



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

ANNUAL  
REPORT  
2013



**GILLANDERS ARBUTHNOT**  
AND COMPANY LIMITED





**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.*



## 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. H. M. Parekh, *Director*  
 Mr. N. Pachisia, *Director*  
 Mr. D. K. Sharda, *Managing Director & CEO*

### JOINT PRESIDENT & CFO

Mr. P. K. Jain

### COMPANY SECRETARY

Mr. D. Karmakar

### STATUTORY AUDITOR

Singhi & Co., Kolkata

### SOLICITORS

Khaitan & Co LLP, Kolkata

### BANKERS

State Bank of India  
 IDBI Bank Limited  
 State Bank of Patiala  
 United Bank of India  
 Bank of India  
 The Hongkong and Shanghai Banking  
 Corporation Limited

### REGISTERED OFFICE

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

\*(As on 29th May, 2013)

### Audit Committee

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

### Shareholders' / Investors' Grievance Committee

Mr. H. M. Parekh, *Chairman*  
 Mr. A. K. Kothari, *Member*  
 Smt. P. D. Kothari, *Member*  
 Mr. P. K. Khaitan, *Member*  
 Mr. D. K. Sharda, *Member*

### Remuneration Committee

Mr. H. M. Parekh, *Chairman*  
 Smt. P. D. Kothari, *Member*  
 Mr. H. P. Kanoria, *Member*  
 Mr. P. K. Khaitan, *Member*  
 Mr. N. Pachisia, *Member*

### Branches/Offices

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



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## NOTICE

Notice is hereby given that the **SEVENTY NINETH** 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 **Saturday, the 10TH DAY OF AUGUST, 2013 at 11-30 A.M.** to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended March 31, 2013, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.
2. To approve payment of Dividend on 8% Cumulative Redeemable Preference Shares of ₹ 100 each for the financial year ended March 31, 2013.
3. To declare dividend on Ordinary Shares for the financial year ended March 31, 2013.
4. To appoint a Director in place of Smt. P. D. Kothari, who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. P. K. Khaitan, 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, (Firm Registration No. 302049E) 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. Dutta Ghosh & Associates, Chartered Accountants, Kolkata, (Firm Registration No. 309088E) be and they are hereby re-appointed as Branch Auditor to audit the accounts in respect of GIS Cotton Mill, Champdany, 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 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."

- (c) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Kothari & Company, Chartered Accountants, Kolkata, (Firm Registration No. 301178E) 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 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."

### SPECIAL BUSINESS:

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

#### **7. Re-appointment of Mr. D.K. Sharda as Managing 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. D. K. Sharda as 'Managing Director', designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of one year with effect from April 01, 2013 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 Schedule XIII and 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**

**D. Karmakar**  
*Company Secretary*

Place: Kolkata  
Date: May 29, 2013



**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 authorized 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 no. 7 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 01, 2013 to August 07, 2013 (both days inclusive) for the purpose of payment of dividend, if approved by the Members, at the Annual General Meeting.
- 5) The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after August 10, 2013 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 July 31, 2013 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) on or before July 31, 2013.
- 6) Pursuant to the provisions of the Companies Act, 1956, all unclaimed dividends till the financial year 2004-2005 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 2005-2006 to 2011-2012 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 2013-2014.
- 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-

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

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 in 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's 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.
- 13) To ensure that no demat request remains pending beyond a period of 15 days, Investors /Shareholders are requested to follow up with their Depository Participant(s) so that the physical documents viz. Demat Request Forms (DRF) and Share Certificates etc. are sent to the RTA within a period of 5 days from the date of generation of the DRN for dematerialization.
- 14) **The Securities and Exchange Board of India (SEBI) has made it mandatory for all the Companies to use bank details furnished by the Investors for distributing Dividends or other cash benefits through National Electronic Clearing Services**



(NECS). In the absence of NECS facility, Companies are required to print the bank details on the payment instrument for distribution of dividend. Members holding shares in physical mode are requested to provide their bank details to the RTA in the NECS Mandate form, which is being sent along with the Annual Report. Whereas, members holding shares in demat mode are requested to record the same with their respective Depository Participant(s).

- 15) A brief resume of the Directors seeking re-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.
- 16) 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 09, 2013, 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 February 13, 2013 re-appointed Mr. D. K. Sharda as 'Managing Director', designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of one year with effect from April 01, 2013. The previous term of Mr. D. K. Sharda, as Managing Director & CEO expired on March 31, 2013.

An Agreement dated March 26, 2013, effective from April 01, 2013, was entered into between the Company and Mr. D. K. Sharda, Managing 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. D. K. Sharda, designated as the Managing Director & CEO 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: ₹ 2,20,000 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. In case, no accommodation is provided by the Company the Managing Director & CEO shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession: The Managing 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.
- iii) Fees of Clubs: Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Mediclaim Insurance: Premium not exceeding ₹ 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) Encashment of leaves: Encashment of leaves as per Rules of the Company.

##### PART – C

- i) Use of car for Company's business. Any use of car for private purpose 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 & 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. D. K. Sharda, as Managing 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 Managing 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 'Managing Director,' designated as 'Managing Director & CEO' of the Company.

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

By Order of the Board  
For **Gillanders Arbuthnot and Company Limited**

Place: Kolkata  
Date: May 29, 2013.

**D. Karmakar**  
Company Secretary

#### Annexure

**Particulars of Directors proposed to be re-appointed at the 79th Annual General Meeting of the Company to be held on Saturday, the 10th day of August, 2013 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*
Smt. P. D. Kothari	Smt. P. D. Kothari aged about 56 years is a well known Industrialist having wide experience in the field of Tea, Engineering, Pharmaceuticals and Spinning Industry.	67,875	Directorships: Bhaktwatsal Investments Limited Vishnuhari Investments & Properties Limited Bharat Fritz Werner Limited M. D. Kothari & Co. Limited Kothari Phytochemicals & Industries Limited <b>Committee Memberships</b> -
Mr. P. K. Khaitan	Mr. P. K. Khaitan aged about 72 years is an eminent Advocate having vast experience in Company Law, Finance & Corporate matters.	-	<b>Directorships:</b> CESC Limited Dalmia Bharat Limited Dhunseri Petrochem & Tea Limited Electrosteel Castings Limited Graphite India Limited Hindustan Motors Limited India Glycols Limited OCL India Limited Pilani Investment & Industries Corporation Limited Saregama India Limited TCPL Packaging Limited VISA Steel Limited Warren Tea Limited Woodlands Multispeciality Hospital Limited <b>Committee Memberships</b> <b>Member of Audit Committee</b> Pilani Investment & Industries Corporation Limited <b>Member of Investors' / Shareholders' Grievance Committee</b> Graphite India Limited Hindustan Motors Limited
Mr. D. K. Sharda	Mr. D. K. Sharda aged about 66 years has rich experience & expertise in the field of Finance, Administration, Jute and Textile Industry for more than 40 years.	-	<b>Directorships:</b> M.D.Kothari & Co. Limited Bhaktwatsal Investments Limited <b>Committee Memberships</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 for the financial year ended March 31, 2013.

### FINANCIAL RESULTS

₹ in Lakhs

The financial results for the year are as under:

Particulars	2012-13	2011-12
<b>Profit Before Depreciation, Interest &amp; Tax (PBDIT)</b>	<b>82,77.93</b>	38,03.00
Interest / Finance Charges	<b>28,48.14</b>	28,71.18
<b>Profit Before Depreciation and Tax (PBDT)</b>	<b>54,29.79</b>	9,31.82
Depreciation / Amortisation	<b>24,90.75</b>	24,61.97
<b>Profit Before Tax (PBT)</b>	<b>29,39.04</b>	(15,30.15)
Taxation Charge		
- Current Tax	<b>5,50.00</b>	46.70
- Deferred Tax	<b>3,30.00</b>	(6,50.00)
<b>Profit After Tax (PAT)</b>	<b>20,59.04</b>	(9,26.85)
Balance brought forward	<b>44,98.17</b>	55,67.64
Balance available for appropriation	<b>65,57.21</b>	46,40.79
<b>Appropriations</b>		
Proposed Dividend on:		
8% Redeemable Cumulative Preference Shares of ₹100 each	<b>16.00</b>	16.00
Ordinary Shares of ₹10 each	<b>4,26.85</b>	1,06.71
Corporate Dividend Tax	<b>75.26</b>	19.91
Transfer to General Reserve	<b>3,00.00</b>	-
Surplus carried to Balance Sheet	<b>57,39.10</b>	44,98.17
	<b>65,57.21</b>	46,40.79
Earnings per Ordinary Share (₹)		
- Basic	<b>9.56</b>	(4.43)
- Diluted	<b>9.56</b>	(4.43)
Dividend per Ordinary Share (₹)	<b>2.00</b>	0.50

### FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS

For the financial year 2012-13, your Company reported a net profit of ₹ 20,59.04 Lakhs against loss of ₹ 9,26.85 Lakhs during the previous year. Total Income from Operations has increased to ₹ 7,82,41.62 Lakhs during the year under review from ₹ 6,73,17.69 Lakhs in the previous year. Operational matters have been discussed under 'Management Discussion and Analysis,' detailed in appropriate part of this Report.

### DIVIDEND

Your Directors recommend the following dividends:

- a) Dividend @ ₹ 8 per Share on 2,00,000 8% Redeemable Cumulative Preference Shares of ₹ 100 each of the Company, entailing an outflow of ₹ 16.00 Lakhs.

- b) Dividend @ ₹ 2 per Share on 2,13,42,346 fully paid up Ordinary Shares of ₹ 10 each of the Company, entailing an outflow of ₹ 426.85 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

The Global Tea Production in 2012 was higher compared to 2011 with the gainers being China and Bangladesh, whereas, Kenya, Malawi, Indonesia & Sri Lanka were the losers. The All India Tea Crop was marginally higher from previous year. There has been



a revision by Tea Board of India in the methodology of computation of all India crop. The Tea Board's figures are based on cess collection at the tea factories both in the organized and unorganized sectors. Consequently, there have been significant changes in the statistics for 2011 and 2012.

During the year under review, one of your gardens, Taipoo Tea Estate, situated in Bagdogra district was severely affected by hail during the beginning of the season. In spite of inclement weather, your division has produced 9.32 mtkgs. of tea, which is marginally higher than 9.15 mtkgs, as reported in last year.

Although, the average price realization was higher than last year but it was partially offset by higher cost of production consequent to increase in wages and adverse weather conditions in the Tea Estates.

Your Directors are pleased to inform you that export by Tea Division has substantially increased during the year when compared with the previous year. New export markets viz., U.K., China & Kazakhstan were explored during the year under review. Payment mechanism for exports to Iran was put in place towards the end of the year under review and as a result dispatches to Iran are expected to increase in the current year. Your Division is embarking on expansion of its packet tea business and has plans to launch its packet tea products on Pan India basis.

From the figures available till date, world production is significantly higher than the last year but production in India is slightly lower due to drought situation in the initial months. Due to expected higher world production in the current year, there may be pressure on the prices, in the non-quality tea segment. Your Division produces quality tea and hence, your Directors expect that the Division will yield better results in the coming year.

All the Tea Estates of your division are ISO 9001:2008 and HACCP (Hazard Analysis of Critical Control Points) certified and some of your gardens are participants in the ETP (Ethical Tea Partnership) Programme. Your division also continues to lay emphasis on the critical issues of Maximum (Permissible Chemicals) Residue Limits (MRLS) and complies with stringent international as well as Indian standards at all its estates.

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

Your division is involved mainly in EPC work in Steel Plants, Power Plants, as well as, some Infrastructural Projects. The year under review was not good for Steel Industries resulting in slow expansion and decrease in new Orders. Progresses of the existing projects were also slow. Despite the economic condition, the existing order book position is reasonable and efforts are being made to obtain fresh orders.

The short term outlook of the Steel and Power Industry is cautious, which may put pressure on the margins. However, your Directors are hopeful that the industrial slowdown will be over

soon. We are pleased to inform you that your Division has received ISO Certification 9001 from TUV NORD.

During the year, new relationships have been forged with famous global giants, while maintaining a cordial relationship with the existing global partners. Overall the Division although hit by slowdown, is expected to hold its fort and do reasonably in the coming year.

#### **Textile Division**

The year under review was normal for the textile industry without any significant events. The Cotton crop for the year 2012-2013 is estimated to be around 340 lakhs bales. However, with increase in domestic consumption, stock levels are expected to be low.

The overall slowdown in the world, especially in Europe and U.S.A., which are the biggest market for Indian textile industry, has to some extent resulted in the slowdown in exports, particularly in apparel segment. However, the growing domestic market, as well as, increased exports to other markets provided necessary support to the Indian textile industry.

The overall performance of your division was reasonable with the production of 18,062 MT as against production of 15,067 MT in the last year.

During the year, expansion programmes undertaken at GIS Cotton Mill unit and North India Spinning Mill unit, were implemented in the month of April 2013. The said expansion is expected to improve the performance of your Division in the coming year.

The outlook for the Indian textile industry looks positive due to strong domestic demand, increase in organized retailers, income levels and better demographics in the country. Apart from the above, increasing cost of production in China, the biggest exporter of textiles, will help India and other countries to increase their market share in world textile trade. Your Directors expect this Division to perform better in the coming year.

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

This Division is engaged in the business of manufacture and marketing of Lead Oxides and Stabilisers for PVC Industry.

During the year under review, due to industrial slowdown the industry witnessed slow growth. However, your Division has reported a marginal increase in revenue compared to the previous year. The overall performance of the division was moderate with production of 3,876 MT as against production of 4,092 MT in the last year.

Waldies Division continues to enjoy ISO 19001 certification for its Quality Management Systems and ISO 14001 certification for its Environment Management Systems and OHSAS 18001 for its occupational health and safety management systems. This Division is expected to do reasonably good in the coming year.



### Trading Division

During the year under review, the turnover of this Division was lower compared to previous year primarily due to discontinuance of a major distributorship in Wood Utility Segment. The Company has introduced and stabilized products in the Wood Utility Segment and Water based Cement Primers and Emulsions under its brand "GILLARCO".

The Company has plans to expand its product portfolio with marketing and selling of products in Paints and Wood Utility Segment. It is also planning to foray into new geographies with products under its own brand name "GILLARCO" by setting up a Distributor Network. Your Directors expect that this Division will yield better results in the coming year.

### Property Division

Your Division reported a decrease in revenue during the year when compared with the previous year due to decrease in tenants and increase in maintenance expenditure. Efforts are being made on a continuous basis to identify potential tenants and steps are being taken to further improve the quality of service to the tenants by undertaking repairs and upgradation of other facilities.

As already reported earlier, latest Fire Fighting Equipments have been installed in 'Gillander House' and Fire Safety measures are being followed on a continuous basis. Your Directors expect the Division to do better in the coming year.

### Internal Control System and their adequacy

Your Company has proper and adequate system of internal controls. Audit of various divisions, units, factories, sites, branches and its corporate offices are conducted by Independent professional firms of Chartered Accountants and reports thereon are reviewed and discussed by the Audit Committee of the Board of Directors and corrective action, as deemed necessary, are taken. Procedures have been laid down by your Company to safeguard and protect all assets and ensure that the transactions are authorized, recorded and reported correctly.

### Human Resources and Industrial Relations

Your Company has laid down the processes for attracting, retaining and recognizing talent as it acknowledges the importance of good Human Resource. Company has cordial relations with employees and there is mutual respect and admiration for each other. Your Directors wish to record their appreciation for the co-operation received from all employees. Industrial relation was generally good.

### Caution Statement

Management Discussion and Analysis Report contains forward-looking statements, which are based on certain assumptions and expectations of future events. The Company's actual results and performance may differ from those projected due to unforeseen circumstances viz., political, economic etc., over which the Company does not have any control. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. Readers are advised to apply their own diligence and independent judgment.

### DIRECTORS

In the ensuing Annual General Meeting of the Company, Smt. P. D. Kothari and Mr. P. K. Khaitan retires by rotation under Articles 109 and 110 of the Articles of Association of the Company, and being eligible offer themselves, for re-appointment.

At the Board Meeting held on February 13, 2013, Mr. D. K. Sharda was re-appointed as Managing Director, designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2013. The said re-appointment is subject to the approval of the members of the Company in the ensuing Annual General Meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirm having:

- Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;
- 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 your Company at the end of the financial year and of the profit of your Company for that period;
- 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 your Company and for preventing and detecting fraud and other irregularities; and
- 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. Financial Statements and the notes thereon is self explanatory and need 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. Dutta, Ghosh & Associates, Chartered Accountants, Kolkata, the Branch Auditor of the GIS Cotton Mill unit of Textile Division of the Company, retire after the conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves, for re-appointment.

Messrs. Kothari & Company, Chartered Accountants, Kolkata, the Branch Auditor of the Engineering (MICCO) Division of the Company, retire after the conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves, for re-appointment.

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, has approved the re-appointment of the following Cost Auditors for conducting Cost Audit for the financial year 2012-13:

- i) Textile Division - M/s. D. Sabyasachi & Co., Kolkata;
- ii) Tea Division - M/s. B. Ray & Associates, Kolkata; and
- iii) Chemical (Waldies) Division - M/s. Rammani Sarkar & Co., Hooghly.

#### **CORPORATE GOVERNANCE**

The Report on Corporate Governance duly certified by CS Deepak Kumar Khaitan, 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, 2013 an amount of ₹ 2,508.26 lakhs was outstanding as fixed deposits received from the public and shareholders of your Company. Matured fixed deposit amounting to ₹ 3.60 lakhs 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 and 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 29, 2013.

## 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, 2013.

### A. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken:

Energy conservation is given high importance and continuous efforts are made to save energy. Studies, discussions and analysis are made by the Company on a continuous basis to identify areas and implement measures to conserve energy. Some of the measures undertaken are:

- i) Timely replacement of power capacitor and equipments for achieving ideal power factor.
- ii) Interlocking of beater motor in blow room.
- iii) Installation of energy saving spindle tape.
- iv) Installation of VFD on ID Fan in Power Plant.
- v) Installation of VFD in air compressor.
- vi) Installation of limit switch in the circuit in humidification plant and servicing area.
- vii) Replacement of conventional tube lights by energy efficient tube lights.

viii) Replacement of old rewound motors with high efficiency motors in the plant.

ix) Replacement of old pipeline to save compressed air.

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

Your Company intends to install energy efficient upgraded machineries, equipments and technologies in place of old machineries. Awareness drives at all levels are made by the Company for economic use and conservation of energy.

#### 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 efficient use of energy and saving of energy. However, due to steep increase in the cost of inputs and petroleum products, the overall cost of production has increased.

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

##### Form A

#### A. Power and Fuel consumption

	2013	2012
<b>1. Electricity</b>		
<b>a) Purchased</b>		
Unit	36,02,19,84	35,54,09,09
Total Amount (₹ in Lakhs)	25,29.50	21,57.91
Rate/unit (₹)	7.02	6.07
<b>b) Own Generation</b>		
<b>i) Through Diesel Generator (Unit)</b>	3,28,55,82	7,35,74,72
Unit per litre of Diesel Oil	3.31	3.26
Cost/unit (₹)	13.77	12.07
<b>ii) Through Gas Gen. Set (Unit)</b>	95,16,15	1,04,94,01
Unit per S.Cu.M.	1.21	1.20
Cost/unit (₹)	5.30	5.46
<b>iii) Through Steam Turbine (Unit)</b>	41,99,55,00	26,67,92,00
Unit per M.T.	8.91	8.45
Cost/unit (₹)	5.01	4.69
<b>2. a) Coal (Grade B and used in Drier)</b>		
Quantity (M. T.)	58,90	58,09
Total Cost (₹ in Lakhs)	3,93.74	2,82.54
Average Rate (₹/M.T.)	66,85.37	48,63.51



	2013	2012
<b>b) Coal (Grade B and used in Boiler)</b>		
Quantity (M. T.)	9,99	13,73
Total Cost (₹ in Lakhs)	90.21	98.59
Average Rate (₹/M.T.)	90,27.96	71,80.22
<b>3. Furnace Oil</b>		
Quantity (K. ltrs.)	2,53	1,60
Total Cost (₹ in Lakhs)	1,29.70	73.06
Average Rate (₹/ltrs.)	51.22	45.61
<b>4. Others/internal generation</b>		
<b>a) Natural Gas</b>		
Quantity (S. Cu. M.)	1,95,37,53	2,06,89,37
Total Cost (₹ in Lakhs)	1,21.42	1,06.45
Rate/Unit (₹/S. Cu. M.)	6.21	5.15
<b>b) Husk</b>		
Quantity (M.T.)	4,71,23	3,15,75
Total Cost (₹ in Lakhs)	21,05.60	12,51.48
Average Rate (₹/M.T.)	44,68.27	39,63.58
<b>c) Jute Dust / Caddies</b>		
Quantity (M.T.)	20,88	14,27
Total Cost (₹ in Lakhs)	20.25	10.32
Average Rate (₹/M.T.)	9,70.10	7,22.91
<b>B. Consumption per unit of Production (Standard, if any -)</b>		
<b>1. Tea</b>		
Production (Gross) (M.T.)	93,22	91,52
Electricity (unit per M.T.)	9,52	9,46
Coal (Kgs per M.T.)	6,32	6,35
Furnace Oil (Ltrs. per M.T.)	27	18
Natural Gas (S.Cu.M. per M.T.)	2,10	2,26
<b>2. Cotton and Man made Fibre Yarn</b>		
Production (M.T.)	1,80,62	1,50,67
Electricity (unit per M.T.)	39,99	40,38
Husk (Kgs. per M.T.)	43,63	32,03
Coal (Kgs per M.T.)	11	73
Jute Dust / Caddies (Kgs per M.T.)	2,88	2,74
<b>3. Steel Structural</b>		
Production (M.T.)	16,79	17,50
Electricity (Unit per M.T.)	1,25	1,13
<b>4. Lead Oxides</b>		
Production (M.T.)	34,92	36,66
Electricity (unit per M.T.)	2,20	2,08
Coal (Kgs per M.T.)	2,19	2,22
<b>5. White lead, Lead Salts &amp; Metallic Stearates</b>		
Production (M.T.)	3,84	4,26
Electricity (Unit per M.T.)	4,42	4,00
Coal (Kgs per M.T.)	3,96	4,23



## 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 various Trade Associations viz., North India Textile Research Association (NITRA) 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 the aforesaid Associations are pursued and implemented, which helps in optimizing production and improvement of quality of the products.

Research & Development would continue to be a focus area and in order 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  
₹9.66 Lakhs  
₹9.66 Lakhs

0.01

#### Technology absorption, adaptation and 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) Installation of latest machines /equipments viz.,
    - a) Latest Ring frames with auto doffers.
    - b) Blow rooms, cards, breaker draw frames, single delivery finisher draw frames, speed frames.
    - c) Automatic humidification plant.
    - d) Retrofitment of Auto Doffing System in ring frame, mixing bale opener, T.F.O. machines and slub attachments.
  - ii) Installation of latest irrigation and rain water harvesting system in the Tea gardens.
    - i) Improvement in productivity, conservation of energy and overall improvement in the quality of products.
    - ii) Proper and efficient use of water increases productivity due to less dependency on rainfall.
- 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 is making continuous efforts to increase the present export markets and to develop new markets. The Exports during the year increased by 5.77% compared to previous year. Constant efforts are made to produce quality products, which are acceptable in overseas markets.

### g) Total foreign exchange used and earned:

₹ in Lakhs

	2013	2012
Foreign exchange earned	91,70.57	86,70.24
Foreign exchange used	24,41.05	19,31.90

For and on behalf of the Board

A. K. Kothari  
Chairman

Kolkata, May 29, 2013



## 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 March 31, 2013]*

The Directors present the Company's Report on Corporate Governance.

### 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 8 (Eight) Directors, 4 (Four) of whom are Independent Directors, 2 (Two) of whom are Non – Executive Promoter Directors, 1 (one) of whom is Non-Executive Director and 1 (One) of whom is Whole time Director with considerable experience in their respective fields.

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

Remuneration to the Non-Executive Directors and Independent Directors are 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 ₹ 7,500. Details of sitting fees paid to them are given at

respective places in this Report. In accordance with the resolution passed by the members at the Annual General Meeting held on September 07, 2010 the Non-Executive Directors of the Company are also entitled to commission 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 information, as applicable, and specified in Annexure IA to Clause 49 of the above-mentioned Listing Agreements with the Stock Exchanges are 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 intervening period between two Board meetings is well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement with Stock Exchanges.

During the year under review, the Board met 4 (Four) times. The details of Board Meetings held during the financial year 2012-2013 are as under:

S.N.	Date of Board Meeting	City	No. of Directors present
1.	May 29, 2012	Kolkata	7
2.	August 13, 2012	Kolkata	6
3.	November 10, 2012	Kolkata	8
4.	February 13, 2013	Kolkata	7





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:

S.N.	Name of Director	Category of Director	Attendance during 2012-2013		No. of Outside Directorship(s)/ Chairperson of the outside Board *	No. of Membership(s)/ Chairmanship(s) in Outside Committee#
			Board Meetings	Last AGM held on 13.08.12		
1.	Mr. A. K. Kothari	Non-Executive Promoter Chairman	4	Yes	7 (1 as Chairman)	3
2	Smt. P. D. Kothari	Non-Executive Promoter	4	Yes	5	NIL
3.	Mr. P. K. Khaitan	Non-Executive	3	No	14	3
4.	Mr. J. N. Godbole	Independent	4	No	14	9 (3 as Chairman)
5.	Mr. H. P. Kanoria	Independent	1	No	2	NIL
6.	Mr. H. M. Parekh	Independent	4	Yes	8	7 (2 as Chairman)
7.	Mr. N. Pachisia	Independent	4	No	8	6
8.	Mr. D. K. Sharda	Managing Director & CEO	4	Yes	2	NIL

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

# Memberships/Chairmanships of only the Audit Committee and Shareholders'/Investors' Grievance Committee of Indian Public Limited Companies have been considered.

#### (D) Code of Conduct

- 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).

- Declaration as required under Clause 49(I)(D)(ii) with respect to financial year ended on March 31, 2013, signed by the Managing 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, cost



auditors, internal auditors and the Board of Directors and oversees the financial reporting process.

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

S.N.	Name of the Director	Category	Designation
1.	Mr. H. M. Parekh	Independent	Chairman
2.	Mr. A. K. Kothari	Non Executive Promoter	Member
3.	Mr. J. N. Godbole	Independent	Member
4.	Mr. N. Pachisia	Independent	Member

The Statutory Auditor, Cost Auditors, Internal Auditors, Managing Director & CEO and Joint President & CFO of the Company are invited to the Audit Committee Meetings, as and when required. The Company Secretary acts as the Secretary to the Committee.

#### (B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 4 (four) times on May 29, 2012, August 13, 2012, November 10, 2012 and February 13, 2013 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

S.N.	Name of the Member	No. of Meetings attended	Sitting fees paid (₹)
1.	Mr. H. M. Parekh	4	30,000
2.	Mr. A. K. Kothari	4	30,000
3.	Mr. J. N. Godbole	4	30,000
4.	Mr. N. Pachisia	4	30,000

#### (C) Powers of Audit Committee

The audit committee is endowed with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. 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:

1. 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.
2. 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.
3. Approval of payment to statutory auditor for any other services rendered by the statutory auditor.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications, if any, in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. 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.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up thereon.
10. 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, background 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 before the Audit Committee periodically. A comprehensive list of related party transactions, as required by Accounting Standard (AS) 18, and prescribed under Companies Act, 1956, forms part of Note No. 32 to the financial statements in the Annual Report.

The Company's related party transactions are mainly with its associate Companies and are entered into based on considerations of various business exigencies, liquidity and capital resources of the associates. These transactions are not likely to have any conflict with the interests of the Company at large.

Details of total remuneration paid / payable to all the Directors of your Company for the year ended March 31, 2013 are as follows:

₹ in Lakhs

S.N.	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.	1.13	1.00	2.13
2.	Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	0.82	21.00	21.82
3.	Mr. P. K. Khaitan	N.A.	N.A.	N.A.	N.A.	0.37	1.00	1.37
4.	Mr. J. N. Godbole	N. A.	N.A.	N.A.	N.A.	0.60	1.00	1.60
5.	Mr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	0.08	1.00	1.08
6.	Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	0.75	1.00	1.75
7.	Mr. N. Pachisia	N.A.	N.A.	N.A.	N.A.	0.60	1.00	1.60
8.	Mr. D. K. Sharda	23.40	2.81	N.A.	3.74	N.A.	N.A.	29.95
	<b>Total</b>	<b>23.40</b>	<b>2.81</b>	-	<b>3.74</b>	<b>4.35</b>	<b>27.00</b>	<b>61.30</b>

(N.A. indicates Not Applicable)



The Board of Directors of the Company at their meeting held on February 13, 2013 has re-appointed Mr. D. K. Sharda as the 'Managing Director', designated as the 'Managing Director & CEO' of the Company, for a period of 1 (one) year w.e.f. April 01, 2013. The said re-appointment is subject to the approval of the members of the Company.

During the year, the Company has paid professional fees to M/s. Khaitan & Co LLP, a firm in which Mr. P. K. Khaitan, Non – Executive Director of the Company, is a Partner. There was no other pecuniary relationship or significant/material transactions of 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 Independent Directors are as follows:

S.N.	Name of Director	No. of Ordinary (Equity) Shares held as on March 31, 2013
1.	Mr. A. K. Kothari	1,25,287
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. H. M. Parekh	NIL
7.	Mr. N. Pachisia	NIL

#### (F) Management

1. 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.
2. 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

1. The Company has provided the details of the Directors seeking re-appointment (as per the requirement of Clause 49 of the listing agreements) in the Notice convening the Annual General Meeting of the Company. Smt. P. D. Kothari and Mr. P. K. Khaitan, retire by rotation at the ensuing Annual General Meeting, and are eligible for re-election.
2. Out of all the Directors of your Company, only Mr. A. K. Kothari and Smt. P. D. Kothari are related to each other.
3. 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.
4. Shareholders'/Investors' Grievance Committee  
The Company has a 'Shareholders'/Investors' Grievance Committee' of the Board to specifically look into various matters relating to shareholders/investors, including

transfer and transmission of shares as well as non-receipt of annual report, non- receipt of declared dividends, shares after transfers / transmissions and delays in transfer / transmission of shares. In addition, the Committee looks into other issues including status of dematerialization / rematerialization 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 Shareholders' / Investors' Grievance Committee comprises of the following Directors viz., Mr. H. M. Parekh (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 once during the year on February 13, 2013. Details of the attendance and sitting fees paid are as follows:

S.N.	Name of the Member	Attendance	Sitting fees paid (₹)
1.	Mr. H. M. Parekh	Yes	7,500
2.	Mr. A. K. Kothari	Yes	7,500
3.	Smt. P. D. Kothari	Yes	7,500
4.	Mr. P. K. Khaitan	Yes	7,500
5.	Mr. D. K. Sharda	Yes	N.A.

During the year, the Company received 11 (Eleven) complaints regarding non-receipt of Annual Report/ Share Certificate/Dividend from the shareholders, all of which were attended satisfactorily. There was no investor complaint pending against the Company as on March 31, 2013 on SCORES, the web based complaint redressal system of SEBI.

5. Pursuant to the authorization of the Board of Directors of the Company, the Managing Director & CEO, Joint President & CFO and the Company Secretary approves the Transfer / Transmission / Sub-division / Consolidation/ Renewal / Replacement / Issue of Duplicate Share Certificate(s) / Deletion of Name(s) and Dematerialization / Rematerialization of shares of the Company. A summary of transfer / transmission etc. of securities of the Company so approved by the Managing Director & CEO, Joint President & CFO and the Company Secretary is placed at every Board Meeting / Shareholders'/Investors' Grievance Committee.
6. 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 & 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

1. 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.
2. 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 of the above-mentioned listing agreements.

## VIII. General Body Meetings

### 1. Location and time of last three Annual General Meetings (AGM):

Financial Year	Date of AGM	Venue	Time
2011-2012 ( 78th AGM)	13.08.2012	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Kolkata-700001	11.00 A.M.
2010-2011 (77th AGM)	12.08.2011	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Kolkata-700001	11.30 A.M.
2009-2010 (76th AGM)	07.09.2010	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Kolkata-700001	11.30 A.M.

2. In the previous 3 (three) AGMs, special resolution was passed only in the AGM held on September 07, 2010, for payment of commission to Non – Executive Directors of the Company.
3. No special resolution has been passed through postal ballot during the financial year 2012-2013. 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 matters pursuant to Section 293(1)(a). 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, 2011. Mr. D. K. Sharda, Managing Director & CEO and Mr. D. Karmakar, Company Secretary of the Company were responsible for the conduct of the postal ballot process. CS Deepak Kumar Khaitan, Practising Company Secretary was appointed as the Scrutinizer. The Result of the Postal Ballot conducted vide notice dated May 29, 2012 was declared on July 24, 2012. The details are as follows (voting pattern):

Resolution	No. of Votes cast (For) No. of Shares	No. of Votes cast (Against) No. of Shares
Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956	1,46,51,871	10,325

## IX. Means of Communication

1. 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 The Economic Times/Financial Express/Business Standard/ Business Line in English and in Aajkaal in Bengali. The results are also available on the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)



2. NSE Electronic Application Processing System (NEAPS) – All periodical compliance filings like shareholding pattern, corporate governance report etc. are filed electronically on NEAPS.
3. BSE Corporate Compliance & Listing Centre - All periodical compliance filings are also filed electronically on the said centre.
4. Quarterly/half yearly reports are not being sent to the shareholders.

**X. General Shareholder Information**

<b>1) Date, time and venue of the Annual General Meeting</b>	August 10, 2013 at 11-30 A.M. at the Williamson Major Hall of the Bengal Chamber of Commerce and Industry, Kolkata-700001
<b>2) Financial Calendar 2013-2014 (tentative and subject to change)</b>	<ul style="list-style-type: none"> <li>• Financial Year: April to March</li> <li>• First Quarter Results: by second week of August, 2013</li> <li>• Half Yearly Results: by second week of November 2013</li> <li>• Third Quarter Results: by second week of February 2014</li> <li>• Audited results for the year ending 31st March 2014: by last week of May, 2014</li> </ul>
<b>3) Book Closure Period</b>	August 01, 2013 to August 07, 2013 (both days inclusive)
<b>4) Dividend Payment Date</b>	By Third Week of August, 2013
<b>5) Listing on Stock Exchanges</b>	<ol style="list-style-type: none"> <li>i) The Calcutta Stock Exchange Limited (CSE) 7 Lyons Range, Kolkata-700 001.</li> <li>ii) Bombay Stock Exchange Limited (BSE) P J Towers, Dalal Street, Mumbai- 400 001.</li> <li>iii) National Stock Exchange of India Limited(NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.</li> </ol>
<b>6) Stock Code</b>	CSE - 17321 & 10017321 BSE - 532716 NSE - GILLANDERS

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

Months	Stock Price at BSE		Stock Price at NSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
April 2012	80.80	64.55	84.80	66.45	17,664.10	17,010.16
May 2012	79.45	64.20	79.90	63.75	17,432.33	15,809.71
June 2012	68.45	59.25	72.90	58.60	17,448.48	15,748.98
July 2012	68.75	61.00	68.70	61.05	17,631.19	16,598.48
August 2012	67.95	58.00	67.55	60.00	17,972.54	17,026.97
September 2012	65.50	57.75	63.75	56.40	18,869.94	17,250.80
October 2012	73.25	58.15	73.50	61.10	19,137.29	18,393.42
November 2012	92.25	62.25	92.00	61.05	19,372.70	18,255.69
December 2012	82.00	73.55	85.05	73.65	19,612.18	19,149.03
January 2013	85.90	74.15	86.00	74.20	20,203.66	19,508.93
February 2013	81.00	69.40	83.00	70.00	19,966.69	18,793.97
March 2013	74.40	65.15	74.20	65.25	19,754.66	18,568.43

# Source BSE &amp; NSE Websites



<b>8) Registrars &amp; Share Transfer Agent</b> (Both Physical & Demat Segments)	<b>Maheshwari Datamatics Pvt. Ltd.</b> ( Unit : Gillanders Arbuthnot and Company Limited) 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata - 700001
<b>9) Share Transfer System</b>	Requests for transfer of shares in physical form received either at the registered office of the Company or at the Office of the Registrars are generally approved within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects. Dematerialization requests are also normally disposed off within a period of 15 days.

**10) Distribution of Shareholding as on March 31, 2013**

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	14,490	90.2580	12,06,240	5.6519
501-1000	764	4.7589	5,74,326	2.6910
1001-2000	384	2.3919	5,52,329	2.5879
2001-3000	155	0.9655	3,93,041	1.8416
3001-4000	49	0.3052	1,72,319	0.8074
4001-5000	49	0.3052	2,26,489	1.0612
5001-10000	81	0.5045	5,99,157	2.8074
10001 and above	82	0.5108	1,76,18,445	82.5516
<b>Total</b>	<b>16,054</b>	<b>100.00</b>	<b>2,13,42,346</b>	<b>100.00</b>

**11) Categories of Shareholders as on March 31, 2013**

Category	Number of shares	Percentage of Shareholdings
Indian Promoters	1,46,67,731	68.7260
Mutual Funds	300	0.0014
Banks, Financial Institutions, Insurance Companies	12,56,258	5.8862
Central Government/State Government(s)	7,086	0.0332
Other Private Corporate Bodies	8,87,150	4.1568
Indian Public	43,67,260	20.4629
NRI	1,47,975	0.6933
Others - Trusts, Clearing Members etc.	8,586	0.0402
<b>TOTAL</b>	<b>2,13,42,346</b>	<b>100.00</b>

**12) Dematerialization of Shares and Liquidity**

The shares of the Company are available for trading in the dematerialized form under both the Depository Systems in India - National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). The annual custody fees for the financial year 2013-14 have been paid to NSDL and CDSL, the Depositories. Trading in Company's shares can now be done only in the dematerialized form. As on March 31, 2013, 2,04,63,699 Ordinary Shares representing 95.88% 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>13) Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity</b>	Not applicable												
<b>14) Plant Locations</b>	<p><b>1. Tea Division:</b></p> <table border="0"><tr><td>a) Betjan Tea Estate, Post Office: Makum Junction, District : Tinsukia, Assam. Pin - 786170</td><td>f) Borkatonee Tea Estate, Post Office: Golaghat, District : Golaghat, Assam. Pin - 785621</td></tr><tr><td>b) Jutilbari Tea Estate, Post Office: Hoogrijan, District : Dibrugarh, Assam. Pin - 786601</td><td>g) Dherai Tea Estate, Post Office: Dhekiajuli, District : Sonitpur, Assam. Pin - 784110</td></tr><tr><td>c) Gorunga Tea Estate, Post Office: Golaghat, District : Golaghat, Assam. Pin - 785621</td><td>h) Gairkhata Tea Estate, Post Office: Gairkhata, District : Jalpaiguri, W.B., Pin - 735212</td></tr><tr><td>d) Arun Tea Estate, Post Office: Dhekiajuli, District : Sonitpur, Assam. Pin - 784110</td><td>i) Talpoo Tea Estate, Post Office: Bagdogra, District : Darjeeling, W. B., Pin - 734422</td></tr><tr><td>e) Dooria Tea Estate, Post Office: Golaghat, District : Golaghat, Assam. Pin - 785621</td><td>j) Tengpani Tea Estate, Post Office: Makum Junction, District : Tinsukia, Assam. Pin - 786170</td></tr></table> <p><b>2. Textile Division:</b></p> <table border="0"><tr><td>(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh - 148021 District : Sangrur, Punjab.</td><td>(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District : Hooghly, W.B. Pin - 712222</td></tr></table> <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, District : Hooghly - 712235. W. B.</p>	a) Betjan Tea Estate, Post Office: Makum Junction, District : Tinsukia, Assam. Pin - 786170	f) Borkatonee Tea Estate, Post Office: Golaghat, District : Golaghat, Assam. Pin - 785621	b) Jutilbari Tea Estate, Post Office: Hoogrijan, District : Dibrugarh, Assam. Pin - 786601	g) Dherai Tea Estate, Post Office: Dhekiajuli, District : Sonitpur, Assam. Pin - 784110	c) Gorunga Tea Estate, Post Office: Golaghat, District : Golaghat, Assam. Pin - 785621	h) Gairkhata Tea Estate, Post Office: Gairkhata, District : Jalpaiguri, W.B., Pin - 735212	d) Arun Tea Estate, Post Office: Dhekiajuli, District : Sonitpur, Assam. Pin - 784110	i) Talpoo Tea Estate, Post Office: Bagdogra, District : Darjeeling, W. B., Pin - 734422	e) Dooria Tea Estate, Post Office: Golaghat, District : Golaghat, Assam. Pin - 785621	j) Tengpani Tea Estate, Post Office: Makum Junction, District : Tinsukia, Assam. Pin - 786170	(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh - 148021 District : Sangrur, Punjab.	(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District : Hooghly, W.B. Pin - 712222
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<b>15) 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: secretarial@gillandersarbuthnot.com</p> <p><b>(Investors are requested to forward their complaints / grievances, if any, to the above e-mail address)</b></p> <p><b>Registrar and Share Transfer 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 email: mdpl@cal.vsnl.net.in</p>												





16) Cost Audit for the Financial Year 2011-12	Name of Division	Name of Cost Auditor
	Textile Division - North India Spinning Mill (NISM)	M/s. S. Gupta & Co., Kolkata
	Textile Division - GIS Cotton Mill	M/s. S. Gupta & Co., Kolkata
	Tea - Arun, Betjan, Borkatonee, Dherai, Dooria, Gorunga, Jutilbari & Tengpani Tea Estates and Banwaripur Tea Factory	M/s. B. Ray & Associates, Kolkata
	Tea - Taipoo & Gairkhata Tea Estates	M/s. DGM Associates, Kolkata
	Chemical (Waldies)	M/s. S. Gupta & Co., Kolkata
The Compliance Report relating to the Engineering (MICCO) Division and Cost Audit Reports relating to the aforesaid Divisions of the Company were filed with the Ministry of Corporate Affairs in XBRL format on January 31, 2013 and February 01, 2013 respectively. The due date for filing of the said documents was February 28, 2013.		

## XI. Other Board Committees

### 1) 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 Directors.

Mr. H. P. Kanoria was the Chairman of the Remuneration Committee. However, in the Board Meeting held today i.e. May 29, 2013, the Board of Directors of the Company has appointed Mr. H. M. Parekh as the Chairman of the Committee. The Remuneration Committee met once during the year on February 13, 2013. Details of the composition, attendance and sitting fees paid are as follows:

S.N.	Name of the Member	Attendance	Sitting fees paid (₹)
1.	Mr. H. P. Kanoria#	No	NIL
2.	Mr. A. K. Kothari *	Yes	7,500
3.	Smt. P. D. Kothari	Yes	7,500
4.	Mr. P. K. Khaitan	Yes	7,500
5.	Mr. H. M. Parekh*	Yes	7,500
6.	Mr. N. Pachisia*	NA	-

# Mr. H. P. Kanoria being the Chairman of the Remuneration Committee was unable to attend the Remuneration Committee Meeting of the Company held on February 13, 2013.

\* With effect from May 29, 2013. Mr. H. M. Parekh has been appointed as the Chairman, Mr. A. K. Kothari resigned as member and Mr. N. Pachisia has been inducted as a member of the Remuneration Committee.

### 2) Finance Committee

The Finance Committee of the Board of Directors of the Company have been delegated powers/authorities by the Board of Directors under Section 292(1)(c),(d) and (e) of the Act, subject to certain limits. At present, Mr. A. K. Kothari is the Chairman of the Committee, whereas, Smt. P. D. Kothari and Mr. D. K. Sharda 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 5 (five) times.

## XII. Other Useful information for Shareholders

### 1) Unpaid/Unclaimed Dividends

Shareholders who have not yet encashed their dividend warrant(s) for the years 2005-2006 to 2011-2012 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 2005-2006 is due for transfer to IEPF later during the year.

### 2) National Electronic Clearing Service (NECS) Facility

Company is providing facility of NECS for payment of dividend to shareholders as available through Reserve Bank of India. Shareholders holding shares in physical form are requested to send their NECS mandate form, duly filled in at the registered office of the Company or its RTA. NECS mandate form is being sent along with the Annual Report. However, if the shares are held in dematerialized form, the NECS mandate has to be communicated to the respective Depository Participants (DPs) directly. Changes, if any, in the details furnished earlier may also be communicated to the Company or DPs, as the case may be.

### 3) Green Initiative in Corporate Governance

In furtherance of the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs, the Company has sent communication to all shareholders requesting them to register their e-mail address with the Company for receiving notice/documents including Annual Report in electronic mode. Shareholders 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. Shareholders who hold shares in physical form are requested to register their e-mail id with Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agent of the Company.

For and on behalf of the Board  
**A. K. Kothari**  
Chairman

Kolkata, May 29, 2013

### 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, 2013.

**D. K. Sharda**  
Managing Director & CEO

Kolkata, May 29, 2013.

## 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 having CIN L51909WB1935PLC008194 (hereinafter referred to as "the Company"), for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company entered into with Stock Exchanges (BSE, NSE & CSE), with the relevant records and documents maintained by the Company as well as Registrars of the Company and furnished to me.

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 Agreements 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.

**CS Deepak Kumar Khaitan**  
Practising Company Secretary  
F.C.S. No.: 5615  
C.P.No: 5207

Place: Kolkata

Date: 29th day of May, 2013

## INDEPENDENT AUDITORS' REPORT

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

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Gillanders Arbuthnot and Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

- 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;
- 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;
- The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the board of directors, we report that none of the directors are disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

#### Other Matter

9. The report on the audit of Engineering (MICCO) Division and GIS Cotton Mill (unit of Textile Division) carried out by Kothari & Company and Dutta Ghosh & Associates respectively have been forwarded to us as required under clause (c) of sub-section (3) of section 228 of the Companies Act, 1956 and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of other matter.

**For Singhi & Co.**  
Chartered Accountants  
(Firm Registration No. 302049E)  
**Rajiv Singhi**  
Partner  
Membership No: 053518

Kolkata  
29th May, 2013



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - The fixed assets of the Company have been physically verified by the management and/or by a firm of Chartered Accountants on behalf of the management during the year and no material discrepancies between the book records and the physical stock have been noticed. In our opinion, the frequency of verification is reasonable.
  - 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.
- ii. In respect of its inventories:
- As explained to us, the inventories of the Company (excluding inventories 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.
  - In our opinion, and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - On the basis of our examination of the inventories records, in our opinion, and according to information and explanations given to us, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- iii. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act and according to information and explanations given to us:
- The Company has granted unsecured loans aggregating ₹ 50 Lakhs to 1 (one) party and repaid during the year. The maximum amount outstanding during the year was ₹ 50 Lakhs.
  - The rate of interest and other terms and conditions of such loan is, in our opinion, prima facie not prejudicial to the interest of the Company.
- The receipts of principal amounts have been as per stipulations and there have been no delay in receipts of interests.
  - Since, there is no overdue amount of principal and interest; hence clause 4(iii) (d) of the order is not applicable.
  - The Company has taken unsecured demand loans aggregating ₹ 1,565 Lakhs from 6 (Six) parties during the year. At the year-end, the outstanding balance of such loans taken aggregated to ₹ 430 Lakhs and the maximum amount outstanding during the year was ₹ 2,100 Lakhs.
  - In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
  - The principal amount is due for repayment on demand and the Company has been regular in payment of interest.
- iv. 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 its business with regard to the purchase of inventories, 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.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:
- The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - Where transaction exceeds the value of ₹ 5 Lakhs in respect of each party during the year, the transactions have been made at prices which appear reasonable as per information available with the Company.
- vi. 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 rules framed there under with



respect to fixed deposit (from 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.

- vii. In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of the business.
- viii. We have broadly reviewed the cost records maintained by the Company relating to its products (Tea Plantation, Textile, Chemical and Engineering) pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act, and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed

examination of the cost records with a view to determine whether they are accurate or complete.

- ix. According to the information and explanations given to us and the records of the Company examined by us:
- The Company has been 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.
  - There were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable.
  - The particulars of dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess as applicable as at 31st March 2013 which have not been deposited on account of a dispute are as follows –

Name of the Statute	Nature of Dues	Amount Involved (₹ in Lakhs)	Period to which the amount relates	Forum where Dispute is Pending
The Central Sales Tax Act, 1956	Sales Tax	15.61	2003-04 & 2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		1254.81	2004-05, 2005-06, 2006-07, 2007-08, 2008-09 & 2009-10	Sr. Joint Commissioner of Sales Tax, Kolkata
		2.60	2006-07	The Appellate Deputy Commissioner CIT(II)
The West Bengal Sales Tax Act, 1994	Sales Tax	30.25	1996-97 & 1998-99	Deputy Commissioner of Commercial Taxes, Kolkata
		9.78	2003-04 & 2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		0.82	2001-02	Settlement of Dispute Board
West Bengal Value Added Tax Act, 2005	Sales Tax	577.15	2005-06, 2007-08, 2008-09 & Quarter ended Jun 2006, Dec 2006, Jun 2010 & Dec 2010	Sr. Joint Commissioner Sales Tax, Kolkata
		178.55	Quarter ended Sep 2006 & Mar 2007	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



Name of the Statute	Nature of Dues	Amount Involved (₹ in Lakhs)	Period to which the amount relates	Forum where Dispute is Pending
Finance Act, 1994	Service Tax	42.46 (Paid under Protest ₹ 15 Lakhs)	2003-04 to 2006-07	Appellate Tribunal, Kolkata
		47.62 (Paid under Protest ₹ 43.81 Lakhs)	2004-05, 2005-06 & 2008-09	CCE (Appeals) Ranchi
		17.75 (Paid under Protest ₹ 17.75 Lakhs)	2006-07 & 2007-08	CCE (Appeals) Bhubaneswar –II
		83.60	2005-06 to 2008-09	Commissioner, Bhubaneswar – I
		143.42	2007-2012	Commissioner Central Excise & Service Tax, Jamshedpur
		112.56	2006-11	CESTAT, Kolkata
		2.85	2011-12	Deputy Commissioner Central Excise & Service Tax, Jamshedpur
		39.00 (Paid under Protest ₹ 5 lakhs)	2005-06 to 2010-11	CCE (Appeal)
Income Tax Act, 1961	Income Tax	5.86	1987-88	High Court, Kolkata

- x. The Company does not have accumulated losses as at 31st March 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations 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.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts relating to purchase of investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause (xv) of Paragraph 4 of the Order are not applicable to the Company.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. The Company has not issued any debentures and accordingly the question of creation of securities in this regard does not arise.
- xx. The Company has not raised any money from public issue during the year.
- xxi. 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 instances 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.

Kolkata  
29th May, 2013

For **Singhi & Co.**  
Chartered Accountants  
(Firm Registration No. 302049E)  
**Rajiv Singhi**  
Partner  
Membership No: 053518

STATEMENT  
OF  
ACCOUNTS

**BALANCE SHEET** as at 31st March, 2013

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	23,34.23	23,34.23
Reserves and Surplus	3	1,92,19.30	1,76,78.37
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	82,68.22	71,07.75
Deferred Tax Liabilities (Net)	5	9,40.00	6,10.00
Other Long Term Liabilities	6	22,80.90	23,20.62
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,74,82.71	1,32,91.06
Trade Payables	8	92,33.86	88,37.36
Other Current Liabilities	9	64,55.92	52,32.59
Short Term Provisions	10	23,11.02	15,82.99
		<b>TOTAL</b>	<b>6,85,26.16</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
(i) Tangible Assets	11	2,10,49.08	2,23,83.24
(ii) Intangible Assets		93.91	1,33.85
(iii) Capital Work-in-Progress		27,44.08	4,05.39
		<b>2,38,87.07</b>	<b>2,29,22.48</b>
Non-Current Investments	12	24.17	24.13
Long Term Loans and Advances	13	66,17.24	57,90.85
Other Non-Current Assets	14	73.00	24.42
<b>Current Assets</b>			
Current Investments	15	23,50.37	17,76.08
Inventories	16	1,70,15.48	1,40,63.99
Trade Receivables	17	1,12,71.21	77,27.39
Cash and Bank Balances	18	3,51.50	3,54.76
Short Term Loans and Advances	19	62,87.15	53,84.11
Other Current Assets	20	6,48.97	9,26.76
		<b>TOTAL</b>	<b>6,85,26.16</b>

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For and on behalf of the Board

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number - 302049E  
**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 29th May, 2013

**D. K. Sharda**  
Managing Director & CEO

**A. K. Kothari**  
Chairman

**D. Karmakar**  
Company Secretary

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




**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2013

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Income</b>			
Revenue from Operations (Gross)	21	7,90,90.29	6,81,16.47
Less : Excise Duty		8,48.67	7,98.78
Revenue from Operations (Net)		7,82,41.62	6,73,17.69
Other Income	22	8,25.44	5,81.87
<b>Total Revenue</b>		<b>7,90,67.06</b>	<b>6,78,99.56</b>
<b>Expenses</b>			
Cost of Raw Materials Consumed	23	3,23,73.14	2,91,37.47
Purchases of Stock-in-Trade	24	76,21.54	75,05.29
Changes in Inventories of Finished goods, Stock-in-Process and Stock-in-Trade	25	(9,32.81)	(4,82.55)
Employee Benefits Expense	26	1,00,29.11	89,32.49
Finance Costs	27	28,48.14	28,71.18
Depreciation and Amortisation Expense	11	24,90.75	24,61.97
Other Expenses	28	2,16,98.15	1,90,03.86
<b>Total Expenses</b>		<b>7,61,28.02</b>	<b>6,94,29.71</b>
<b>Profit / (Loss) Before Tax</b>		<b>29,39.04</b>	<b>(15,30.15)</b>
Tax Expense:			
- Current Tax	29	5,50.00	46.70
- Deferred Tax		3,30.00	(6,50.00)
<b>Profit / (Loss) for the year</b>		<b>20,59.04</b>	<b>(9,26.85)</b>
Earnings per Ordinary Share (Face Value of ₹10 per share)			
- Basic & Diluted (in ₹)	39	9.56	(4.43)

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For and on behalf of the Board

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number - 302049E  
**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 29th May, 2013

**D. K. Sharda**  
Managing Director & CEO

**A. K. Kothari**  
Chairman

**D. Karmakar**  
Company Secretary

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

**CASH FLOW STATEMENT** for the year ended 31st March, 2013

₹ in Lakhs

	For the year ended 31st March, 2013		For the Year Ended 31st March, 2012	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before tax		29,39.04		(15,30.15)
Adjustments for :				
Depreciation and Amortisation Expense	24,90.75		24,61.97	
Finance Cost (Net of Incentive Income)	28,48.14		28,71.18	
Profit on Sale of Investments (Net)	(38.28)		(55.01)	
Profit on Sale of Fixed Assets (Net)	(7.18)		(30.83)	
Bad Debts and Advances written off	1,87.13		55.00	
Provision for Doubtful Debts and advances (Net of write back)	(0.91)		(70.53)	
Provision for diminution in value of investment	(12.20)		18.10	
Interest Income	(1,32.18)		(1,08.75)	
Dividend Income	(89.06)		(64.32)	
Liability no longer required written back	(2,50.36)	49,95.85	(44.47)	50,32.34
Operating profit before Working Capital Changes		79,34.89		35,02.19
Adjustments for :				
Trade and Other Receivables	(46,70.02)		(3,61.38)	
Inventories	(29,51.49)		37,94.55	
Trade and Other Payables	19,18.88	(57,02.63)	2,77.84	37,11.01
Cash Generated from Operations		22,32.26		72,13.20
Direct Taxes Paid (Net)		(4,59.01)		(7,47.72)
Interest received on Income Tax Refund		38.97		-
<b>Net Cash from Operating Activities</b>		18,12.22		64,65.48
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets including capital work-in-progress	(42,13.04)		(21,93.23)	
Proceeds from Sale of Fixed Assets	19.94		73.25	
Capital Subsidy Received	49.24		71.07	
Purchase of Current Investments	(22,96.28)		(18,72.75)	
Proceeds from Sale of Current Investments	17,72.43		18,75.25	
Interest Received	94.20		98.23	
Dividend Received	89.06		64.32	
<b>Net Cash used in Investing Activities</b>		(44,84.45)		(18,83.86)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Short Term Borrowings (Net)	39,45.53		(12,52.76)	
Proceeds from Long Term Borrowings	28,41.00		14,11.00	
Repayment of Long Term Borrowings	(13,86.20)		(12,20.44)	
Proceeds from Fixed Deposits (from Public)	6,79.26		4,95.82	
Repayment of Fixed Deposits (from Public)	(2,85.04)		(3,64.36)	
Dividend Paid	(1,24.78)		(9,64.07)	
Tax on Dividend	(19.91)		(1,58.40)	
Finance Charges Paid	(29,32.31)		(25,51.82)	
<b>Net Cash from / (used) in Financing Activities</b>		27,17.55		(46,05.03)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		45.32		(23.41)



## CASH FLOW STATEMENT (Contd.)

₹ in Lakhs

Cash and Cash Equivalents on Opening date  
Cash and Cash Equivalents on Closing date  
(Refer Note 2 below)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	
	<b>3,79.18</b>		4,02.59
	<b>4,24.50</b>		3,79.18
	<b>(45.32)</b>		23.41

### 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 ₹192.77 Lakhs (Previous Year ₹ 1,91.75 Lakhs) available for restricted use (Refer Note - 18).
3. Previous year's figures have been rearranged and regrouped wherever necessary.

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

### For Singhi & Co.

Chartered Accountants  
Firm Registration Number - 302049E  
**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 29th May, 2012

**D. K. Sharda**  
Managing Director & CEO

**D. Karmakar**  
Company Secretary

### For and on behalf of the Board

**A. K. Kothari**  
Chairman

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



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2013

### 1. Significant Accounting Policies

#### 1.1 Basis of Accounting

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.

#### 1.2 Tangible 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.

#### 1.3 Intangible Assets

Costs incurred on intangible assets, resulting in future economic benefits are capitalised as intangible assets. Intangible assets are stated at cost less accumulated amortisation and cumulative impairment losses, if any.

#### 1.4 Depreciation & Amortisation

- a) Depreciation is calculated in the manner and at applicable rates specified in Schedule XIV of the Act under straight line method except in respect of the following where written down value method is followed:
  - i) In respect of assets under Company's Engineering (MICCO) Division.
  - ii) In respect of Tea Division, assets acquired from Kothari Plantations and Industries Limited amalgamated with the Company.
  - iii) In respect of Textile Division, the assets acquired before April, 2001 of GIS Cotton Mill Limited amalgamated with the Company.
- b) 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) Leasehold land is amortised over the lease period.
- d) Computer software is amortised over a period of five years.

#### 1.5 Impairment of Assets

The carrying amounts of Fixed 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.

#### 1.6 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.

#### 1.7 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 Statement of Profit and Loss. 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 Statement of Profit and Loss.

#### 1.8 Derivative Instruments

The Company uses forward exchange contracts to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of forwards exchange contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract. Other forwards exchange contracts outstanding at the Balance Sheet date are marked to market and in case of loss the same is provided for in the financial statement. Any profit or losses arising on cancellation of forward exchange contracts are recognised as income or expense for the period.

## Notes to the Financial Statements (contd.)

### 1.9 Inventories

Inventories are valued as under: -

- |    |                                                        |   |                                                                                                                                                   |
|----|--------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------|
| a) | Stores and Spare Parts                                 | - | At cost (on weighted average basis) or net realisable value whichever is lower.                                                                   |
| b) | Raw Materials                                          | - | At cost (on weighted average basis) or net realisable value whichever is lower.                                                                   |
| c) | Stock In Process                                       | - | Is valued with material at lower of weighted average cost and market rate less estimated conversion cost.                                         |
| d) | Finished Goods / Stock in Trade / Contract in Progress | - | For long term contracts, contract in progress is valued at realisable value and provision for losses, as may be estimated for completion thereof. |
| e) | Waste / Scrap                                          | - | Others - At cost or net realisable value whichever is lower.<br>Waste and Scrap are valued at estimated realisable value.                         |

### 1.10 Employee Benefits

- a) Short Term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.
- b) Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.
- c) Actuarial gains/losses arising under Defined Benefit Plans are recognised immediately in the Statement of Profit and Loss as income/expense for the year in which they occur.

### 1.11 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.

### 1.12 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 and related liabilities. Dividends income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

### 1.13 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 realizability thereof.

**Notes to the Financial Statements (contd.)****1.14 Leases**

For assets acquired under Operating Lease, rentals payable are charged to Statement of Profit and Loss. 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 Statement of Profit and Loss over the period of Lease.

**1.15 Government Grants**

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

**1.16 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 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. Share Capital****₹ in Lakhs**

2.1	Particulars	As at 31st March, 2013	As at 31st March, 2012
	<b>Authorised</b>		
	4,20,00,000 (Previous Year - 4,20,00,000) Ordinary Shares of ₹ 10/- each	<b>42,00.00</b>	42,00.00
	2,00,000 (Previous Year - 2,00,000) Preference Shares of ₹ 100/- each	<b>2,00.00</b>	2,00.00
	<b>Issued</b>		
	2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10/- each	<b>21,34.23</b>	21,34.23
	2,00,000 (Previous Year - 2,00,000) Preference Shares of ₹ 100/- each	<b>2,00.00</b>	2,00.00
	<b>Subscribed and Fully Paid up</b>		
	2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10/- each	<b>21,34.23</b>	21,34.23
	2,00,000 (Previous Year - 2,00,000) Preference Shares of ₹ 100/- each	<b>2,00.00</b>	2,00.00
		<b>23,34.23</b>	23,34.23

**2.2 Reconciliation numbers of Shares Outstanding:**

Particulars	2012-13		2011-12	
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares
Shares outstanding at the beginning of the year	<b>2,13,42,346</b>	<b>2,00,000</b>	2,13,42,346	2,00,000
Shares outstanding at the end of the year	<b>2,13,42,346</b>	<b>2,00,000</b>	2,13,42,346	2,00,000

**2.3 Rights, Preferences and Restrictions attached to shares****i) Ordinary Shares**

- The Company has only one class of Ordinary shares having a face value of ₹ 10 per share and each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In case of liquidation the Ordinary Shareholders are eligible to receive remaining assets of the company, after distribution of all the preferential amounts, in the proportion of their Shareholding.



## Notes to the Financial Statements (contd.)

### (ii) Preference Shares

- (a) The Company has one class of 8 % Redeemable Cumulative Preference Shares having a par value of ₹ 100 per share and each holder of Preference shares has a preferential right over the Ordinary shareholders with respect to payment of dividend and repayment of Share Capital in case of liquidation . The preference shareholders do not have voting powers except in a meeting of preference shareholder.
- (b) The 8% Redeemable Cumulative Preference Shares are redeemable at par in 15 (fifteen) years from the date of allotment i.e. 31st March, 2005 with the option to the Company to redeem the same at any time after the expiry of 60 (sixty) months from the said date of allotment at the discretion of the Board of Directors of the Company.

### 2.4 Shares of the Company held by each shareholder holding more than 5% shares

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
<b>Ordinary Shareholders</b>				
Kothari Phytochemicals & Industries Ltd.	55,06,078	25.80	55,06,078	25.80
Kothari Investment & Industries Pvt. Ltd.	22,53,748	10.56	22,53,748	10.56
Vishnuhari Investments & Properties Ltd.	17,07,291	8.00	17,07,291	8.00
M.D. Kothari & Company Ltd.	15,21,868	7.13	15,21,868	7.13
Kothari & Co. Pvt. Ltd.	14,26,199	6.68	13,75,749	6.45
Commercial House Pvt. Ltd.	13,63,212	6.39	12,86,857	6.03
Life Insurance Corporation of India	11,87,278	5.56	11,87,278	5.56
<b>Preference Shareholder</b>				
Kothari & Co. Pvt. Ltd.	2,00,000	100.00	2,00,000	100.00

### 2.5 Details of aggregate number of Fully paid up Ordinary shares issued pursuant to a Contract / Bonus during the period of five years immediately preceding 31st March

Particulars	As at 31st March, 2013	As at 31st March, 2012
	No. of Ordinary Shares	
Fully paid up Ordinary Shares of ₹ 10/- each pursuant to contract(s) without payment being received in cash#	30,05,068	30,05,068
Fully paid up Ordinary Shares of ₹ 10/- each by way of bonus shares by capitalization of General Reserve	71,14,115	71,14,115

# These shares have been issued pursuant to separate schemes of Amalgamation / Arrangement, as approved by the Hon'ble High Court, Calcutta from time to time.



## Notes to the Financial Statements (Contd.)

### 3 Reserves & Surplus

₹ in Lakhs

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	<b>Capital Reserve</b> At the beginning and at the end of the year		<b>33,94.88</b>	
<b>Amalgamation Reserve</b> At the beginning and at the end of the year		<b>61.93</b>		61.93
<b>Export Profit Reserve</b> At the beginning and at the end of the year		<b>0.85</b>		0.85
<b>Preference Shares Redemption Reserve</b> At the beginning and at the end of the year		<b>2,62.47</b>		262.47
<b>General Reserve</b> At the beginning of the year	<b>94,60.07</b>		94,60.07	
Add : Transferred from Surplus in Statement of Profit and Loss	<b>3,00.00</b>	<b>97,60.07</b>	-	94,60.07
<b>Surplus in Statement of Profit and Loss</b> At the beginning of the year	<b>44,98.17</b>		55,67.64	
Add : Profit / (Loss) for the year	<b>20,59.04</b>		(9,26.85)	
	<b>65,57.21</b>		46,40.79	
Less : Appropriations				
Transfer to General Reserve	<b>3,00.00</b>		-	
Proposed Dividend on Preference Shares	<b>16.00</b>		16.00	
Proposed Dividend on Ordinary Shares	<b>4,26.85</b>		1,06.71	
Tax on Proposed Dividend	<b>75.26</b>	<b>57,39.10</b>	19.91	44,98.17
<b>Total</b>		<b>1,92,19.30</b>		1,76,78.37

### 4 Long Term Borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
	Non Current Portion		Current Maturities	
<b>Secured</b>				
Term Loans in Indian Rupees				
<b>From Banks</b>				
IDBI Bank Ltd	<b>10,03.00</b>	13,71.00	<b>3,68.00</b>	3,68.00
State Bank of Patiala	<b>10,60.00</b>	14,20.00	<b>3,60.00</b>	3,60.00
State Bank of India	<b>53,63.71</b>	34,71.03	<b>9,44.32</b>	6,49.64
IndusInd Bank Ltd (for Equipments)	-	1,55.03	<b>1,55.03</b>	2,03.21
HDFC Bank Ltd (for Vehicles)	<b>8.97</b>	20.41	<b>24.86</b>	35.25
<b>From Others</b>				
Tea Board of India	<b>1,96.64</b>	201.20	-	-
	<b>76,32.32</b>	66,38.67	<b>18,52.21</b>	16,16.10
<b>Unsecured</b>				
Fixed Deposits (from Public)	<b>6,35.90</b>	4,69.08	<b>1,84.24</b>	2,06.56
	<b>6,35.90</b>	4,69.08	<b>1,84.24</b>	2,06.56
<b>Total</b>	<b>82,68.22</b>	71,07.75	<b>20,36.45</b>	18,22.66





## Notes to the Financial Statements (Contd.)

### 4.1 - Terms of Repayment of Term Loans & Other Loans

₹ in Lakhs

Particulars	Nature of Loan	Amount	Period of Maturity	No. of Instalment due	Instalment Value	Repayment Terms	Rate of Interest p.a.
<b>From Banks:-</b>							
IDBI Bank Ltd	Technology Upgradation Fund Scheme (TUF) - II	13,71.00	Dec -16	15	92.00/Quarter 83.00/Quarter	Apr'13 - Sep'16 Dec'16	Base rate + 2.50%
State Bank of Patiala	TUF - II	14,20.00	Mar -17	16	90.00/Quarter 70.00/Quarter	Apr'13 - Dec'16 Mar'17	Base rate + 1.70%
State Bank of India	TUF - I	46.32	Aug -13	2	23.16/Quarter	Apr'13 - Aug'13	Base rate + 2.45%
	TUF - II	22,50.71	Mar -17	16	100.00/Quarter 130.00/Quarter 175.00/Quarter 182.67/Quarter 82.70/Quarter	Apr'13 - Mar'14 Apr'14 - Mar'15 Apr'15 - Mar'16 Apr'16 - Dec'16 Mar'17	Base rate + 2.40%
	TUF - III *	9,89.00	Jun -18	21	49.00/Quarter 9.00/Quarter	Apr'13 - Mar'18 Jun'18	Base rate + 2.40%
	TUF - IV *	26,52.00	Jun-17	14	196.00/Quarter 195.00/Quarter 107.00/Quarter	Mar'14 & Sep, Dec, Mar Quarter of 2014-15 to 2016-17 Jun, Quarter of 2014-15 to 2016-17 Jun'17	Base rate + 2.40%
State Bank of India	Term Loan (III) *	2,20.00	Sep-18	22	10.00/Quarter 11.00/Quarter 4.00/Quarter	Jun, Sep, Dec Quarter of 2013-14 to 2017-18 Mar, Quarter of 2013-14 to 2017-18 & Jun'18 Sep'18	Base rate + 2.40%
	Term Loan (IV) *	1,50.00	Jun-14	2	65.00/Quarter 50.00/Quarter 35.00/Quarter	Mar'14 Jun'14 Sep'14	Base rate + 2.40%
IndusInd Bank Ltd	Equipment Loan	4.17	Jun -13	3	1.39/Month	Apr'13- Jun'13	Varying between 10.52% to 13.12%
		1,36.27	Feb -14	11	Equated monthly Instalment (EMI)	Apr'13- Feb'14	
		14.59	Feb -14	11	EMI	Apr'13 - Feb'14	
HDFC Bank Ltd	Vehicle Loan	12.96	Oct -13	7	EMI	Apr'13 - Oct'13	8.74%
		2.20	Feb - 14	11	EMI	Apr'13 - Feb'14	10.50%
		2.39	Mar -14	12	EMI	Apr'13 - Mar'14	11.00%
		2.85	Jul -14	16	EMI	Apr'13 - Jul'14	11.00%
		8.45	Aug -15	29	EMI	Apr'13 - Aug'15	10.75%
		4.98	Sep -15	30	EMI	Apr'13 - Sep'15	11.25%
<b>From Others:-</b>							
Tea Board of India	Special Purpose Tea Fund Scheme	1,91.27	Jan -22	16	12.24/Half Yearly	July'14 - Jan'22	10.24%
		5.37	Apr -22	16	0.34/Half Yearly	Oct'14 - Apr'22	10.24%

\* Term Loan yet to be fully disbursed

**Notes to the Financial Statements (Contd.)****4.2 Security Clauses**

1. The Term Loan from IDBI Bank Ltd (IDBI), State Bank of Patiala (SBP) and State Bank of India (SBI) 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, West Bengal, (d) Sodepur, West Bengal and (e) Konnagar, West Bengal and also secured / to be 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 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, SBP and SBI. The term loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
2. The Term Loan from IndusInd Bank Ltd. and HDFC Bank Ltd., are secured by hypothecation of the related Equipments/Vehicles purchased and guaranteed by a Director.
3. The Term Loan from Tea Board of India 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 .

- 4.3** Maturity pattern for Fixed Deposit (from Public) having rate of interest varying between 9.00% p.a. - 11.25% p.a. are as set out below :-

₹ in Lakhs

	2013-14	2014-15	2015-16
<b>Maturity Period</b>	1,84.24	3,06.54	3,29.36

**5 Deferred Tax Liabilities (Net)**

₹ in Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liabilities		
- Depreciation and Amortisation	<b>15,77.91</b>	16,56.64
Less: Deferred Tax Assets		
- Provision for doubtful debts	<b>1,37.60</b>	1,35.08
- Items allowed on actual payment basis under Income Tax Act	<b>5,00.31</b>	3,60.57
- Brought forward unabsorbed losses	-	5,43.95
- Deferred Revenue Expenditure (VRS)	-	7.04
<b>Total</b>	<b>9,40.00</b>	6,10.00

**6 Other Long Term Liabilities**

Job Advance received from Customers	<b>11,79.89</b>	12,73.77
Trade deposit/Security deposit received	<b>10,51.56</b>	10,23.87
Interest Accrued but not due on Fixed Deposits (from Public)	<b>49.45</b>	22.98
<b>Total</b>	<b>22,80.90</b>	23,20.62



## Notes to the Financial Statements (Contd.)

### 7 Short Term Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>7.1 Secured</b>		
Working Capital Facilities from Banks		
- United Bank of India	3,88.30	4,41.12
- Other Banks	1,29,79.89	83,26.54
	<b>1,33,68.19</b>	87,67.66
<b>7.2 Unsecured</b>		
Short Term Loans		
From Banks		
- Axis Bank Ltd	20,00.00	25,00.00
From Bodies Corporate		
- Related Parties	4,30.00	5,35.00
- Other Parties	-	50.00
Fixed Deposits (from Public)	16,84.52	14,38.40
	<b>41,14.52</b>	45,23.40
<b>Total</b>	<b>1,74,82.71</b>	1,32,91.06

- (i) 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.
- (ii) Working Capital Facilities from Banks excluding Short Term Demand Loan, (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. Short Term Demand Loan from a Bank is secured by subservient charge on all the assets of the Company (Other than Tea Division) and guaranteed by a Director.
- (iii) The Working Capital Facilities having interest rate varying between 10.15% p.a. - 12.75% p.a. are repayable on demand.
- (iv) The Unsecured Short Term Loan of ₹ 20,00.00 Lakhs from Axis Bank having Base rate + 0.80% rate of interest p.a. is repayable after 9 months from the date of first disbursement but not later than on 31st Aug'13 and is secured by guarantee of a Director.
- (v) The Unsecured Short Term Loan from Bodies Corporate having 11.75% p.a. rate of interest are repayable on demand.
- (vi) Fixed Deposit from Public is having interest rate varying between 10.00% p.a. to 11.00% p.a.

**Notes to the Financial Statements (Contd.)****8 Trade Payables**

₹ in Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
For Goods	<b>33,82.06</b>	31,86.46
For Services & Others	<b>27,05.62</b>	22,74.98
Acceptances	<b>31,46.18</b>	33,75.92
<b>Total</b>	<b>92,33.86</b>	88,37.36

Note-There are no dues to 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.

**9 Other Current Liabilities**

Current Maturities of Long- Term Borrowings [Refer Note-4]	<b>20,36.45</b>	18,22.66
Interest Accrued but not due on borrowings	<b>1,45.65</b>	1,43.07
Job advance received from Customers	<b>18,68.49</b>	12,20.49
Advances from Agents and Customers	<b>48.93</b>	1,20.11
Unpaid Dividends	<b>58.76</b>	60.83
Unpaid matured deposits and interest accrued thereon	<b>4.01</b>	-
Statutory Liabilities	<b>2,99.96</b>	3,22.05
Trade deposit/Security deposit received	<b>4,78.34</b>	3,60.87
Employee's related liabilities	<b>8,12.96</b>	7,90.90
Other payables #	<b>7,02.37</b>	3,91.61
<b>Total</b>	<b>64,55.92</b>	52,32.59

# Includes liability for Electricity voltage surcharge, Capital items etc.

**10 Short Term Provisions**

Provision for Employee Benefits		
- Provision for Leave	<b>2,51.12</b>	2,36.64
- Provision for Gratuity	<b>15,41.79</b>	12,03.73
Provision for Proposed Dividends	<b>4,42.85</b>	1,22.71
Provision for Tax on Proposed Dividends	<b>75.26</b>	19.91
<b>Total</b>	<b>23,11.02</b>	15,82.99



## Notes to the Financial Statements (Contd.)

### 11 Fixed Assets

Sl No.	Fixed Assets	Gross Block			Depreciation and Amortisation			Net Block		
		Balance as at 31st March 2012	Additions	Disposals/ Adjustments (See Note-8 below)	Balance as at 31st March 2013	Balance as at 31st March 2012	For the year	On disposals	Balance as at 31st March 2013	Balance as at 31st March 2012
<b>A</b>	<b>Tangible Assets</b>									
	Freehold Land	4,44.48	-	-	4,44.48	-	-	-	4,44.48	4,44.48
	Leasehold Land	53.09	-	-	53.09	37.01	-	37.01	16.08	16.08
	Estate	32,12.61	31.14	-	32,43.75	0.27	-	0.27	32,43.48	32,12.34
	Buildings	69,98.42	1,96.88	0.27	71,97.03	21,22.96	0.25	23,44.81	48,52.22	48,75.46
	(See Note-b below)									
	Plant and Machinery	2,41,39.59	5,85.06	44.37	2,46,80.28	1,30,32.86	25.57	1,48,69.91	98,10.37	1,11,06.73
	Furniture and Fixtures	3,85.70	34.86	0.10	4,20.46	2,06.40	0.07	2,29.50	1,90.96	1,79.30
	Vehicles	9,67.89	75.57	28.42	10,15.04	5,32.30	13.48	6,06.67	4,08.37	4,35.59
	Office Equipment	5,15.16	67.78	0.77	5,82.17	3,09.70	0.64	3,58.59	2,23.58	2,05.46
	Electric Installation	15,32.81	22.91	0.19	15,55.53	6,46.82	0.01	7,21.11	8,34.42	8,85.99
	Tubewell and Water Supply	14,17.76	1,41.10	27.90	15,30.96	3,95.95	1,09.89	5,05.84	10,25.12	10,21.81
	Livestock	80.86	-	-	80.86	80.86	-	80.86	-	-
	<b>Total</b>	3,97,48.37	11,57.30	1,02.02	4,08,03.65	1,73,65.13	40.02	1,97,54.57	2,10,49.08	2,23,83.24
	Previous year	3,83,47.51	16,67.12	2,66.26	3,97,48.37	1,51,07.07	152.77	1,73,65.13	2,23,83.24	
<b>B</b>	<b>Intangible Assets</b>									
	Computer software	2,79.39	21.35	-	3,00.74	1,45.54	61.29	2,06.83	93.91	1,33.85
	<b>Total</b>	2,79.39	21.35	-	3,00.74	1,45.54	61.29	2,06.83	93.91	1,33.85
	Previous year	2,73.47	5.92	-	2,79.39	94.40	51.14	1,45.54	1,33.85	
<b>C</b>	<b>Capital Work In Progress</b>									
	<b>Total</b>	-	-	-	-	-	-	-	27,44.08	4,05.39
	Previous year	-	-	-	-	-	-	-	27,44.08	4,05.39
	<b>Grand Total (A+B+C)</b>	4,00,27.76	11,78.65	1,02.02	4,11,04.39	1,75,10.67	24,90.75	1,99,61.40	2,38,87.07	2,29,22.48
	Previous Year	3,86,20.98	16,73.04	2,66.26	4,00,27.76	1,52,01.47	24,61.97	1,75,10.67	2,29,22.48	

Note: a) Disposals / Adjustments includes ₹ 49.24 Lakhs (Previous year ₹ 71.07 Lakhs) relating to Capital Subsidy received during the year.

b) Refer to Note - 38(c) for Office Premises given on Operating Lease (Included under Head 'Building' above)

c) Borrowing Cost included in Capital Work In Progress is ₹ 67.49 Lakhs (Previous year ₹ Nil)

**Notes to the Financial Statements (Contd.)****12 Non-current Investments**

₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2013	As at 31st March, 2012
<b>Long Term Investments</b>				
<b>Quoted-Other than Trade</b>				
<b>(At Cost unless otherwise stated)</b>				
Suryajyoti Spinning Mills Ltd.	10	1	*	-
Winsome Yarns Ltd.	10	1	*	-
Amarjothi Spinning Mills Ltd.	10	1	*	-
Banswara Syntex Ltd.	10	1	*	-
Ginni Filaments Ltd.	10	1	*	-
GTN Industries Ltd.	10	1	*	-
K.P.R. Mill Ltd.	10	1	*	-
Lambodhara Textiles Ltd.	10	1	*	-
Maharaja Shree Umaid Mills Ltd.	10	1	*	-
Maral Overseas Ltd.	10	1	*	-
Nahar Industrial Enterprises Ltd.	10	1	*	-
Shree Rajasthan Syntex Ltd.	10	1	*	-
Suryalata Spinning Mills Ltd.	10	1	*	-
Suryavanshi Spinning Mills Ltd.	10	1	*	-
Sutlej Textiles & Industries Ltd.	10	1	*	-
Vardhman Polytex Ltd.	10	1	*	-
Vardhman Textiles Ltd.	10	1	*	-
Winsome Textile Industries Ltd.	10	1	*	-
Nahar Spinning Mills Ltd.	5	1	*	-
Nitin Spinners Ltd.	10	1	*	-
Patspin India Ltd.	10	1	*	-
Rajapalayam Mills Ltd.	10	1	*	-
Rajvir Industries Ltd.	10	1	*	-
RSWM Ltd.	10	1	*	-
Sambandam Spinning Mills Ltd.	10	1	*	-
Sangam (India) Ltd.	10	1	*	-
B & A Ltd.	10	1	*	-
Dhunseri Petrochems & Tea Ltd.	10	1	*	-
Duncans Industries Ltd.	10	1	*	-
Goodricke Group Ltd.	10	1	*	-
Harrisons Malayalam Ltd.	10	1	*	-
Jay Shree Tea & Industries Ltd.	5	1	*	-
McLeod Russel India Ltd.	5	1	*	-
Rosel India Limited	2	1	*	-
Warren Tea Ltd.	10	1	*	-
Era Infra Engineering Ltd.	2	1	*	-
Kilburn Engineering Ltd.	10	1	*	-
L.G.Balakrishnan & Bros. Ltd.	10	1	*	-
Lanco Infratech Ltd.	1	1	*	-
McNally Bharat Engineering Co. Ltd.	10	1	*	-
Mukund Engineers Ltd.	10	1	*	-
NCC Ltd.	2	1	*	-
Petron Engineering Construction Ltd.	10	1	*	-
Punj Lloyd Ltd.	2	1	*	-
Shriram EPC Ltd.	10	1	*	-
Simplex Projects Ltd.	10	1	*	-
Stewarts & Lyods of India Ltd.	10	1	*	-
UB Engineering Ltd.	10	1	*	-
Welspun Projects Ltd.	10	1	*	-
<b>Sub total</b>			<b>0.04</b>	-

\* Amount is below the rounding off norm adopted by the Company.



## Notes to the Financial Statements (Contd.)

### 12 Non-Current Investments (Contd.)

₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2013	As at 31st March, 2012
<b>Unquoted - Other Than Trade</b> (At Cost unless otherwise Stated)				
<b>(a) Investment in Fully paid Equity Shares</b>				
ABC Tea Workers Welfare Services Ltd.	10	7,502 (7,502)	<b>0.75</b>	0.75
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000 (95,000)	<b>9.50</b>	9.50
Satyam Financial Services Ltd.	10	1,49,669 (1,49,669)	<b>18.00</b>	18.00
Woodlands Multispeciality Hospital Ltd.	10	8,655 (8,655)	<b>0.87</b>	0.87
			<b>29.12</b>	29.12
Less: Provision of Diminution in value of Investments			<b>5.00</b>	5.00
<b>Sub total</b>			<b>24.12</b>	24.12
<b>(b) Investment in Fully paid Debentures</b>				
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13 (13)	<b>0.01</b>	0.01
<b>Sub total</b>			<b>0.01</b>	0.01
<b>Total</b>			<b>24.17</b>	24.13
<i>Note:- Figures in the brackets represents previous year figure</i>				
Aggregate book value of Quoted Investments			<b>0.04</b>	-
Aggregate market value of Quoted Investments			<b>0.04</b>	-
Aggregate book value of Unquoted Investments			<b>29.13</b>	29.13
Aggregate provision for diminution in value of Investments			<b>5.00</b>	5.00

### 13 Long Term Loans and Advances

(Unsecured and Considered good)				
Capital Advances			<b>8,57.60</b>	3,00.09
Security Deposits Paid			<b>57,59.64</b>	54,90.76
<b>Total</b>			<b>66,17.24</b>	57,90.85

### 14 Other Non-Current Assets

(Unsecured and Considered good)				
Deposits with Banks (Maturity with more than 12 months) (Refer Note - 18)			<b>73.00</b>	24.42
<b>Total</b>			<b>73.00</b>	24.42



## Notes to the Financial Statements (Contd.)

### 15 Current Investments

₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2013	As at 31st March, 2012
<b>Unquoted - Other Than Trade</b>				
<b>15.1 Current Maturities of Long Term Investments (Valued at cost)</b>				
<b>Investments in Mutual Funds</b>				
Birla Sunlife Capital Protection Oriented Fund Series - I (Growth)	10	- (20,00,000.00)	-	2,00.00
<b>Sub Total</b>			-	2,00.00
<b>15.2 Current Investments (valued at lower of cost or fair market value, unless otherwise stated)</b>				
<b>(a) Investments in Government and Trust Securities</b>				
6 Years National Saving Certificates (Matured) (Deposited with Agricultural Market Committee, Sales Tax Officer and District Collector)			<b>0.04</b>	0.04
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			<b>0.07</b>	0.07
<b>Sub Total</b>			<b>0.11</b>	0.11
<b>(b) Investments in Mutual funds</b>				
UTI Floating Rate Fund - Short Term Plan - Institutional Daily Dividend Plan - Re-Investment	1000	- (77,488.484)	-	7,75.48
UTI Fixed Term Income Fund Series - IX - Plan-III ( 367 Days ) - Growth Plan	10	- (23,21,699.522)	-	2,32.17
UTI Liquid Cash Plan Institutional - Daily Dividend Option - Re Investment	1000	31,591.205 (35,203.486)	<b>3,22.06</b>	3,58.88
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Reinvestment	1000	1,82,540.97 (-)	<b>18,25.80</b>	-
DSP Black Rock Focus 25 Fund - Dividend	10	- (250,000.00)	-	25.00
HDFC Equity Fund - Dividend	10	- (1,11,410.419)	-	57.77



## Notes to the Financial Statements (Contd.)

### 15 Current Investments (Contd.)

₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2013	As at 31st March, 2012
SBI PSU Fund - Regular Plan-Growth	10	2,50,000.00 (2,50,000.00)	<b>25.00</b>	25.00
SBI Premier Liquid Fund- Institutional-Growth	100	4.2817 (4.2817)	<b>0.07</b>	0.07
AIG World Gold Fund Growth	10	- (1,74,203.888)	-	25.00
Goldman Sachs Mutual Fund Gold Benchmark	100	3,100.00 (3,100.00)	<b>78.79</b>	69.70
DSP Black Rock World Gold Fund - Growth	10	- (1,41,837.534)	-	25.00
Birla Sun Life Floating Rate Fund - Long Term- Weekly Dividend - Reinvestment	100	52,149.058 (-)	<b>52.27</b>	-
Birla Sunlife Floating Rate Fund -Retail- Long Term - Weekly Dividend - Reinvestment	100	25,750.369 (-)	<b>25.79</b>	-
Tata Liquidity Management Fund-Plan A-Daily Dividend	1,000	2,630.874 (-)	<b>26.38</b>	-
			<b>23,56.16</b>	15,94.07
Less :-Provision for Diminution in Value of Investments			<b>5.90</b>	18.10
<b>Sub Total</b>			<b>23,50.26</b>	15,75.97
<b>Total</b>			<b>23,50.37</b>	15,76.08
<b>TOTAL (15.1 + 15.2)</b>			<b>23,50.37</b>	17,76.08
<i>Note:- Figures in the brackets represents previous year figure</i>				
Aggregate book value of Unquoted Investments			<b>23,56.27</b>	17,94.18
Aggregate provision for diminution in value of investments			<b>5.90</b>	18.10

**Notes to the Financial Statements (Contd.)****16 Inventories**

(Refer Note - 1.9 for mode of Valuation)

₹ in Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
Raw Materials	55,97.28	50,49.47
Stock-in-Process	15,80.04	12,22.02
Finished Goods (Other than Trading Goods)	39,41.83	34,26.30
Stock-in-trade (Goods purchased for Trading)	11,17.80	10,77.46
Contract-in-Progress	26,92.81	13,52.31
Stores and Spare Parts	20,50.58	19,20.21
Waste	24.06	13.59
Scrap	11.08	2.63
<b>Total</b>	<b>1,70,15.48</b>	<b>1,40,63.99</b>
<i>Included in above are</i>		
<b>Goods in Transit</b>		
Raw Materials	84.28	2,45.10
Stock-in-trade (Goods purchased for Trading)	6.85	23.44
<b>Total</b>	<b>91.13</b>	<b>2,68.54</b>

**Broad Category of Inventories**

<b>Finished Goods</b>		
Tea	6,72.31	4,86.79
Lead oxide and Mettalic stearates	1,80.93	1,33.50
Cotton and Man-Made Fibre Yarn	30,88.59	28,06.01
<b>Total</b>	<b>39,41.83</b>	<b>34,26.30</b>
<b>Stock-in-Process</b>		
Lead Oxide and Mettalic Stearates	1,23.40	1,02.37
Cotton and Man-Made Fibre Yarn	14,53.35	11,15.60
Others	3.29	4.05
<b>Total</b>	<b>15,80.04</b>	<b>12,22.02</b>
<b>Stock-in-Trade</b>		
Paints & Allied Products	1,77.29	2,08.01
Cotton & Man-Made Fibre Yarn	34.98	-
Boughtout Goods for Construction Jobs	9,05.53	8,69.45
<b>Total</b>	<b>11,17.80</b>	<b>10,77.46</b>



## Notes to the Financial Statements (Contd.)

### 17 Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured considered good, unless otherwise stated)		
<b>(a) Outstanding for a period exceeding six months from the date they become due for payment</b>		
Considered Good	14,59.73	9,41.18
Considered Doubtful	3,26.54	3,29.48
Less: Provision for Doubtful Debts	3,26.54	3,29.48
<b>Sub total</b>	<b>14,59.73</b>	<b>9,41.18</b>
<b>(b) Other Trade Receivables</b>		
Considered Good	98,11.48	67,86.21
Considered Doubtful	9.73	7.70
Less: Provision for Doubtful Debts	9.73	7.70
<b>Sub total</b>	<b>98,11.48</b>	<b>67,86.21</b>
<b>Total</b>	<b>1,12,71.21</b>	<b>77,27.39</b>

### 18 Cash and Bank Balances

<b>(a) Cash and Cash Equivalents</b>		
Balances with Banks	1,65.70	1,77.69
Cheques, Drafts in hand and in Transit	54.20	-
Cash in hand	11.83	9.74
<b>Sub total</b>	<b>2,31.73</b>	<b>1,87.43</b>
<b>(b) Other Bank Balances</b>		
Unpaid Dividend Accounts	58.76	60.83
Margin Money with Banks	61.01	1,06.50
Deposits with Banks (Maturity with more than 12 months)	73.00	24.42
<b>Sub total</b>	<b>1,92.77</b>	<b>1,91.75</b>
<b>Total</b>	<b>4,24.50</b>	<b>3,79.18</b>
Less : Deposits with Banks disclosed under 'Other Non-Current Assets' (Refer Note - 14)	73.00	24.42
<b>Total</b>	<b>3,51.50</b>	<b>3,54.76</b>

**Notes to the Financial Statements (Contd.)****19 Short Term Loans and Advances**

₹ in Lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured Considered Good, unless otherwise stated)		
Security Deposits	<b>12,08.18</b>	8,84.97
Inter Corporate Loan (Other than related Parties)	<b>35.00</b>	-
Advance for Raw Materials and Stores	<b>12,80.82</b>	7,70.41
Balances with Statutory/Government Authorities	<b>15,26.06</b>	15,28.44
Advance Payment of Income Tax (Net of Provision)	<b>8,00.72</b>	8,91.71
Deposit with NABARD	<b>3,37.00</b>	5,83.65
Other Advances Recoverable in Cash or in Kind #	<b>10,99.37</b>	7,24.93
<b>Sub Total</b>	<b>62,87.15</b>	53,84.11
(Unsecured Considered Doubtful)		
Balances with Statutory/Government Authorities	<b>12.44</b>	12.44
Other Advances Recoverable in Cash or in Kind #	<b>64.71</b>	64.71
<b>Sub Total</b>	<b>77.15</b>	77.15
Less: Provision for Doubtful Loans & Advances	<b>77.15</b>	77.15
<b>Sub Total</b>	<b>-</b>	-
<b>Total</b>	<b>62,87.15</b>	53,84.11
# includes Prepaid Expenses, Contractor advances, etc.		

**20 Other Current Assets**

(Unsecured Considered Good, unless otherwise stated)		
Interest Accrued on Investments	-	0.28
Interest Receivable on Loans and Deposits	<b>46.25</b>	46.96
Subsidy/Incentive Receivables	<b>4,33.71</b>	3,19.32
Export Incentive Receivables	<b>1,32.33</b>	4,65.75
Claims Receivable	<b>0.48</b>	65.49
Other Receivables	<b>36.20</b>	28.96
<b>Total</b>	<b>6,48.97</b>	9,26.76



## Notes to the Financial Statements (Contd.)

### 21 Revenue From Operations (Gross)

₹ in Lakhs

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Sale of Products</b>		
<b>Finished Goods</b>		
Cotton and Man - Made Fibre Yarn	3,58,55.75	2,84,99.96
Tea	1,51,55.47	1,29,39.12
Fabrics	6,23.65	-
Lead Oxide and Mettalic Stearates	56,20.49	54,46.03
<b>Sub Total</b>	<b>5,72,55.36</b>	<b>4,68,85.11</b>
<b>Trading Goods</b>		
Boughtout Goods for Construction Jobs	64,85.86	77,21.82
Paints & Allied Products	15,62.58	17,57.61
Lead Scrap	-	67.94
<b>Sub Total</b>	<b>80,48.44</b>	<b>95,47.37</b>
<b>Services</b>		
Income From Construction Jobs	1,10,10.00	86,26.76
Design, Engineering and Services	2,28.61	4,33.85
Other Miscellaneous Services	3,56.44	2,53.62
<b>Sub Total</b>	<b>1,15,95.05</b>	<b>93,14.23</b>
<b>Other Operating Revenue</b>		
Subsidies	1,19.67	88.90
Export Incentives	3,58.51	5,34.61
Claims	66.21	1,10.46
Commission and Allowances	9.47	8.26
Sale of Waste	8,99.85	7,73.31
Rental Income	6,87.67	7,24.95
Sale of Scrap	50.06	1,29.27
<b>Sub Total</b>	<b>21,91.44</b>	<b>23,69.76</b>
<b>Total</b>	<b>7,90,90.29</b>	<b>6,81,16.47</b>
<b>Disclosure for revenue from Construction Jobs</b>		
<b>Income from Construction Contracts</b>		
Sales	96,69.50	81,32.74
Add : Closing Contract - in - Progress	26,92.81	13,52.31
	<b>1,23,62.31</b>	<b>94,85.05</b>
Less : Opening Contract - in - Progress	13,52.31	8,58.29
	<b>1,10,10.00</b>	<b>86,26.76</b>
Design, Engineering and Services	2,28.61	4,33.85
Sale of Boughtout Goods for Construction Jobs	64,85.86	77,21.82
Sale of Scrap	24.73	1,04.74
<b>Total</b>	<b>1,77,49.20</b>	<b>1,68,87.17</b>

**Notes to the Financial Statements (Contd.)****22 Other Income**

₹ in Lakhs

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Income		
- Interest on Bank and Other Deposits	93.21	1,08.75
- Interest Received on Income Tax Refund	38.97	-
Dividend Income		
- Long Term Investments	-	0.16
- Current Investments	89.06	64.16
Profit on Sale of Fixed Assets (Net)	7.18	30.83
Insurance Claim Received	1,84.97	-
Foreign Exchange Fluctuations (Net)	43.08	2.92
Profit on Sale of Investments (Net)		
- Long Term Investments	-	53.75
- Current Investments	38.28	1.26
Provision for Doubtful Debts and Advances written back	21.31	1,68.77
Liabilities no longer required, written back	2,50.36	44.47
Provision for Diminution in Value of Investment written back	12.20	-
Other Non Operating Income	46.82	1,06.80
<b>Total</b>	<b>8,25.44</b>	<b>5,81.87</b>

**23 Cost of Raw Materials Consumed**

Opening Stock	50,49.47	1,01,42.93
Add : Purchases	3,29,20.95	2,40,44.01
Less : Closing Stock	55,97.28	50,49.47
<b>Total</b>	<b>3,23,73.14</b>	<b>2,91,37.47</b>
<b>Broad Category of Raw Materials Consumed</b>		
i) Green Leaf (Purchased)	28,65.13	20,90.37
ii) Cotton and Man-Made Fibre	2,40,05.31	2,17,18.63
iii) Mild Steel	14,43.47	13,29.33
iv) Lead	40,59.23	39,29.15
v) Others	-	69.99
<b>Total</b>	<b>3,23,73.14</b>	<b>2,91,37.47</b>



## Notes to the Financial Statements (Contd.)

### 24 Purchases of Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Tea	9,99.91	5,08.79
Paints & Allied Products	12,39.83	14,20.93
Boughtout Goods for Construction job	50,73.78	55,08.61
Cotton and Man - Made Fibre Yarn	3,08.02	-
Lead Scrap	-	66.96
<b>Total</b>	<b>76,21.54</b>	<b>75,05.29</b>

### 25 Changes in Inventories of Finished goods, Stock-in-Process and Stock-in-Trade

Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
<b>(a) Finished Goods (Manufactured)</b>				
Opening Inventories	34,26.30		38,28.50	
Closing Inventories	39,41.83	(5,15.53)	34,26.30	4,02.20
<b>(b) Stock-in-Process</b>				
Opening Inventories	12,22.02		11,57.46	
Closing Inventories	15,80.04	(3,58.02)	12,22.02	(64.56)
<b>(c) Stock-in-Trade</b>				
Opening Inventories	10,77.46		1,75.52	
Closing Inventories	11,17.80	(40.34)	10,77.46	(9,01.94)
<b>(d) Stock of Scrap</b>				
Opening Inventories	2.63		61.64	
Closing Inventories	11.08	(8.45)	2.63	59.01
<b>(e) Waste</b>				
Opening Inventories	13.59		36.33	
Closing Inventories	24.06	(10.47)	13.59	22.74
<b>Total</b>		<b>(9,32.81)</b>		<b>(4,82.55)</b>

**Notes to the Financial Statements (Contd.)****26 Employee Benefits Expense****₹ in Lakhs**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>a) Salaries and Wages</b>	<b>81,31.63</b>	73,47.17
<b>b) Contribution to Provident and Other Funds</b>		
- Contribution to Gratuity Fund	<b>3,38.06</b>	2,56.96
- Contribution to Provident Fund	<b>5,93.19</b>	5,31.98
- Contribution to Employee State Insurance Fund	<b>1,01.34</b>	82.12
<b>c) Staff Welfare Expenses</b>	<b>8,64.89</b>	7,14.26
<b>Total</b>	<b>1,00,29.11</b>	89,32.49

**26.1 Information in accordance with the requirements of the Accounting Standard - 15 on 'Employee Benefits':-****a. 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-à-vis statutory rate.

During the year Company has contributed ₹ 5,93.19 Lakhs (Previous year ₹ 5,31.98 Lakhs) towards Provident Fund.

Based on the Guidance Note on measurement of Provident Fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund. Accordingly a short fall of interest of ₹19.89 Lakhs as at 31st March, 2013 (Previous Year ₹ 6.13 Lakhs) has been provided for under the head Staff Welfare Expenses.

**b. Employee State Insurance Scheme**

The Company make contribution for Employee State Insurance (ESI) Scheme towards defined contribution plan. During the year Company has recognised ₹1,01.34 Lakhs (Previous year ₹82.12 Lakhs).

**c. Gratuity**

The Employee's Gratuity Fund 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. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method at each balance sheet date.





## Notes to the Financial Statements (Contd.)

26.2 The following table sets forth the particular in respect of the Defined Benefit Plans of the Company for the year ended 31st March 2013.

₹ in Lakhs

Description	2012-13 Gratuity (Funded)	2011-12 Gratuity (Funded)
<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	22,72.95	21,99.99
Current Service Cost	1,24.67	1,28.45
Interest Cost	1,66.10	1,74.97
Actuarial (Gain) / Losses	1,25.53	52.66
Benefits Paid	(3,93.46)	(2,83.12)
Present Value of Obligation as on 31st March	22,95.79	22,72.95
<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	10,69.22	12,53.11
Expected Return on Plan Assets	90.88	1,73.42
Actuarial Gain / (Losses)	(12.65)	(74.30)
Contribution	0.01	0.11
Benefits Paid	(3,93.46)	(2,83.12)
Fair Value of Plan Assets as on 31st March	7,54.00	10,69.22
<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	22,95.79	22,72.95
Fair Value of Plan Assets as on 31st March	7,54.00	1,069.22
Assets/ (Liabilities) recognised in the Balance Sheet	(15,41.79)	(12,03.73)
<b>D Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	1,24.67	1,28.45
Interest Cost	1,66.10	1,74.97
Expected return on Plan Assets	(90.89)	(1,73.42)
Actuarial (Gain) / Losses	1,38.18	1,26.96
Total Expense recognised	3,38.06	2,56.96
<b>E Category of Plant Assets</b>		
Fund with LIC	5,64.83	8,73.85
Fund with SBI Life	1,89.17	1,95.37
Total	7,54.00	10,69.22
<b>F Actual return on Plan Assets</b>	78.23	99.12
<b>G Principal Actuarial Assumptions</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	3.00%	3.00%
Expected return on Assets	8.50%	8.50%
Mortality Rates	LIC (1994-96) Mortality Table	LIC (1994-96) Mortality Table

**Notes to the Financial Statements (Contd.)**26.3 ₹ in Lakhs

Description	2012-13 Gratuity (Funded)	2011-12 Gratuity (Funded)	2010-11 Gratuity (Funded)	2009-10 Gratuity (Funded)	2008-09 Gratuity (Funded)
<b>Net Assets / (Liability) recognised in Balance Sheet (Including experience adjustment impact)</b>					
Present Value of Obligation at the end of the year	<b>22,95.79</b>	22,72.95	21,99.99	20,03.27	17,90.01
Fair Value of Plan Assets at the end of the year	<b>7,54.00</b>	10,69.22	12,53.11	13,56.74	10,84.43
Assets/(Liabilities) recognised in the Balance Sheet	<b>(15,41.79)</b>	(12,03.73)	(9,46.88)	(6,46.53)	(7,05.58)
Experience adjustment on Plan Liabilities	<b>1,25.53</b>	52.66	1,70.11	Not Available	Not Available
Experience adjustment on Plan Assets	<b>(12.65)</b>	(74.30)	-	Not Available	Not Available

Notes :-

- 1) The detail of experience adjustment arising on plan assets and liabilities as required by paragraph 120(n)(ii) of Accounting Standard-15 on 'Employee Benefits' is given to the extent of information provided in the Actuarial Valuation Report.
- 2) The estimate of future salary increases, considered in actuarial valuations takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- 3) The expected rate of return on plan assets is based on actuarial assumption.
- 4) The company expect to contribute a sum of ₹ 6,06 Lakhs during 2013-14 towards Gratuity Fund.
- 5) The above information is actuarially determined.

**27 Finance Costs**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Expenses	<b>27,16.71</b>	26,77.82
Other Borrowing Costs	<b>1,31.43</b>	1,93.36
<b>Total</b>	<b>28,48.14</b>	28,71.18



## Notes to the Financial Statements (Contd.)

### 28 Other Expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Consumption of Stores and Spare Parts	27,28.15	25,63.53
Power and Fuel	60,55.78	49,73.44
Repairs to Buildings	3,03.58	2,57.26
Repairs to Machinery	11,03.72	8,34.93
Repairs to Other Assets	1,28.11	1,00.58
Jobs on Contract	45,48.58	40,33.31
Jobs Outsourcing	6,08.04	4,77.82
Machinery Hire Charges	3,55.80	3,79.05
Cess on Green Leaf and Made Tea	1,20.73	1,28.95
Excise Duty on Closing Stock of Finished Goods (Net)	8.80	(1.22)
Freight, Shipping, Delivery and Selling Expenses	14,90.30	11,38.61
Selling Agents' Commission	4,24.61	6,16.94
Brokerage and Discount on Sale	5,88.74	5,34.76
Auditors' Remuneration		
Statutory Auditor		
- Auditor	16.00	14.00
- Other Services	9.25	3.25
- Reimbursement of expenses	0.12	0.16
Branch Auditors		
- Auditor	4.95	3.85
- Tax Audit Fees	2.05	1.70
- Other Services	0.63	1.03
- Reimbursement of expenses	0.57	0.31
Rent	1,40.34	1,23.58
Rates and Taxes, excluding taxes on income	3,45.66	2,45.82
Insurance	1,63.13	1,67.47
Bad Debts and Advances Written off	1,87.13	55.00
Provision for Doubtful Debts and Advances	20.40	98.24
Provision for Diminution in Value of Current Investments	-	18.10
Directors Fees & Commission	31.35	5.33
Consultation and Advisory Charges	2,31.70	2,84.49
Travelling and Conveyance Expenses	7,17.87	6,81.24
Other Miscellaneous Expenses	13,62.06	12,62.33
<b>Total</b>	<b>2,16,98.15</b>	<b>1,90,03.86</b>

### 29 Current Tax

Income Tax	4,70.00	-
Agricultural Income Tax	80.00	46.70
<b>Total</b>	<b>5,50.00</b>	<b>46.70</b>

**Notes to the Financial Statements (Contd.)**

₹ in Lakhs

**30. Contingent Liabilities and Commitments**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>30.1 Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts		
i) ESI	17.75	17.75
ii) Sales Tax	20,94.30	7,59.89
iii) Cess on Jute Bags/Jute Twine	7.32	7.32
iv) Cess and Excise on Captive Consumption	11.33	11.33
v) Excise Duty	56.87	35.76
vi) Service Tax	4,89.26	1,93.36
vii) Income Tax	5.86	5.86
viii) Voltage Surcharge on Electricity consumed	1,59.32	1,87.51
<b>30.2 Commitment</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advance ₹8,57.60 Lakhs (Previous Year ₹3,00.09 Lakhs)]	3,48.59	22,83.02
Note: In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any reimbursement in case of above.		

**31. Information in accordance with the requirements of Accounting Standard-17 on 'Segment Reporting' :**

(a) The Company has identified Six primary business segments viz :

- |                          |                                                                                                                                                     |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Textile               | - Manufacture and sale of yarn made out of Cotton and Man-Made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.                   |
| ii) Tea                  | - Manufacture and sale of tea                                                                                                                       |
| iii) Engineering (MICCO) | - Manufacture and sale of Steel Structural, Pipes and Equipments and Designing, Supplying, Erecting and Commissioning of projects on turnkey basis. |
| iv) Chemical (Waldies)   | - Manufacture and sale of lead oxide, white lead, lead salts and metallic stearates                                                                 |
| v) Property              | - Letting out property on rent                                                                                                                      |
| vi) Trading              | - Purchase and sale of paints and allied products                                                                                                   |

Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related asset and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".



## Notes to the Financial Statements (Contd.)

### Primary Segment Information (Business Segment):

₹ in Lakhs

Particulars	Textile	Engineering (MICCO)	Tea	Chemical (Waldies)	Trading	Property	Unallocable	Total
Gross Segment Revenue								
External Turnover	3,76,62.06 (2,98,24.43)	1,77,49.19 (1,68,87.16)	1,54,40.45 (,31,33.42)	56,22.86 (55,28.18)	19,28.06 (20,18.33)	6,87.67 (7,24.95)	0.00 -	7,90,90.29 (6,81,16.47)
Inter Segment Revenue	-	-	-	-	-	75.77 (75.77)	-	75.77 (75.77)
Total Turnover	3,76,62.06 (2,98,24.43)	1,77,49.19 (1,68,87.16)	1,54,40.45 (1,31,33.42)	56,22.86 (55,28.18)	19,28.069 (20,18.33)	73.44 (8,00.72)	0.00 -	7,91,66.06 (6,81,92.24)
Less : Excise Duty	-	2,32.47 (2,75.27)	-	6,16.20 (5,23.51)	-	-	-	8,48.67 (7,98.78)
Segment Revenue (Net of Excise Duty)	3,76,62.06 (2,98,24.43)	1,75,16.72 (1,66,11.89)	1,54,40.45 (1,31,33.42)	50,06.66 (50,04.67)	19,28.06 (20,18.33)	7,63.44 (8,00.72)	0.00 -	7,83,17.39 (6,73,93.46)
Less : Inter-Segment Elimination						75.77 (75.77)		75.77 (75.77)
Revenue from Operations (Net)								7,82,41.62 (6,73,17.69)
Segment Result	18,69.35 22,08.86	18,63.80 (17,65.28)	14,73.23 (8,43.43)	3,24.38 (3,31.80)	62.29 (1,12.65)	4,76.84 (5,68.46)		60,69.89 (14,12.76)
Less:								
Unallocable Expenditure net of Unallocable Income							2,82.71 (71.73)	2,82.71 (71.73)
Finance Costs							28,48.13 (28,71.18)	28,48.13 (28,71.18)
Profit / (Loss) before Tax								29,39.04 (-15,30.15)
Depreciation and Amortisation	16,91.67 (16,89.23)	3,59.73 (3,76.57)	3,70.10 (3,35.94)	23.22 (15.45)	2.84 (2.96)	4.16 (4.12)	39.03 (37.70)	24,90.75 (24,61.97)
Non Cash Expenses other than Depreciation and Amortisation	1.07 (13.93)	1,77.57 (1,03.88)	-	- (0.30)	9.79 (3.61)	19.10 (21.74)	- (27.88)	2,07.53 (1,71.34)
Capital Expenditure	31,75.15 (7,82.26)	2,20.21 (1,57.45)	6,06.27 (9,20.72)	2.19 (1.00)	35.99 (36.51)	0.86 -	34.18 (1,01.66)	40,74.86 (19,99.60)
Segment Assets	3,00,30.76 (2,75,93.63)	2,22,64.01 (1,62,64.94)	97,98.10 (94,54.03)	14,97.24 (13,27.88)	9,72.22 (9,22.69)	98.99 (92.21)	38,64.84 (33,39.59)	6,85,26.16 (5,89,94.97)
Segment Liabilities	53,96.36 (53,75.28)	82,83.27 (70,74.27)	22,93.48 (19,81.17)	4,17.26 (4,05.29)	3,75.96 (3,26.44)	4,22.87 (4,63.21)	2,97,83.43 (2,33,56.71)	4,69,72.63 (3,89,82.37)

### b) Secondary Segment Information (Geographical 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:

₹ in Lakhs

	Within India	Outside India	Total Revenue
Segment Revenue	6,87,40.55 (5,83,26.79)	95,01.07 (89,90.90)	7,82,41.62 (6,73,17.69)
Segment Assets	6,29,95.77 (5,40,33.08)	16,65.55 (16,22.30)	6,46,61.32 (5,56,55.38)
Capital Expenditure	40,40.67 (18,97.94)	-	40,40.67 (18,97.94)

Figures in brackets represent particulars for Previous Year



## Notes to the Financial Statements (Contd.)

### 32. Related Party Disclosure

#### 32.1 Information in accordance with requirements of the Accounting Standard-18 on 'Related Party Disclosures':-

**A) Name of the Companies in which Directors/Key Management Personnel and their relatives have significant influence**

- i) M D Kothari and Company Limited (MDKCL)
- ii) Bhaktwatsal Investments Limited (BIL)
- iii) Kothari and Co Pvt. Limited (KCPL)
- iv) Kothari Investments & Industries Pvt. Limited (KIIPL)
- v) Commercial House Pvt. Limited (CHPL)
- vi) Vishnuhari Investments and Properties Limited (VIPL)
- vii) Kothari Medical Centre (KMC)
- viii) Kothari Phytochemicals Industries Limited (KPIL)

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

Mr. D K Sharda (DKS) - Managing Director & C.E.O.



## Notes to the Financial Statements (Contd.)

### 32.2 Details of transactions entered into with related parties

₹ in Lakhs

Nature of Transaction	2012-13										2011-12									
	MDKCL	BIL	KOPL	KIPL	KMC	VIPL	KPI	CHPL	TOTAL	MDKCL	BIL	KOPL	KIPL	KMC	VIPL	KPI	CHPL	TOTAL		
Rent Paid	-	-	-	6.00	-	-	-	-	6.00	-	-	-	6.00	-	-	-	-	6.00		
Rent Received	-	-	-	-	0.40	-	0.69	-	1.09	-	-	-	-	2.84	-	1.19	-	4.03		
Purchase of Goods/Services	4.30	-	-	-	-	-	-	1.24	5.54	4.30	-	-	-	-	-	-	1.22	5.52		
Unsecured Loans given	-	-	-	-	50.00	-	-	-	50.00	50.00	-	-	-	-	-	-	-	50.00		
Receipts towards Unsecured Loan Repayment	-	-	-	-	50.00	-	-	-	50.00	-	-	-	-	-	-	-	-	50.00		
Interest received on Unsecured Loan given	-	-	-	-	0.48	-	-	-	0.48	0.19	-	-	-	-	-	-	-	0.19		
Unsecured Loans Taken	3,80.00	1,90.00	2,10.00	3,70.00	-	3,25.00	-	90.00	15,65.00	20.00	25.00	93.00	2,00.00	-	2,00.00	-	75.00	6,13.00		
Unsecured Loans Repaid	3,70.00	2,00.00	2,00.00	3,85.00	-	3,65.00	-	1,50.00	16,70.00	-	78.00	-	-	-	-	-	-	78.00		
Interest on Loans Taken	17.34	9.62	11.42	36.79	-	39.38	-	12.67	1,27.22	0.65	0.89	0.68	5.73	95.00	6.49	2.55	16.99			
Donation Given	-	-	-	-	1,25.00	-	-	-	1,25.00	-	-	-	-	-	-	-	-	95.00		
<b>Balance as on 31st March</b>	-	-	-	-	-	-	-	15.00	4,30.00	20.00	25.00	15.00	2,00.00	-	2,00.00	-	75.00	5,35.00		
i) Loans taken	-	-	25.00	1,85.00	-	1,60.00	-	15.00	4,30.00	20.00	25.00	15.00	2,00.00	-	2,00.00	-	75.00	5,35.00		
ii) Rent receivable	-	-	-	-	-	-	-	-	-	-	0.10	0.10	-	0.10	-	-	-	0.20		

### 33.3 Transactions with the Key Management Personnel of the Company

₹ in Lakhs

Nature of Transaction	Key Management Personnel of the Company			
	2012-13		2011-2012	
	DKS	TOTAL	DKS	TOTAL
Remuneration Paid	29.95	29.95	27.51	72.30
			44.79	

\* Shri A. Mallick (AM) Executive Director and CEO (resigned w.e.f 31st March, 2012)

**Notes to the Financial Statements (Contd.)****33. Imported and Indigenous Material consumed:**

₹ in Lakhs

Particulars	2012-13	%	2011-12	%
Raw Materials				
- Imported	18,89.26	5.84	26,81.32	9.20
- Indigenous	3,04,83.88	94.16	2,64,56.15	90.80
<b>Total</b>	<b>3,23,73.14</b>	<b>1,00.00</b>	<b>2,91,37.47</b>	<b>1,00.00</b>
Stores & Spare Parts (including components)				
- Imported	31.68	1.16	33.58	1.31
- Indigenous	26,96.47	98.84	25,29.95	98.69
<b>Total</b>	<b>27,28.15</b>	<b>1,00.00</b>	<b>25,63.53</b>	<b>1,00.00</b>

**34. CIF Value of Imports**

	2012-13	2011-12
i) Raw Materials	17,31.73	15,28.09
ii) Capital Equipment	6,11.78	1,94.68
iii) Stores, Spare Parts and Components	25.97	31.49
iv) Lead Scrap	-	55.28
<b>Total</b>	<b>23,69.48</b>	<b>18,09.54</b>

**35. Expenditure in Foreign Currency**

	2012-13	2011-12
i) Commission on Sales/Orders	62.31	92.15
ii) Travelling Expenses	6.22	16.67
iii) Selling Expense on Exports	2.18	7.17
iv) Claim Settling Expenses	-	3.27
v) Consultancy Charges	-	2.99
vi) Bank Charges	0.86	0.11
<b>Total</b>	<b>71.57</b>	<b>1,22.36</b>

**36. Earnings in Foreign Currency**

	2012-13	2011-12
i) Claim Settling Commission	-	0.79
ii) Export of Goods calculated on F.O.B. basis	91,70.57	86,69.45
<b>Total</b>	<b>91,70.57</b>	<b>86,70.24</b>





## Notes to the Financial Statements (Contd.)

₹ in Lakhs

### 37. Information in accordance with the requirements of the Accounting Standard 7 on 'Construction Contracts':-

	2012-13	2011-12
a) Contract revenue recognised for the year	1,77,49.20	1,68,87.17
b) Aggregate amount of contracts costs incurred and recognised Profits (Less recognised losses) up to the year end for all the Contracts-in-Progress.	7,05,85.87	7,15,92.30
c) The amount of customer advances outstanding for Contracts-in-Progress as at year end.	30,48.38	24,94.27
d) The amount of retention money due from customers for Contracts-in-Progress as at year end.	65,64.44	57,36.46
e) Gross amount due from customers for Contracts-in-Progress as at year end [included in work-in-progress ₹26,92.81 Lakhs (Previous year ₹13,52.31 Lakhs), Trade Receivables ₹ 68,95.50 Lakhs (Previous year ₹ 39,38.88 Lakhs)]	95,88.31	52,91.19
f) Gross amount due to customer for contract work in Progress as at year end	-	-

### 38. Operating Lease Commitments

- a) 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 ₹3,55.80 Lakhs (Previous Year ₹ 3,37.00 Lakhs) in the Statement of Profit and Loss under the head Machinery Hire Charges.
- b) The Company has entered into a non- cancellable operating lease agreement in previous year in respect of lease rental of a tea manufacturing facility for a period of Thirteen 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. The lease has been expired during the year.  
During the year Company has charged related lease rental of ₹ 17.50 Lakhs (Previous Year ₹ 13.12 Lakhs) in the Statement of Profit and Loss under the head Rent.
- c) 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 for ₹ 4,58.80 Lakhs during the year (Previous Year ₹ 4,83.41 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2013 was ₹ 23.59 Lakhs (Previous Year ₹ 23.59 Lakhs) and ₹ 23.55 Lakhs (Previous Year ₹ 23.55 Lakhs) respectively.
- d) 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 Statement of Profit and Loss under the head Rent (Refer Note - 28).

### 39. Basic and Diluted Earnings per Share

	2012-13	2011-12
(i) Profit/(Loss) after tax available for Ordinary Shareholders (₹ in Lakhs) *	20,40.32	(9,45.45)
(ii) Weighted average of Ordinary Shares of ₹ 10/- each outstanding during the year (Numbers)	2,13,42,346	2,13,42,346
(iii) Basic and Diluted Earnings per Share [(i) / (ii)] (in ₹)	9.56	(4.43)

\* After deducting Proposed Dividend on Preference Shares of ₹ 16.00 Lakhs (Previous year ₹ 16.00 Lakhs) for the year 2012-13 and Dividend Distribution Tax thereon of ₹ 2.72 Lakhs (Previous year ₹ 2.60 Lakhs).

**Notes to the Financial Statements (Contd.)****40. Derivative Instruments and Un-hedged Foreign Currency Exposure**

- (a) The year-end net monetary foreign currency exposures that have not been hedged by a derivative instrument are given below:

₹ in Lakhs

Currency	As at 31st March, 2013 Net (Buy) / Sell*	As at 31st March, 2012 Net (Buy) / Sell
USD	1,79.03	2.30
EURO	(0.85)	0.44
AED	-	4.72
GBP	77.42	-

\*Sell indicates Receivable and Buy indicates Payable.

- (b) Category wise outstanding Foreign Currency exposure entered for hedging by way of Forward Contract are as follows:

₹ in Lakhs

Currency	As at 31st March, 2013 Sell*	As at 31st March, 2012 Sell*
USD	5,31.90	12.63
GBP	32.93	-

\*Sell indicates Receivable

41. Previous year's figures have been regrouped and / or reclassified, wherever considered necessary to correspond with the current year's classification and / or disclosure.

As per our report of even date.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number - 302049E

**D. K. Sharda**  
Managing Director & CEO

For and on behalf of the Board  
**A. K. Kothari**  
Chairman

**Rajiv Singhi**  
Partner  
Membership No. 053518  
Kolkata, 29th May, 2013

**D. Karmakar**  
Company Secretary

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



**Kothari Group**  
Imagine Imagine Outlier

**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

Registered Office : C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001



**79<sup>TH</sup> ANNUAL GENERAL MEETING**

**Name(s) and Address of Member(s)**

Folio / DP ID and Client ID :	Shares :
-------------------------------	----------

**ATTENDANCE SLIP**

Sl. No.

**Attendance by**

(Please tick the appropriate box)

- Member  
 Proxy  
 Authorised Representative

I/We certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the 79<sup>TH</sup> ANNUAL GENERAL MEETING of the Company being held at Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1<sup>st</sup> Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata 700 001 on Saturday, August 10, 2013 at 11.30 A.M.

.....  
 Name of Proxy (in BLOCK LETTERS)

.....  
 Signature of Member(s)/Proxy

**Note :** Please sign this attendance slip and hand it over at the Attendance Verification Counter at the VENUE of the Meeting.



**Kothari Group**  
Imagine Imagine Outlier

**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

Registered Office : C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001



**PROXY FORM**

I / We ..... of .....  
 .....being a member(s) of Gillanders Arbuthnot and Company Limited hereby  
 appoint ..... of .....or failing  
 him/her .....of .....as my/our proxy  
 to attend and to vote for me/us on my/our behalf at the 79<sup>TH</sup> ANNUAL GENERAL MEETING of the Company to be held on  
 Saturday, August 10, 2013 at 11.30 A.M. at Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1<sup>st</sup> Floor),  
 Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001 and at any adjournment thereof.

Given this .....day of .....2013

Folio / DP ID and Client ID :
No. of Shares held :

Affix Re. 1/-  
 Revenue  
 Stamp

(Signature of Member(s) across the stamp)

**Note (s) :** 1) The Proxy need NOT be a member.  
 2) The proxy form duly signed across revenue stamp should be deposited at the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.

**National Electronic Clearing Service (NECS)  
MANDATE FORM**

**Maheshwari Datamatics Pvt. Ltd.**  
**Unit: Gillanders Arbuthnot and Company Limited**  
6, Mangoe Lane, 2nd Floor  
(Surendra Mohan Ghosh Sarani)  
Kolkata - 700 001  
Telephone No.: (033) 2248 2248, 2243 5029  
E-mail: [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)

Shareholders holding shares in Physical Mode are requested to complete this form and send it to Maheshwari Datamatics Pvt. Ltd.

Shareholders holding shares in Electronic Mode are requested to contact their respective Depository Participants.

Dear Sirs,

**Payment through NECS**

I hereby consent to have the amount of dividend on my Ordinary (Equity) Shares credited through the National Electronic Clearing Service (NECS). The particulars are:

1. Folio No. / Client ID No. / DP ID No. ....  
(Folio No. given in ordinary (equity) share certificate(s)/ DP & Client ID Nos. given by your DP)
2. Shareholder's Name (First / Sole) .....
3. Shareholder's Address .....
4. Telephone No. .... E-mail ID .....
5. Income Tax Permanent Account (PAN) No. ....
6. Particulars of the Bank
  - Bank Name .....
  - Branch Name and Address .....
  - Mention the 9 digit-code number of the Bank and Branch appearing on the MICR cheque issued by the Bank .....

(Please attach the photocopy of a cheque or a cancelled blank cheque issued by your bank for verifying the accuracy of the code number)

  - Account type:- Please Tick (✓)      Savings       Current       Cash Credit
  - Account number (as appearing on the MICR cheque book) .....
  - Date from which the mandate should be effective .....

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or non-availability of NECS facility with Company's banks at my place/city, I would not hold the Company/Registrar & Share Transfer Agent of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updating of records for purpose of credit of dividend amount through NECS.

Date :

\_\_\_\_\_  
Signature of the first/sole shareholder





**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**  
[www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) / [www.kothari-group.in](http://www.kothari-group.in)