule 16.

**16.2 Employee State Insurance Scheme**

The Company make contribution for Employee State Insurance Scheme towards defined contribution plan. During the year company has recognised Rs. 85,69 thousands (Previous year - Rs. 63,70 thousands) on this accounts in "Staff Welfare Expense" under Schedule 16.

**16.3 Gratuity**

The Company's Gratuity Scheme, a defined benefit plan, is administered by Life Insurance Corporation of India (LIC) and SBI Life Insurance Company Ltd (SBI Life). LIC or SBI Life make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed. Vesting occurs upon completion of five years of service.

**16.4 Leave Encashment**

The Company's leave encashment scheme covers certain categories of employees. Pursuant to the Scheme cash equivalent of unutilised leave balance is paid at the time of exit of service.



**Schedule 18 (Contd.)**

**Notes on Accounts (Contd.)**

**16.5 Details in respect of Defined Benefits Plans as per Actuarial Valuation are as follows :**

**Rs. '000**

Description	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
<b>A Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation</b>				
Present value of Obligation as on 1st April	20,03,27	2,26,68	17,90,01	2,12,29
Current Service Cost	1,21,40	70,53	82,91	58,04
Interest Cost	1,64,82	15,98	1,37,76	14,50
Past Service Cost	-	-	81,23	-
Actuarial (Gain) / Losses	1,30,20	(35,60)	2,18,24	(15,04)
Benefits Paid	(2,19,70)	(43,65)	(3,06,88)	(43,11)
Present Value of Obligation as on 31st March	21,99,99	2,33,94	20,03,27	2,26,68
<b>B Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as on 1st April	13,56,74	-	10,84,43	-
Expected Return on Plan Assets	1,15,66	-	83,67	-
Contribution	41	-	4,95,52	-
Benefits Paid	(2,19,70)	-	(3,06,88)	-
Fair Value of Plan Assets as on 31st March	12,53,11	-	13,56,74	-
<b>C Reconciliation of the Present Value of the Defined Benefit Obligation and Fair Value of Plan Assets</b>				
Present Value of Obligation as on 31st March	21,99,99	2,33,94	20,03,27	2,26,68
Fair Value of Plan Assets as on 31st March	12,53,11	-	13,56,74	-
Assets/ (Liabilities) recognised in the Balance Sheet	(9,46,88)	(2,33,94)	(6,46,53)	(2,26,68)
<b>D Expenses recognised in the Profit &amp; Loss Account</b>				
Current Service Cost	1,21,40	70,53	82,91	58,04
Interest Cost	1,64,82	15,98	1,37,76	14,50
Past Service Cost	-	-	81,23	-
Expected return on Plan Assets	(1,15,66)	-	(83,67)	-
Actuarial (Gain) / Losses	1,30,20	(35,60)	2,18,24	(15,04)
Total Expense recognised	3,00,76	50,91	4,36,47	57,50
<b>E Category of Plan Assets</b>				
Fund with LIC	10,49,45	Not	11,63,91	Not
Fund with SBI Life	2,03,66	Applicable	1,92,83	Applicable
<b>Total</b>	12,53,11	-	13,56,74	-
<b>F Actual return on Plan Assets</b>	1,15,66	-	83,67	-
<b>G Principal Actuarial Assumptions</b>				
Discount Rate	8.25%	8.00%	8.00%	7.80%
Salary Escalation	3%	5%	3% - 5%	5%
Expected return on Assets	8.86%	Not Applicable	7.75% - 9.25%	Not Applicable

- Notes: 1) The estimate of future salary increases is considered after taking into account inflation, promotion and other relevant factors.
- 2) The expected return on Plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of obligations.



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

Description	2010-11		2009-10		2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)	(Funded)	(Unfunded)	(Funded)	(Unfunded)
<b>H Net Asset/(Liability) recognised in Balance Sheet (including Experience adjustment impact)</b>								
Present Value of Obligation as on 31st March	<b>21,99,99</b>	<b>2,33,94</b>	20,03,27	2,26,68	17,90,01	2,12,29	17,55,90	1,74,30
Fair Value of Plan Assets as on 31st March	<b>12,53,11</b>	-	13,56,74	-	10,84,43	-	10,82,27	-
Assets/(Liabilities) recognised in the Balance Sheet	<b>(9,46,88)</b>	<b>(2,33,94)</b>	(6,46,53)	(2,26,68)	(7,05,58)	(2,12,29)	(6,73,63)	(1,74,30)

Note : The detail of Experience adjustment arising on plan assets and liabilities as required by paragraph 120(n)(ii) of AS - 15 (Revised) on Employee Benefits are not available in Actuarial Valuation report and hence, are not furnished.

**17. Information in accordance with requirements of Accounting Standard-18 on Related Party disclosures prescribed under the Act :-**

**A) Enterprises over which Key Management Personnel & Relatives of such Personnel are able to exercise significant influence**

- a) M.D.Kothari and Company Limited (MDKCL)
- b) Bhaktwatsal Investments Limited (BIL)
- c) Kothari and Co Pvt. Limited (KCPL)
- d) Kothari Investments & Industries Pvt. Limited (KIIPL)
- e) Commercial House Pvt. Limited (CHPL)
- f) Vishnuhari Investments and Properties Limited (VIPL)
- g) G.Das and Company Pvt. Limited (GDCPL)
- h) Kothari Medical Centre (KMC)

**B) Key Management Personnel of the Company**

- a) Mr D.K.Sharda (DKS) - Managing Director
- b) Mr A.Mallick (AM) - Executive Director & CEO



**Schedule 18 (Contd.)  
Notes on Accounts (Contd.)**  
**Transactions with related parties during the year and the status of outstanding balances as on 31st March, 2011** (Rs. '000)

Nature of Transaction	Enterprises over which Key Management Personnel & Relatives of such Personnel are able to exercise significant influence														
	2010-11							2009-10							
	MDKCL	KCPL	KIPL	KMC	GDCPL	TOTAL	MDKCL	BIL	KCPL	KIPL	KMC	CHPL	VIPL	GDCPL	TOTAL
Rent Paid	-	-	6,00	-	6,25	12,25	-	-	-	6,00	-	-	-	54	6,54
Rent Received	-	40	-	37	-	77	-	-	-	-	-	-	-	-	-
Purchase of Goods / Services	10,92	-	-	-	16	11,08	945	-	-	-	-	-	-	-	9,45
Loans Taken	-	-	-	-	-	-	40,00	30,00	3,55,00	2,70,00	80,00	15,00	-	7,90,00	
Loans Repaid	-	-	-	-	-	-	3,10,00	30,00	4,05,00	4,05,00	2,00,00	2,15,00	-	15,65,00	
Interest on Loans Taken	-	-	-	-	-	-	8,73	1,20	14,67	28,56	5,98	67	-	59,81	
Donation Given	-	-	-	1,50,00	-	1,50,00	-	-	-	50,00	-	-	-	50,00	
<b>Balance as on 31st March,</b>															
i) Loans taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Guarantees given	-	1,50,00	-	-	-	1,50,00	-	-	1,50,00	-	-	-	-	1,50,00	
iii) Guarantees utilised	-	36,59	-	-	-	36,59	-	-	61,60	-	-	-	-	61,60	
iv) Rent Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	54	

Nature of Transaction	Key Management Personnel of the Company					
	2010-11			2009-10		
	DKS	AM	TOTAL	DKS	AM	TOTAL
Remuneration Paid	24,43	19,70	44,13	18,63	16,35	32,24
						67,22

\* SKL indicates Mr. S.K.Lakhotia - Executive Director and CEO (resigned w.e.f. 31st March, 2010)



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

**18. Information given in accordance with requirements of AS-17 on Segment Reporting prescribed under the Act :**

- (a) The Company has Six primary business segments viz :
- i) Trading Division
  - ii) Tea Division
  - iii) Property Division
  - iv) Textile Division
  - v) Engineering (MICCO) Division
  - vi) Chemical (Waldies) Division
- Purchase and sale of paints and allied products
  - Manufacture and sale of tea
  - Letting out property on rent
  - Comprises manufacture and sale of yarn made out of Cotton and Man-made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.
  - Comprise manufacture and sale of Steel Structural , Pipes and Equipments and Designing , Supplying , Erection and Commissioning of projects on turnkey basis.
  - Manufacture of lead oxide, white lead, lead salts and metallic stearates

**Information about Business Segment**

**Rs. '000**

	Trading Division	Tea Division	Property Division	Textile Division	Engineering (MICCO) Division	Chemical (Waldies) Division	Unallocable	Total
Segment Revenue (Net of Excise)	20,53,96 (18,66,94)	1,30,15,60 (1,29,01,96)	6,40,35 (5,63,24)	3,41,06,27 (2,58,16,17)	2,04,88,81 (1,68,64,72)	48,92,51 (41,03,96)	86,13 (86,29)	7,52,83,63 (6,22,03,28)
Total Revenue	20,53,96 (18,66,94)	1,30,15,60 (1,29,01,96)	6,40,35 (5,63,24)	3,41,06,27 (2,58,16,17)	2,04,88,81 (1,68,64,72)	48,92,51 (41,03,96)	86,13 (86,29)	7,52,83,63 (6,22,03,28)
Segment Result	1,33,22 (1,26,70)	17,63,33 (18,63,14)	5,04,35 (3,82,05)	38,41,28 (10,94,23)	22,54,28 (18,87,06)	2,41,78 (3,18,01)		87,38,24 (56,71,19)
Less : Unallocable Expenditure net of Unallocable Income							2,74,97 (70,74)	2,74,97 (70,74)
Interest/Finance Charges							18,02,77 (17,64,38)	18,02,77 (17,64,38)
Profit before Tax								66,60,50 (38,36,07)
Depreciation and Amortisation	3,41 (2,85)	2,99,91 (2,52,70)	4,04 (3,91)	15,64,43 (15,13,79)	3,30,27 (3,51,50)	15,32 (14,91)	27,49 (25,02)	22,44,87 (21,64,68)
Non Cash Expenses other than Depreciation and Amortisation	11,32 (6,17)	- (14,54)	41,02 (3,34)	50,00 -	1,82,54 (97,70)	28 (7,10)	- -	2,85,16 (1,28,85)
Capital Expenditure	1,03,22 (4,00)	5,35,84 (6,38,39)	- (7,46)	16,83,28 (4,73,17)	6,57,24 (2,24,27)	1,87 (17,48)	62,11 (48,29)	30,43,56 (14,13,06)
Segment Assets	9,09,20 (6,62,57)	91,28,92 (80,61,04)	1,08,62 (1,29,11)	3,26,10,99 (2,64,15,32)	1,60,54,43 (1,45,03,83)	11,42,17 (10,55,45)	50,31,39 (34,62,55)	6,49,85,72 (5,42,89,87)
Segment Liabilities (Excluding Shareholders' Fund)	3,84,44 (3,19,74)	16,55,73 (15,64,06)	4,44,55 (3,95,44)	45,12,26 (22,11,93)	80,21,03 (78,66,92)	3,49,45 (4,41,27)	2,85,36,19 (2,46,92,93)	4,39,03,65 (3,74,92,29)

Figures in brackets represent particulars for Previous Year.

**Schedule 18 (Contd.)****Notes on Accounts (Contd.)****(b) Secondary Segment**

The Company operates predominantly within geographical limits of India and therefore the Secondary Segment has been demarcated into 'Within India' and 'Outside India' operations as under :

	Within India	Outside India	Total Revenue
Segment Revenue	6,74,24,47 (5,87,33,21)	78,59,16 (34,70,07)	7,52,83,63 (6,22,03,28)
Segment Assets	6,41,72,52 (5,40,42,19)	8,13,20 (2,47,68)	6,49,85,72 (5,42,89,87)
Capital Expenditure	30,43,56 (14,13,06)	- -	30,43,56 (14,13,06)

Rs. '000

\* Figures in brackets represent particulars for Previous Year.

**19. Basic and Diluted Earnings per Share**

	2010-11	2009-10
(i) Profit after tax available for Ordinary Shareholders (Rs.'000)	<b>54,00,70*</b>	25,17,41
(ii) Weighted average of Ordinary Shares of Rs. 10/- each outstanding during the year (Numbers)	<b>21,34,23,46</b>	1,42,28,231
(iii) Basic and Diluted Earnings per Share [(i) / (ii)] (in Rs.)	<b>25.31</b>	11.80 <sup>#</sup>

\* After deducting Proposed Dividend on Preference Shares of Rs. 16,00 thousands (Previous Year - Rs. 16,00 thousands) for the year 2010-11 and Dividend Distribution Tax thereon of Rs. 2,60 thousands (Previous Year - Rs. 2,66 thousands).

<sup>#</sup> The Earning Per Share (EPS) has been adjusted in accordance with the Accounting Standard - 20 on Earning per Share pursuant to issue and allotment of 71,14,115 Ordinary Shares of Rs. 10/- each as fully paid Bonus Shares during the financial year 2010-11 by Capitalisation of General Reserve.

**20. Taxation**

(i) Current Tax charge for the year has been reckoned after taking into account, benefit under Section 33AB of the Income Tax Act, 1961 (which are available on timely deposit of required amount with development bank).

(ii) Provision for Taxation is made up of:

Rs. '000

	2010-11	2009-10
<b>Current Tax</b>		
Provision for Income Tax and Wealth Tax for the year	<b>13,08,20</b>	6,30,00
<b>Deferred Tax</b>	<b>(67,00)</b>	6,70,00
[ Note 20 (iii) (b) ]		
<b>Total</b>	<b>12,41,20</b>	13,00,00



**Schedule 18 (Contd.)**  
**Notes on Accounts (Contd.)**

(iii) In accordance with the requirements of Accounting Standard - 22 on Accounting for Taxes on Income, Deferred Tax Liability, net of Deferred Tax Assets, has been recognised in the Accounts as explained below:

- a) Deferred Tax Assets comprise those arising out of provision for doubtful debts, items under the Income Tax Act, 1961 which will be allowed on actual payment and unabsorbed losses.
- b) The major components of the net Deferred Tax Liability of the Company to the extent recognised and outstanding as at 31st March, 2011 is as under:

**Rs. '000**

	<b>2010-11</b>	2009-10
<b>Deferred Tax Asset</b>		
i) Provision for Doubtful Debts and advances	<b>1,45,28</b>	70,47
ii) Items under the Income Tax Act which will be allowed on actual payment	<b>4,17,83</b>	3,28,84
iii) Brought forward unabsorbed losses	<b>28,86</b>	73,19
iv) Deferred Revenue Expenditure (VRS)	<b>15,08</b>	29,47
<b>Total</b>	<b>6,07,05</b>	5,01,97
<b>Deferred Tax Liability</b>		
Differences between net value of depreciable capital assets as per books vis-à-vis written down value as per Income Tax	<b>18,67,05</b>	18,28,97
<b>Net deferred Tax Liability</b>	<b>12,60,00</b>	13,27,00

**21. Repairs include :**

	<b>2010-11</b>	2009-10
a) Consumption of Stores and Spare Parts	<b>7,54,24</b>	6,62,74
b) Salary and Wages	<b>66,87</b>	81,68
<b>Total</b>	<b>8,21,11</b>	7,44,42

**22.** There are no Micro, Small and Medium enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006. The information has been determined on the basis of information available with the Company.

**23 a)** The year-end net monetary foreign currency exposures as on 31st March, 2011 that have not been hedged by a derivative instrument are given below :

**(In 000's)**

		<b>As at 31st March, 2011</b>	As at 31st March, 2010
Currency	Cross Currency	<b>Net (Buy)/Sell*</b>	Net (Buy)/Sell
US Dollar	INR	<b>(2,20)</b>	(1,73)
EURO	INR	<b>2,82</b>	1,31
AED	INR	<b>2,73</b>	-

\* Sell indicates Receivable and Buy indicates Payable.

**Schedule 18** (Contd.)**Notes on Accounts** (Contd.)

**23 b)** Category wise outstanding Forward contracts entered for hedging as on 31st March, 2011 are as follows :

		<b>(In 000's)</b>	
		<b>As at 31st March, 2011</b>	As at 31st March, 2010
Currency	Cross Currency	<b>Sell*</b>	Sell*
US Dollar	INR	<b>19,09</b>	3,70
EURO	INR	<b>1,72</b>	-

\* Sell indicates Receivable.

**24.** Previous year's figures have been rearranged / regrouped wherever necessary.

**Signatures to Schedules 1 to 18**

For Singhi & Co.  
Firm Registration Number - 302049E  
*Chartered Accountants*  
**Rajiv Singhi**  
*Partner*  
Membership No. 053518  
Kolkata, 30th May, 2011

**D. K. Sharda**  
*Managing Director*

**D. Karmakar**  
*Company Secretary*

**For and on behalf of the Board**

**A. K. Kothari**  
*Chairman*

**P. K. Jain**  
*Joint President & CFO*





## Balance Sheet Abstract and Company's General Business Profile

### I Registration Details

Registration No.  State Code

CIN.

Balance Sheet Date

### II Capital Raised during the year (Amount in Rs. '000)

Public Issue  Right Issue  Bonus Issue  Private Placement

### III Position Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities [Excluding Shareholders' Fund and including Deferred Tax liability (Net) Rs. 12,60,00 thousands]  Total Assets

#### Sources of Funds

Paid up Share Capital   
Reserves & Surplus   
Secured Loans   
Unsecured Loans

#### Application of Fund

Net Fixed Assets   
Net Current Assets   
Investments   
Misc. Expenditure   
Accumulated Loss

### IV Performance of the Company (Amount in Rs. '000)

Total Income  Total Expenditure

[+/-] Profit/Loss before Tax  [+/-] Profit/Loss after Tax  Earning per share in Rs.  Dividend

### V Generic Names of Five Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="4"><input type="text" value="0"/><input type="text" value="0"/><input type="text" value="2"/></input>	Product Description	<input type="text" value="Tea"/>
Item Code No. (ITC Code)	<input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/>	Product Description	<input type="text" value="Structurals"/>
Item Code No. (ITC Code)	<input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/>	Product Description	<input type="text" value="Polyster/Cotton Yarn"/>
Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Product Description	<input type="text" value="Red Lead"/>
Item Code No. (ITC Code)	<input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/>	Product Description	<input type="text" value="Viscose Yarn"/>

For and on behalf of the Board

**D. K. Sharda**  
Managing Director

**A. K. Kothari**  
Chairman

**D. Karmakar**  
Company Secretary

**P. K.Jain**  
Joint President & CFO

Kolkata, 30th May, 2011.

## TEN YEAR FINANCIAL HIGHLIGHTS

		<b>Rs. '000</b>									
	<b>2011</b>	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Share Capital	<b>23,34,23</b>	16,22,82	16,22,82	16,07,19	11,22,31	11,22,31	10,87,93	4,84,76	4,75,65	4,75,65	
Reserves & Surplus	<b>1,87,47,84</b>	1,51,74,76	1,34,86,91	1,25,98,86	1,10,74,06	1,06,19,37	1,00,05,83	48,50,67	46,54,52	45,31,67	
Net Worth*	<b>2,10,82,07</b>	1,67,97,58	1,50,20,84	1,41,42,46	1,21,29,98	1,17,40,90	1,10,88,89	53,08,29	50,84,40	49,39,66	
Fixed Assets (Net)	<b>2362051</b>	2,29,40,06	2,37,36,56	2,15,49,20	92,01,84	86,47,89	92,80,73	23,46,02	20,49,42	21,25,73	
Investments	<b>17,65,80</b>	17,07,78	13,36,49	14,35,05	25,56,31,	37,24,70	22,09,54	20,14,77	20,13,69	24,43,04	
Net Current Assets	<b>2,02,73,64</b>	1,45,78,83	89,09,60	76,25,47	65,40,81	50,39,30	62,94,18	12,07,71	12,80,80	6,39,14	
Total Capital Employed	<b>4,56,59,95</b>	3,92,26,67	3,40,71,54	3,06,73,31	1,83,65,35	1,74,12,67	1,77,89,32	55,95,64	53,89,68	52,75,57	
Sales (Net)	<b>7,38,44,44</b>	6,07,11,66	4,71,10,91	3,94,15,13	2,59,23,35	2,46,13,77	2,28,89,84	47,63,14	39,24,57	39,18,42	
Profit Before Tax	<b>66,60,50</b>	38,36,07	22,10,36	18,46,60	10,70,14	5,39,30	2,49,38	(1,64,35)	2,62,78	8,64,01	
Profit After Tax	<b>54,19,30</b>	25,36,07	16,56,29	14,84,07	7,74,62	5,03,48	3,90,09	(1,08,14)	2,57,00	8,01,60	
Dividend Distributed	<b>9,76,47<sup>@</sup></b>	7,27,41	7,27,41	5,78,87	2,80,58	2,52,52	2,17,59	72,71	1,18,91	3,56,74	
Retained earnings for the year <sup>\$</sup>	<b>42,84,49</b>	16,87,85	8,05,26	8,01,38	4,54,69	2,15,54	1,41,98	(1,90,35)	1,22,85	4,44,86	
Dividend (%)											
Equity	<b>45</b>	50	50	40	25	22.50	20	15	25	75	
Preference	<b>8</b>	8	8	8	-	-	-	-	-	-	
Earnings per Ordinary Share (Rs.)	<b>25.31</b>	11.80 <sup>+</sup>	11.51	10.41	6.90	4.49	3.59	(2.23)	5.40	16.85	
Net Worth per Ordinary Shares (Rs.)	<b>98.78</b>	118.06	105.57	100.50	108.08	104.61	101.93	109.50	106.89	103.86	

\* After adjustment of Deferred Revenue Expenditure.

@ If approved by the Members in the ensuing AGM.

\$ Retained earning after deduction of provision for tax on proposed dividend.

+ The earning per share (EPS) has been adjusted pursuant issue of Bonus Share during the year.



