

ANNUAL REPORT
2013-14





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. J. N. Godbole, *Director*

Dr. 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

Bank of India

State Bank of Patiala

United Bank of India

IDBI Bank Limited

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 : gillander@gillandersarbuthnot.com

Website : www.gillandersarbuthnot.com

Audit Committee

Mr. H. M. Parekh, *Chairman*

Mr. A. K. Kothari, *Member*

Mr. J. N. Godbole, *Member*

Mr. N. Pachisia, *Member*

Stakeholders Relationship Committee

Mr. H. M. Parekh, *Chairman*

Mr. A. K. Kothari, *Member*

Smt. P. D. Kothari, *Member*

Mr. D. K. Sharda, *Member*

Nomination and Remuneration Committee

Mr. H. M. Parekh, *Chairman*

Smt. P. D. Kothari, *Member*

Dr. H. P. Kanoria, *Member*

Mr. N. Pachisia, *Member*

Mr. J. N. Godbole, *Member*

Branches/Offices

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

*As on 30th June, 2014



CONTENTS

Page

NOTICE	3
DIRECTORS' REPORT	14
REPORT ON CORPORATE GOVERNANCE	21
INDEPENDENT AUDITORS' REPORT	32
BALANCE SHEET	36
STATEMENT OF PROFIT AND LOSS ACCOUNT	37
CASH FLOW STATEMENT	38
NOTES TO THE FINANCIAL STATEMENTS	40



NOTICE

Notice is hereby given that the Eightieth Annual General Meeting of the Members of the Company will be held on Thursday, the 14TH DAY OF AUGUST, 2014 at 11-30 A.M. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001 to transact the following businesses:

ORDINARY BUSINESSES:

1. To consider and adopt the financial statement of the Company for the financial year ended 31st March, 2014, the Reports of the Board of Directors and Auditors thereon.
2. To approve payment of Dividend on 8% Redeemable Cumulative Preference Shares of ` 100 each for the financial year ended 31st March, 2014.
3. To declare dividend on Ordinary Shares for the financial year ended 31st March, 2014.
4. To appoint a Director in place of Mr. A. K. Kothari (DIN 00051900), who retires by rotation at this Annual General Meeting, and being eligible has offered himself for re-appointment.
5. To appoint a Director in place of Smt. P. D. Kothari (DIN 00051860), who retires by rotation at this Annual General Meeting, and being eligible has offered herself 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 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Singhi & Co., Chartered Accountants, Kolkata, (Firm Registration No. 302049E), be and is 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 and that the Board of Directors be and is hereby authorized to fix such remuneration, as may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor at the time of performing their duties."
 - (b) "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Dutta Ghosh & Associates, Chartered Accountants, Kolkata, (Firm

Registration No. 309088E), be and is hereby re-appointed as Branch Auditor of GIS Cotton Mill, Champdany, a unit of the Textile Division of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 84th Annual General Meeting of the Company to be held in the calendar year 2018 (subject to ratification by the members at 81st, 82nd and 83rd Annual General Meetings) and that the Board of Directors be and is hereby authorized to fix such remuneration, as may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor at the time of performing their duties."

- (c) "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kothari & Company, Chartered Accountants, Kolkata, (Firm Registration No. 301178E), be and is hereby re-appointed as Branch Auditor of Engineering (MICCO) Division of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 83rd Annual General Meeting of the Company to be held in the calendar year 2017 (subject to ratification by the members at 81st and 82nd Annual General Meeting) and that the Board of Directors be and is hereby authorized to fix such remuneration, as may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor at the time of performing their duties."

SPECIAL BUSINESSES:

7. To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2015 and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Tea, Textile and Chemical (Waldies) Divisions of the Company for the financial year ending on 31st March 2015, be paid the remuneration as set out in the statement



annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

8. To appoint Mr. Naresh Pachisia (DIN: 00233768) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Naresh Pachisia (DIN: 00233768) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 85th Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

9. To appoint Mr. Jayant Narayan Godbole (DIN: 00056830) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jayant Narayan Godbole (DIN: 00056830) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the

office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 85th Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

10. To appoint Dr. Hari Prasad Kanoria (DIN:00286685) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Hari Prasad Kanoria (DIN: 00286685) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 85th Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

11. To appoint Mr. Harishchandra Maneklal Parekh (DIN: 00026530) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014



(including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Harishchandra Maneklal Parekh (DIN: 00026530), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 85th Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

12. To re-appoint Mr. Dev Kishan Sharda (DIN: 00105406) as Managing Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution :

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Dev Kishan Sharda (DIN: 00105406) as 'Managing Director', (not liable to retire by rotation) designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of 3 (three) years with effect from 1st April, 2014, on the terms and conditions including remuneration (for a period of three years) as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Dev Kishan Sharda, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and Rules made thereunder, for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby

authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

13. To approve the payment of remuneration to Non-Executive Directors (including Independent Directors) and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution :

“RESOLVED THAT in supersession of all the earlier resolutions passed by the members in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act'), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration to the Non-Executive Directors (including Independent Directors) of the Company i.e. Directors other than the Managing Director and /or Wholtime Directors, in addition to the sitting fees paid for attending the meetings of the Board of Directors and / or Committee(s) thereof and reimbursement of expenses for attending the meetings, as the Board may from time to time determine in such proportion and manner, not exceeding 1% (one percent) of the Net Profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, including the Nomination and Remuneration Committee, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Gillanders Arbuthnot and Company Limited

D. Karmakar
Company Secretary and Compliance Officer

Date: 26th May, 2014

Registered Office :

C-4, Gillander House,

Netaji Subhas Road,

Kolkata – 700 001, India

CIN: L51909WB1935PLC008194

e-mail : secretarial@gillandersarbuthnot.com



NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (HEREINAFTER REFERRED TO AS 'THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) Brief resume of Directors seeking appointment / re-appointment at the Meeting alongwith 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.
- 4) Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from 7th August, 2014 to 14th August, 2014 (both days inclusive) for the purpose of payment of final dividend, if approved by the Members, at the Meeting for the year ended 31st March, 2014.
- 6) The dividend, as recommended by the Board, if approved by the Members at the Meeting, will be paid on or after 14th August, 2014 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 6th August, 2014 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 6th August, 2014.

- 7) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, all unclaimed dividends till the financial years 2005-2006 and 2006-2007 have already been transferred to the Investor Education and Protection Fund (IEPF) and all subsequent unpaid / unclaimed 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 2007-2008 to 2012-2013 are therefore, advised to approach the Company for the payment thereof.
- 8) 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 2014-2015.
- 9) Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, etc. to the Company's Registrar & Share Transfer Agent-
Maheshwari Datamatics Pvt. Ltd.
(Unit : Gillanders Arbuthnot and Company Limited)
6, Mangoe Lane (Surendra Mohan Ghosh Sarani),
2nd Floor, Kolkata - 700 001.
- Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.
- 10) Members who hold shares in physical Form in multiple folios in identical name or joint holding in the same order of names are requested to send the share certificates to its RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 11) 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.
- 12) The SEBI has vide Circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009 mandated the submission of PAN by every participant in the security market. Members holding shares



in electronic form /physical form are therefore, requested to submit their PAN to the Company or its RTA.

- 13) 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).
- 14) Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.
- 15) All the documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata - 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 13th August, 2014, and will also be available for inspection at the meeting.
- 16) Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Clause 35B of the Listing Agreement, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 4th July, 2014. (Cut -off date fixed for this purpose). The e-voting period will commence at 10.00 a.m. on Friday, 8th August, 2014 and will end at 5.00 p.m. on Sunday, 10th August, 2014. The Company has appointed CS Deepak Kumar Khaitan, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice.

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2015, as detailed below:

Division	Cost Auditors	Audit fees
Tea	M/s. B. Ray & Associates, Cost Accountants, Kolkata	` 71,500 plus reimbursement of out of pocket expenses
Textile - North India Spinning Mill Unit & GIS CottonMill Unit	M/s. D. Sabyasachi & Co., Cost Accountants, Kolkata	` 46,000 plus reimbursement of out of pocket expenses
Chemical (Waldies)	M/s Rammani Sarkar & Co., Cost Accountants, Hooghly	` 27,000 plus reimbursement of out of pocket expenses

In accordance with the provision of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary resolution as set out in item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at item no. 7 of the Notice.

All the documents referred to 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, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 13th August, 2014, and will also be available for inspection at the meeting.

The Board recommends the Ordinary resolution set out at Item No. 7 of the Notice for approval of the Members.

Item Nos. 8 to 11

Mr. Naresh Pachisia is an Independent Director and will hold the position as such in the Board of the Company for a period of less than 5 years as on 1st October, 2014.



Mr. J. N. Godbole, Dr. H. P. Kanoria and Mr. H. M. Parekh are Independent Director and will hold the position as such in the Board of the Company for more than 5 years as on 1st October, 2014.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by listed Companies.

Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014, provides for appointment of Independent Directors.

It is proposed to appoint Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 85th Annual General Meeting of the Company to be held in the calendar year 2019.

Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members' alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh for the office of Directors of the Company.

The Company has also received declaration from Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh that they meet with the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh are independent of the management.

Brief resume of Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board committees, shareholding and relationships between directors inter-se as

stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure to this Notice.

Copy of the draft letters for respective appointments of Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh are interested in the resolutions set out respectively at item Nos. 8 to 11 of the Notice with regard to their respective appointments.

The relatives of Mr. Naresh Pachisia, Mr. Jayant Narayan Godbole, Dr. Hari Prasad Kanoria and Mr. Harishchandra Maneklal Parekh may be deemed to be interested in the resolutions set out respectively at Item Nos. 8 to 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in these resolutions.

All the documents referred to 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, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 13th August, 2014, and will also be available for inspection at the meeting.

The Board recommends the Ordinary resolution set out at Item No. 8 and Special Resolutions as set out in Item Nos. 9 to 11 of the Notice for approval of the Members.

Item No. 12

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 10th February, 2014 had re-appointed Mr. D. K. Sharda as 'Managing Director', designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of three years with effect from 1st April, 2014 under the provisions of the Companies Act, 1956 from the expiry of his present term, which expired on 31st March, 2014.

An Agreement dated 27th March, 2014, effective from 1st April, 2014, 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.

Meanwhile, the relevant provisions of the Companies Act, 2013 was made effective from 1st April, 2014. Therefore, a meeting of



the Remuneration Committee of the Board was held on 26th May, 2014, wherein the aforesaid re-appointment of Mr. D. K. Sharda as 'Managing Director', designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company under the same terms and conditions including remuneration as contained in the Agreement dated 27th March, 2014, for a period of three years with effect from 1st April, 2014, was noted and formalized under the provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Audit Committee and the Board also noted and formalized the above facts at their respective meetings held on 26th May, 2014.

Your Company has diversified business activities and is primarily engaged in the businesses of tea, textile, chemicals and engineering and has manufacturing units in West Bengal, Assam and Punjab. During the last three financial years of 2010-11, 2011-12 and 2012-13, the Company has reported Profit/(Loss) After Tax (PAT) of ` 5,419.30 lakhs, (` 926.85 lakhs) and ` 2,059.04 lakhs.

Regarding foreign investments, it is submitted that your Company has signed a Share Purchase Agreement for purchase of 100 per cent fully paid up Ordinary Shares of Group Development Limited alongwith its wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited all at a total consideration of US\$12,010,000.00 (United States Dollars twelve million and ten thousand only).

Brief resume of Mr. D. K. Sharda, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board committees, shareholding and relationships between directors inter-se, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure to this Notice.

Mr. D. K. Sharda by his expertise, knowledge and business acumen is managing the overall business of the Company and his appointment would be beneficial for the Company given the paucity of experienced and skilled personnel, and the expansion and diversification plans that the Company may undertake. During the preceding 3 financial years of 2010-11, 2011-12 and 2012-13, Mr. D. K. Sharda received remuneration of ` 24.43 lakhs, ` 27.51 lakhs and ` 29.95 lakhs.

The remuneration proposed for Mr. D. K. Sharda is commensurate with the industry and size of the Company. Mr. D. K. Sharda has no pecuniary relationship directly or indirectly with the company, or relationship with any of the managerial personnel.

During the financial year 2013-14, your Company has reported

Profit After Tax of ` 557.92 lakhs and continuous steps are being taken for improvement in the operations of the Company, which is expected to increase the productivity and profits of the Company.

The terms and conditions of the said Agreement entered into by the Company with Mr. D. K. Sharda are set out herein 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, 2013 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. Basic Salary : ` 254,000 per month for the period 1st April, 2014 to 31st March, 2015 and thereafter an increase of not exceeding 25 per cent every year with effect from 1st April, 2015, subject to recommendation of the Remuneration Committee and approval of the Board of Directors.
- 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 / Medclaim Insurance: Personal Accident Insurance policy / Medclaim Insurance policy in accordance with the scheme applicable to senior employees of the Company.

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 leave: Encashment of leave as per Rules of the Company.

PART - C

- i) Use of car for Company's business.
ii) Free telephone facility at residence.
iii) Subject to the overall ceiling on remuneration, the Managing Director & CEO may be given other allowances, benefits and perquisites, as may be decided by the Board of Directors, from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual Basic Salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

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 hereinabove.

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

Considering the progress and profitability of the Company, which is expected to continue in the future years, occasion is not likely to arise for payment of remuneration to him as 'Minimum Remuneration' during any of the years comprised by the period of his office. However, as per the requirement of Schedule V, the relevant information are set out at one or other places of the other documents forming part of the Annual Report and the aforesaid paragraphs should be taken as information that are required to be provided under Schedule V Part II of the Companies Act, 2013.

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

Save and except Mr. D. K. Sharda and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at item no.12 of the Notice.

All the documents referred to 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, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 13th August, 2014, and will also be available for inspection at the meeting.

The Board recommends the Special resolution set out at Item No. 12 of the Notice for approval of the Members.

Item No. 13

In the current competitive business environment and under the Companies Act, 2013, Directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in mind the enhanced role, duties and responsibilities of the Directors, it would be appropriate that the remuneration payable to the Directors by the Company be commensurate with their increased role, duties and responsibilities.

Section 197 of the Act provides for payment of remuneration to Non-Executive Directors i.e. Directors who are neither Managing Directors nor Wholetime Directors, not exceeding 1 (one) per cent of the Net profits of the Company.

The Board of Directors of the Company, subject to the approval of the members of the Company, proposes to pay remuneration to the Non-executive Directors (Including Independent Directors) not exceeding in aggregate 1(one) per cent of the Net Profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

Save and except all the Non-Executive Directors (Including Independent Directors) of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at item no.13 of the Notice.

The Board recommends the special resolution set out at Item No. 13 of the Notice for approval of the Members.

By Order of the Board
For Gillanders Arbuthnot and Company Limited

D. Karmakar
Company Secretary and Compliance Officer

Date: 26th May, 2014

Registered Office :
C-4, Gillander House,
Netaji Subhas Road,
Kolkata – 700 001, India
CIN: L51909WB1935PLC008194
e-mail : secretarial@gillandersarbuthnot.com



Annexure

Particulars of Directors proposed to be appointed/re-appointed at the 80th Annual General Meeting of the Company to be held on Thursday, the 14th day of August, 2014 at 11-30 A.M.

Name of the Director	Brief resume and nature of expertise in functional area	Number of Ordinary Shares held in the Company	Other Directorship/Other Committee Membership held*
Mr. A.K. Kothari	Mr. A.K. Kothari aged about 61 years is a well known industrialist having knowledge, experience & expertise on areas relating to tea, pharmaceuticals, chemical, engineering and spinning industry.	1,25,287	<p>Directorships: Albert David Limited Bhaktwatsal Investments Limited Kothari Phytochemicals & Industries Limited Vishnuhari Investments & Properties Limited Bharat Fritz Werner Limited Indian Glass & Electricals Limited Arvind Engineering Works Limited</p> <p>Committee Memberships Member of Audit Committee Albert David Limited Kothari Phytochemicals & Industries Limited</p> <p>Member of Shareholders' / Investors' Grievance Committee Albert David Limited</p>
Smt. P. D. Kothari	Smt. P. D. Kothari aged about 57 years is a well known Industrialist having wide experience in the field of tea, engineering, chemical, pharmaceuticals and spinning industry.	67,875	<p>Directorships: Bhaktwatsal Investments Limited Vishnuhari Investments & Properties Limited Bharat Fritz Werner Limited M. D. Kothari & Co. Limited Kothari Phytochemicals & Industries Limited</p> <p>Committee Memberships -</p>
Mr. N. Pachisia	Mr. N. Pachisia aged about 52 years is a CFP, AMP (ISB, Hyderabad) and Promoter-Managing Director of SKP Securities Ltd, carrying a rich experience of over 32 years in capital markets, especially in investment banking, wealth management and stock broking services. He is actively associated with Entrepreneurs' Organisation, CII and Financial Planning Standards Board, India.	-	<p>Directorships: SKP Commodities Limited Murlidhar Ratanlal Exports Limited Linc Pen & Plastics Limited Diana Tea Company Limited Sarda Plywood Industries Limited Electrosteel Steel Limited SKP Securities Limited Mallcom (India) Limited</p>



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*
			Committee Memberships Member of Audit Committee Linc Pen & Plastics Limited Diana Tea Company Limited Electrosteel Steel Limited SKP Securities Limited Member of Shareholders' / Investors' Grievance Committee Electrosteel Steel Limited SKP Securities Limited
Mr. J. N. Godbole	<p>Mr. J.N. Godbole aged about 69 years is a Chemical Engineer from IIT, Pawai and has qualification in financial management. He has diversified experience of more than 37 years ranging from Production - incharge in a private sector SSI, Development Banker with IDBI to Advisor to State Government of Sabah in Malaysia. Presently, he is in the Board of several Companies as an Independent Director.</p>	-	Directorships: Embio Limited J.K. Cements Limited I.M.P. Powers Limited Emami Paper Mills Limited Kesar Terminals & Infrastructure Limited Madhya Bharat Papers Limited Saurashtra Cement Limited IDBI Asset Management Limited Kesar Multimodal Logistics Limited Gujarat Alkalies & Chemicals Limited Zuari Agro Chemicals Limited IITL Projects Limited Zuari Global Limited Committee Memberships Chairman of Audit Committee Gujarat Alkalies & Chemicals Limited Emami Paper Mills Limited Member of Audit Committee Embio Limited Zuari Global Limited Kesar Terminals & Infrastructure Limited IDBI Asset Management Limited Zuari Agro Chemicals Limited Kesar Multimodal Logistics Limited Chairman of Shareholders' / Investors' Grievance Committee Zuari Agro Chemicals Limited



Name of the Director	Brief resume and nature of expertise in functional area	Number of Ordinary Shares held in the Company	Other Directorship/Other Committee Membership held*
Dr. H. P. Kanoria	Dr. H. P. Kanoria aged about 72 years is a well known industrialist who has been actively involved in the promotion and development of various corporate bodies. He is Editor in Chief of 'Business Economics' and is the past President of Calcutta Chamber of Commerce and former Judge of Lok Adalat, Calcutta High Court. He is also recipient of several prestigious awards.	-	Directorships: Asian Health Care Services Limited Committee Memberships -
Mr. H. M. Parekh	Mr. H. M. Parekh aged about 77 years is having over 53 years of experience in tea industry. He is a ex-Chairman of J. Thomas & Co. Pvt. Ltd, one of the largest brokers in tea industry. Mr. Parekh was a member of the Tea Board of India and at present is on the Board of eminent Tea Companies.	-	Directorships: The Methoni Tea Co., Limited Rossel Tea Limited Diana Tea Co. Limited The Grob Tea Co. Limited Williamson Magor & Co. Limited Peria Karamalai Tea & Produce Co. Limited. Rasoi Limited BMG Enterprises Limited Committee Memberships Chairman of Audit Committee Rasoi Limited Diana Tea Co. Limited Member of Audit Committee Rossel Tea Limited Williamson Magor & Co. Limited Peria Karamalai Tea & Produce Co. Limited. Chairman of Shareholders'/ Investors' Grievance Committee Rossel Tea Limited Member of Shareholders'/ Investors' Grievance Committee Rasoi Limited.
Mr. D. K. Sharda	Mr. D. K. Sharda aged about 67 years has rich experience & expertise in the field of Finance, Administration, Jute and Textile Industry for more than 41 years.	-	Directorships: M.D.Kothari & Co. Limited Bhaktwatsal Investments Limited Committee Memberships -

* 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 the Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS

₹ in Lakhs

The financial results for the year are as under:

Particulars	2013-14	2012-13
Profit Before Depreciation, Interest & Tax (PBDIT)	6,880.19	8,277.93
Interest / Finance Charges	3,597.78	2,848.14
Profit Before Depreciation and Tax (PBDT)	3,282.41	5,429.79
Depreciation / Amortisation	2,859.49	2,490.75
Profit Before Tax (PBT)	422.92	2,939.04
Taxation Charge		
- Current Tax	190.00	550.00
- Deferred Tax Charge / (Written Back)	(325.00)	330.00
Profit After Tax (PAT)	557.92	2,059.04
Balance brought forward	5,739.10	4,498.17
Balance available for appropriation	6,297.02	6,557.21
Appropriations		
Proposed Dividend on:		
8% Redeemable Cumulative Preference Shares of ₹ 100 each	16.00	16.00
Ordinary Shares of ₹ 10 each	160.07	426.85
Corporate Dividend Tax	29.92	75.26
Transfer to General Reserve	100.00	300.00
Surplus carried to Balance Sheet	5,991.03	5,739.10
	6,297.02	6,557.21
Earnings per Ordinary share (₹)		
- Basic	2.53	9.56
- Diluted	2.53	9.56
Dividend per Ordinary Share (₹)	0.75	2.00

FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS

For the financial year 2013-14, your Company reported a net profit of ₹ 557.92 lakhs against profit of ₹ 2,059.04 lakhs during the previous year. Total Income from Operations has increased to ₹ 94,679.82 lakhs during the year under review from ₹ 78,241.62 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:

- 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.
- Dividend @ ₹ 0.75 per Share on 2,13,42,346 fully paid up Ordinary Shares of ₹ 10 each of the Company, entailing an outflow of ₹ 160.07 lakhs.

ACQUISITION IN MALAWI

Your Directors are pleased to inform you that your Company has signed a Share Purchase Agreement for purchase of 100 per cent fully paid up Ordinary Shares of Group Development Limited alongwith its wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited all at a total consideration of US\$12,010,000.00 (United States Dollars twelve million and ten thousand only). The said Companies are engaged in growing and processing of Tea, Macadamia and Tobacco. At present due diligence is under process and your Board expects that the process of acquisition of the said Companies would be complete by June/July 2014, subject to satisfactory due diligence.

SUBSIDIARY COMPANY AT MAURITIUS

Your Directors wish to inform you that for the purpose of the aforesaid acquisition at Malawi, the Company has taken steps to



incorporate a wholly owned subsidiary at Mauritius in accordance with the laws of Mauritius in force for the time being.

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 the paragraphs to follow.

Tea Division

During the calendar year 2013 there was a significant increase in world production of Tea primarily due to favourable weather prevailing in major Tea producing countries like India, Kenya, Sri Lanka, China and Malawi.

During the year under review, this Division posted improvement both in production and realization. Production was reported at 10.02 million Kgs of Tea during the year under review, which is higher than 9.32 million Kgs., as reported in the last year. Favourable weather conditions coupled with augmented irrigation facilities were the major contributing factors.

Average tea prices were lower in all auction centers compared to previous year. However, realizations increased by ` 3 per kg., which reflects the premium the products enjoy in the market.

The Directors are pleased to inform you that exports have increased during the year when compared with the previous year. Exports were made to countries like China, Iran, Russia, and U.K., which has resulted in enhanced export sales during the year under review. The Division is also exploring other potential markets and taking adequate measures to strengthen the existing market and is confident of increasing export turnover in the coming year.

As reported last year, this Division is steadily increasing its presence in the packet tea segment on Pan India basis and is hopeful in making a further growth in the current financial year.

During the current year, till date adverse weather conditions during initial flush has impacted production in Assam and Bengal. Tea market is expected to be strong and good quality Tea are expected to enjoy premiums. However, this should be viewed in the backdrop of expected rise in wages and rising input costs. Overall, we expect to maintain the current profitability levels in the coming year.

All the Tea Estates are ISO 22000:2005 Certified and some of your gardens are also participants in the ETP (Ethical Tea Partnership) Programme. This division also continues to lay emphasis on the critical issues of Maximum (Permissible Chemicals) Residue Limits and complies with stringent international as well as Indian standards at all its estates.

Engineering (MICO) Division

This division is engaged in EPC contracts mainly in Steel Plants and Power Plants. The global and national economy has not been encouraging and the slowdown has hit the EPC industry hard, resulting in delay in expansion/modernisation plans. This Division was also severely impacted by the economic slowdown resulting in low booking of new orders during the year under review.

This Division has reported a 50% increase in revenue over previous year on account of progress in execution of orders in hand at the beginning of the year. However, the profitability of the Division was impacted due to cost overrun in couple of projects on account of delay in availability of site.

In the year under review, this division has successfully commissioned Coke Oven Battery at Durgapur Steel Plant and has earned accolades. This division is about to achieve a unique feat by executing category-1 Capital Repair of Blast Furnace (BF1) of Vizag Steel Plant, which is expected to be commissioned very soon. The said work will place this Division in another league all together, and will help in its growth in the long run.

This division expects the market sentiment to improve in the latter half of the coming year, which would provide better opportunities of getting new orders. This division also expects to forge new partnerships with some of the leading globally players, which will enhance its capabilities and credentials. The Directors expect this division to perform better in the coming year.

Textile Division

The overall performance of this division was reasonable with production of 19,648 M.T. as against production of 18,602 M.T. in the last year. The increase in production is the result of the expansion programme, as reported last year.

The cotton crop for the year 2013-2014 is estimated to be at all time high of around 375 lakh bales. However, with increase in domestic consumption and substantial exports, stock levels are expected to be low resulting in increase in cotton prices.

The export of cotton yarn during the year 2013-2014 was at all time high mainly driven by higher demand from China. However, the change in the cotton policy by Chinese Government from April, 2014, and in anticipation of China releasing its huge cotton inventory, the yarn market is currently facing tremendous pressure and lackluster exports. The appreciation of rupee against dollar will also adversely affect Indian Textile Exporters.

The increase in cotton prices on one hand and decline in export of yarn on the other hand is putting pressure on the cotton yarn prices and has adversely affected the economics of the Spinning Mills. However, the silver lining is the positive sentiments in the domestic market which is expected to drive domestic demand.

This division is working on value added yarns which is likely to have positive impact on the working of the division and the directors expect the current dismal scenario for cotton spinning mills to improve in later part of the year.

Chemical (Waldies) Division

This Division is engaged in the manufacture of Lead Oxides & PVC Stabilisers used in the manufacture of Battery, Paints and other products.

During the year under review the industry witnessed uncertain market environment and slow growth. Production was reported at 3,547 M.T. as against 3,876 M.T. in the previous year. The total revenue earned was marginally low when compared to the previous year.

Continuous efforts are being made for bringing in improvement in the operation of this Division. The outlook of the Division in the coming year is stable.



This Division ensures total customer satisfaction in terms of quality & service and enjoys ISO-9001 certification for its Quality Management System. This Division also enjoys ISO-14001 certification for its Environment Management System and OHSAS-18001 certification for its Occupational Health & Safety Management System.

Trading Division

During the year under review, the turnover of this Division was lower compared to previous year primarily due to slump in demand from real estate sector, delay in execution of ongoing projects, and launch of few new projects. However, this Division has started importing abrasive sheets under its registered brand 'Gillarco' which is slowly gaining acceptability in the market. We are expecting an improved market sentiment, which is expected to result in higher turnover compared to previous year. The Directors expect that this Division will yield better results in the coming year.

Property Division

This Division has reported a marginal increase in the revenue in the year under review, when compared with the previous year. This Division in its endeavour to improve quality of services, had undertaken major repair and renovation work, which has progressed well in the year under review and is expected to be completed in the coming year. Steps have also being undertaken to improve quality of services like security and safety of the tenants. Comprehensive fire safety policy is rigorously implemented with installation of fire safety equipments and conducting of fire safety drills at regular intervals.

This Division is also regularly engaging with the old tenants so that the existing rent paid by them can be increased. With completion of scheduled renovation, overall improvement in quality of services available to the tenants and expected improvement in economic conditions, this division expects to add more tenants in the coming year.

Internal Control System and their adequacy

The Company has proper and adequate system of internal controls. Audit of various divisions, 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 the Company to safeguard and protect all assets and ensure that the transactions are authorized, recorded and reported correctly.

Human Resources and Industrial Relations

The 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. The Directors wish to record their appreciation for the cooperation 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 accordance with the provisions of the Companies Act 2013, Mr. A. K. Kothari and Smt. P. D. Kothari will retire in the ensuing Annual General Meeting and being eligible offer themselves, for re-appointment. The Board of Directors recommends their re-appointment.

At the Board meeting held on 10th February, 2014, 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 3 (three) years with effect from 1st April, 2014 subject to the approval of the members of the Company in the ensuing Annual General Meeting. The said re-appointment has the consent of the Remuneration Committee and the Audit Committee.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors, which is consistent with the provisions of Companies Act, 2013 and the amended Listing Agreement, which would come into force with effect from 1st October, 2014.

The Company has received declarations from all the Independent Directors of the Company that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. J. N. Godbole, Dr. H. P. Kanoria and Mr. H. M. Parekh, being eligible, offer themselves for appointment as Independent Directors for a term of five (5) years each and the Board recommends their appointment by way of Special Resolutions.

Mr. Naresh Pachisia, being eligible, offers himself for appointment as an Independent Director for a term of five (5) years and the Board recommends his appointment by way of an Ordinary Resolution. The Company has received requisite Notices in writing from Members proposing the candidature of the aforesaid appointment as Independent Directors.

Mr. P. K. Khaitan has communicated that he will resign from the Board of Directors of the Company, with effect from 29th May, 2014.

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:



- a) Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;
- b) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2014 and of the profit of the Company for that period;
- c) Taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) 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

The provisions of Companies Act, 2013 (Act) and the applicable Rules provides that an Audit firm can be appointed as an Auditor for two terms of five consecutive years only and that the period for which the auditor has held office prior to the commencement of the Act, that period shall be taken into account for calculating the period of ten consecutive years.

Messrs. Singhi & Co., Statutory Auditor of the Company, Messrs. Dutta Ghosh & Associates, Branch Auditor of the GIS Cotton Mill unit of Textile Division of the Company and Messrs. Kothari & Company, the Branch Auditor of the Engineering (MICCO) Division of the Company have completed four (4) years, six (6) years and two (2) years as Auditors respectively.

In compliance with the provisions of the Act, Messrs. Singhi & Co, Messrs. Dutta Ghosh & Associates and Messrs. Kothari & Company may be appointed for a period of one (1), four (4) and three (3) years respectively in the ensuing Annual General Meeting of the Company.

Messrs. Singhi & Co., Statutory Auditor of the Company, Messrs. Dutta Ghosh & Associates, Branch Auditor of the GIS Cotton Mill unit of Textile Division of the Company and Messrs. Kothari & Company, the Branch Auditor of the Engineering (MICCO) Division of the Company, who retires after the conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves, for re-appointment.

Your Board has obtained written consent from all the aforesaid retiring Auditors for their re-appointment and also a certificate from each of them confirming that the re-appointment, if made, shall be in accordance with the conditions as prescribed under Sections 139 and 141 of the Act and relevant Rules. The aforesaid re-appointments have the consent of the Audit Committee. Accordingly, the Board recommends their re-appointments by way of Ordinary Resolutions.

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 2013-14:

- 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 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. Certificate on Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with stock exchanges, issued by CS Deepak Kumar Khaitan, Practising Company Secretary is also attached to this Report.

FIXED DEPOSIT

The Company is eligible to invite, accept or renew deposits under the provisions of Companies Act, 2013 (Act) and the Rules framed therein. At present, the Company is not accepting any deposits. However, steps are being taken to comply with the said provisions so that the Company can accept deposits under the provisions of the Act and rules framed therein.

As on 31st March, 2014 an amount of ` 3,125 lakhs was outstanding as fixed deposits received from the public and shareholders of your Company. Matured fixed deposit amounting to ` 6.24 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

The 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, 26th May, 2014.



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 on 31st March, 2014.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Conservation of natural resources continues to be the key focus area of your Company. The company over the years has accorded high priority to energy conservation and has implemented various schemes on continuous basis to save energy, wherever possible. With studies, discussions and analysis being undertaken regularly for further improvements, some of the measures undertaken are as under:

- i) Conventional tube lights and vapour lamps are being replaced by the energy efficient CFLs and Halogen Lamps/Metal- halides.
- ii) New D G Sets installed to replace old Generators.
- iii) Optimization made in Boiler Auxiliary i.e ID Fan, FD Fan & PA Fan.
- iv) Installation of VFD in Ring Frame main motor instead of VPS Pulley and Boiler Feed Pump.
- v) Replacement of old rewind motors with high efficiency motors.

- vi) Timers installed on hydro dying machines to avoid excess running.
- vii) Installation of pressure regulator in Cleaning Pressure Line.
- viii) Timely replacement of power capacitor and equipment for achieving ideal power factor.

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

The Company intends to install energy efficient upgraded machineries, equipment 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

	2013-14	2012-13
1. Electricity		
a) Purchased:		
Unit	3,73,72,348	3,60,21,984
Total Amount (₹ in lakhs)	2,701.87	2,529.50
Rate/unit (₹)	7.23	7.02
b) Own Generation		
i) Through Diesel Generator (Unit)	25,77,217	32,85,582
Unit per litre of Diesel Oil	3.14	3.31
Cost/unit (₹)	17.11	13.77
ii) Through Gas Gen Set (Unit)	9,07,819	9,51,615
Unit per S.Cu.M.	1.18	1.21
Cost/unit (₹)	5.82	5.30
iii) Through Steam Turbine (Unit)	4,62,45,600	4,19,95,500
Unit per M.T.	870	891
Cost/unit (₹)	5.11	5.01
2. Coal (Grade B and Coal used in Drier)		
Quantity (M. T.)	5,859	5,890
Total Cost (₹ in lakhs)	429.47	393.74
Average Rate (₹ /M.T.)	7,330.29	6,685.37



	2013-14	2012-13
3. b) Coal (Grade B and Coal used in Boiler)		
Quantity (M. T.)	895	999
Total Cost (₹ in lakhs)	75.59	90.21
Average Rate (₹ /M.T.)	8,442.19	9,027.96
4. Furnace Oil		
Quantity (K. ltrs.)	102	253
Total Cost (₹ in lakhs)	55.45	129.70
Average Rate (₹ /ltrs.)	54.57	51.22
5. Others/Internal Generation		
a) Natural Gas		
Quantity (S. Cu. M.)	21,27,503	19,53,753
Total Cost (₹ in lakhs)	145.12	121.42
Rate/Unit (₹ /S. Cu. M.)	6.82	6.21
b) Husk		
Quantity (M.T.)	53,128	47,123
Total Cost (₹ in lakhs)	2,361.27	2,105.60
Average Rate (₹ /M.T.)	4,444.46	4,468.27
c) Jute Dust / Caddies		
Quantity (M.T.)	2,162	2,088
Total Cost (₹ in lakhs)	29.41	20.25
Average Rate (₹ /M.T.)	1,360.57	970.10
B. Consumption per unit of Production (Standard, if any)		
1. Tea		
Production (Gross) (M.T.)	10,025	9,322
Electricity (unit per M.T.)	944	952
Coal (kgs per M.T.)	584	632
Furnace Oil (Ltrs. per M.T.)	10	27
Natural Gas (S.Cu.M. per M.T.)	212	210
2. Cotton and Man made Fibre Yarn		
Production (M.T.)	19,648	18,062
Electricity (unit per M.T.)	3,896	3,999
Husk (Kgs. per M.T.)	4,384	4,363
Coal (Kgs per M.T.)	4	11
Jute Dust / Caddies (Kgs per M.T.)	287	288
3. Steel Structural		
Production (M.T.)	1,669	1,679
Electricity (Unit per M.T.)	109	125
4. Lead Oxides		
Production (M.T.)	3,120	3,492
Electricity (unit per M.T.)	237	220
Coal (Kgs per M.T.)	222	219
5. White lead, Lead Salts & Metallic Stearates		
Production (M.T.)	427	384
Electricity (Unit per M.T.)	387	442
Coal (Kgs per M.T.)	397	396

**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:

Your Company subscribes to various Research 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.

2. Benefits derived as a result of the above R&D

The advices and suggestions of the aforesaid Associations are pursued and implemented, which helps in optimizing production and improvement of quality of the products.

3. Future plan of action

Research & Development would continue to be a focus area and in order to improve the productivity and quality of products, the 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.

4. Expenditure on R & D

a) Capital

Nil

b) Recurring

` 9.44 lakhs

c) Total

9.44 lakhs

d) Total R & D expenditure as a percentage of Total Turnover

0.01

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- a) Installation of latest machines /equipments viz.,
- Latest Ring frames with auto doffers, system.
 - Blow Rooms, Cards, Draw Frames, Speed Frames.
 - Automatic Humidification plant.
 - Schlafhorst Auto Link Coner
 - Murata Process Auto Coner
 - Retrofitment of Auto Doffer in Ring Frames
- b) Installation of latest irrigation Equipment in the Tea Gardens.
- New products were developed
 - Improvement in productivity, conservation of energy and overall improvement in the quality of product.
 - Proper and efficient use of water increases productivity due to less dependency on rainfall.

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:

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 overseas markets and has taken slew of initiatives to boost export. The Exports during the year increased by 2.23% 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

	2013-14	2012-13
Foreign exchange earned	9,374.78	9,170.57
Foreign exchange used	4,148.92	2,441.05

For and on behalf of the Board

A. K. Kothari
Chairman

Kolkata, 26th May, 2014



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 on 31st March, 2014]

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')

The Board is entrusted with the ultimate responsibility of the management, general affairs, directions and performance of the Company and has been vested with requisite powers, authorities and duties.

(A) Composition

During the financial year ended on 31st March, 2014, your Company's Board was duly constituted in accordance with the requirements laid down under the Companies Act, 1956 and the Listing Agreement and as at the close of the aforesaid financial year it comprised of 8 (Eight) Directors, 4 (Four) being Independent Directors, 2 (Two) being Non - Executive Promoter Directors, 1 (One) Non - Executive Director and 1 (One) being Whole time Director with considerable experience in their respective fields.

As on the date of this report, your Board is duly constituted in compliance with Companies Act, 2013 and the Listing Agreement. Mr. P. K. Khaitan has communicated that he will resign from the Board of Directors of the Company with effect from 29th May, 2014.

(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 is ` 15,000 (increased from ` 7,500 to ` 15,000 at the meeting of the Board of Directors held on November 13, 2013) and its Committees is ` 11,000 (increased from ` 7,500 to ` 11,000 at the meeting of the Board held on November 13, 2013), which is subject to deduction of tax at source. 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 7th September, 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 on 31st March, 2010 at a rate not exceeding 1% (one percent) per annum of the net profits of the Company. The Board 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 the 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 6 (Six) times. The details of Board Meetings held during the financial year 2013-2014 are as under:

Sl. No.	Date of Board Meeting	City	No. of Directors present
1.	29th May, 2013	Kolkata	5
2.	10th August, 2013	Kolkata	6
3.	13th November, 2013	Kolkata	6
4.	14th December, 2013	Kolkata	6
5.	10th February, 2014	Kolkata	7
6.	18th February, 2014	Kolkata	5



The details of the Directors with regard to the outside Directorships and Committee positions, as well as Board Meetings/Annual General Meeting (AGM) as on 31st March, 2014 are as follows:

S.N.	Name of Director	Category of Director	Attendance during 2013-2014		No. of Outside Directorship(s)/ Chairperson(s) of the outside Board *	No. of Membership(s)/ Chairmanship(s) in Outside Committee#
			Board Meetings	Last AGM held on 10.08.13		
1.	Mr. A. K. Kothari	Non-Executive Promoter Chairman	6	Yes	7 (2 as Chairman)	3
2	Smt. P. D. Kothari	Non-Executive Promoter	6	Yes	5	NIL
3.	Mr. P. K. Khaitan [§]	Non-Executive	3	No	14	3
4.	Mr. J. N. Godbole	Independent	3	Yes	13	9 (3 as Chairman)
5.	Dr. H. P. Kanoria	Independent	1	No	1	NIL
6.	Mr. H. M. Parekh	Independent	6	Yes	8	7 (3 as Chairman)
7.	Mr. N. Pachisia	Independent	5	Yes	8	6
8.	Mr. D. K. Sharda	Managing Director & CEO	5	Yes	2	NIL

* Excludes Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorship.

Includes only Audit Committee and Shareholders'/Investors' Grievance Committee.

§ Mr. P. K. Khaitan has communicated that he will resign from the Board of Directors of the Company with effect from 29th May, 2014.

(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.

- Declaration as required under Clause 49(I)(D)(ii) with respect to financial year ended on 31st March, 2014, signed by the Managing Director & CEO has been provided to the Board and is reproduced as Annexure 1 to this report.

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 erstwhile Section 292A of the Companies Act, 1956, which acts as a link between the management, the statutory auditor, branch auditors, cost



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

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

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, as well as the Internal Auditors, Managing Director & CEO and the 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 29th May, 2013, 10th August, 2013, 13th November, 2013 and 10th February, 2014 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	Gross Amount of fees paid (₹)
1.	Mr. H. M. Parekh	4	33,500
2.	Mr. A. K. Kothari	4	33,500
3.	Mr. J. N. Godbole	3	26,000
4.	Mr. N. Pachisia	3	26,000

(C) Powers of Audit Committee

The audit committee during the year under review was 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 during the year under review 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 erstwhile 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, debentureholders, 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

During the financial year 2013-2014, your Company did 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 the Accounting Standard (AS) 18, and prescribed under the erstwhile Companies Act, 1956, forms part of Note No. 33 to the financial statements in the Annual Report.

The Company's related party transactions include transactions with its associate Companies and are entered into 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.

(B) Disclosure of Accounting Treatment

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

(C) Risk Management

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

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

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

(E) Remuneration to Directors

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

Non Executive Directors are entitled to sitting fees for attending the meetings of the Board and Committees thereof. The present sitting fees is ₹ 15,000 and ₹ 11,000 for attending meetings of the Board and Committee thereof. Commission to the Non-Executive Directors is being proposed to be paid depending on the respective involvement of the Non-Executive Directors in the affairs of the Company, subject to the limits laid down in the erstwhile Companies Act, 1956 and by the members of the Company at the Annual General Meeting held on 7th September, 2010.

Details of total remuneration paid / payable to all the Directors of your Company for the year ended on 31st March, 2014 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.	1.68	0.31	1.99
2.	Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	1.45	2.14	3.59
3.	Mr. P. K. Khaitan*	N.A.	N.A.	N.A.	N.A.	0.37	0.31	0.68
4.	Mr. J. N. Godbole	N. A.	N.A.	N.A.	N.A.	0.56	0.31	0.87
5.	Dr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	0.26	0.31	0.57
6.	Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	1.23	0.31	1.54
7.	Mr. N. Pachisia	N.A.	N.A.	N.A.	N.A.	0.97	0.31	1.28
8.	Mr. D. K. Sharda	26.40	3.17	N.A.	3.68	N.A.	N.A.	33.25
	Total	26.40	3.17	-	3.68	6.52	4.00	43.77

* Mr. P. K. Khaitan has communicated that he will resign from the Board of Directors of the Company with effect from 29th May, 2014. (N.A. indicates Not Applicable)



The Board of Directors of the Company at their meeting held on 10th February, 2014 has re-appointed Mr. D. K. Sharda as the 'Managing Director', designated as the 'Managing Director & CEO' of the Company, for a period of 3 (three) years with effect from 1st April, 2014. The said re-appointment has the consent of Remuneration Committee and the Audit Committee and 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 31st March, 2014
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.	Dr. 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 appointment/re-appointment (as per the requirement of Clause 49 of the listing agreements) in the Notice convening the Annual General Meeting of the Company. Mr. A. K. Kothari and Smt. P. D. Kothari, retire by rotation at the ensuing Annual General Meeting, and are eligible for re-election. Mr. J. N. Godbole, Dr. H. P. Kanoria, Mr. H. M. Parekh and Mr. Naresh Pachisia, being eligible for appointment as Independent Directors under the Companies Act, 2013 and the amended Listing Agreement, offer themselves for appointment as Independent Directors for a term of 5 years each.
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 etc. In addition, the Committee looks into other issues including status of dematerialization / rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

At present, the 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 10th February, 2014. Details of the attendance and sitting fees paid are as follows:

S.N.	Name of the Member	Attendance	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	Yes	11,000
2.	Mr. A. K. Kothari	Yes	11,000
3.	Smt. P. D. Kothari	Yes	11,000
4.	Mr. P. K. Khaitan*	No	Nil
5.	Mr. D. K. Sharda	Yes	N.A.

* Mr. P. K. Khaitan has communicated that he will resign from the Board of Directors of the Company with effect from 29th May, 2014.

During the year, the Company has received 20 (Twenty) 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 31st March, 2014 on SCORES, the web based complaint redressal system of SEBI.

5. Pursuant to the authorization of the Board of Directors of the Company, either the Managing Director & CEO or Joint President & CFO or 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.

Substantial provisions of Companies Act, 2013 has already come in effect from 1st April, 2014. Revised Clause 49 would be applicable to all listed companies with effect from 1st October, 2014 as per Circular No.CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014. This report has been prepared for the financial year ended 31st March, 2014, and during the said financial year the new Rules were not applicable. Your Board is taking all steps to ensure compliance of the provisions of the new laws, as prescribed.

V CEO and CFO Certification

The Managing Director & CEO and the Joint President & CFO of the Company gives 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.

VII. Compliance

1. Certificate from CS Deepak Kumar Khaitan, Practising Company Secretary, regarding compliance with the conditions of Corporate Governance, as stipulated in Clause 49 of the above-mentioned Listing Agreement with Stock Exchanges in India, is annexed to the Directors' Report and forms part of the Annual Report.
2. The Company is compliant with all the mandatory requirements of Clause 49 of the Listing Agreement. As far as the non-mandatory requirements are concerned, the Board has set up a Remuneration Committee, the details of which have been provided under the head 'Other Board Committees' of this report. Further, there is no audit qualification in the company's financial statements for the year ended 31st March, 2014.

VIII. General Body Meetings

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

Financial Year	Date of AGM	Venue	Time
2012-2013 (79th AGM)	10.08.2013	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Kolkata-700001	11.30 A.M.
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.

2. At the last three Annual General Meetings of the Company held as aforesaid, no special resolution was proposed or passed.

3. Postal Ballot:

No resolution was passed through Postal Ballot in the year under review. Resolutions are proposed to be passed through Postal Ballot to comply with certain provisions of the Companies Act, 2013.

IX. Means of Communication

1. The quarterly/half-yearly financial results in the proforma prescribed as per the 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/Business Standard in English and in Aajkaal in Bengali. The results are also available in the Company's website at 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

1) Corporate Identity Number (CIN) of the Company	L51909WB1935PLC008194					
2) Date, time and venue of the Annual General Meeting	14th August, 2014 at 11-30 A.M. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, Kolkata-700001					
3) Financial Calendar 2014-2015 (tentative and subject to change)	<ul style="list-style-type: none"> • Financial Year: April to March • First Quarter Results: by second week of August, 2014 • Half Yearly Results: by second week of November 2014 • Third Quarter Results: by second week of February 2015 • Audited results for the year ending 31st March 2015: by last week of May, 2015 					
4) Book Closure Period	7 th August, 2014 to 14 th August, 2014 (both days inclusive)					
5) Dividend Payment Date	By Third Week of August, 2014					
6) Listing on Stock Exchanges	i) The Calcutta Stock Exchange Limited (CSE) 7 Lyons Range, Kolkata-700 001. ii) Bombay Stock Exchange Limited (BSE) P J Towers, Dalal Street, Mumbai- 400 001. iii) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.					
7) Stock Code	CSE - 17321 & 10017321 BSE - 532716 NSE - GILLANDERS					
8) 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 2013	74.95	64.45	72.95	66.70	19,622.68	18,144.22
May 2013	74.95	65.10	75.00	67.10	20,443.62	19,451.26
June 2013	75.00	60.00	75.00	59.20	19,860.19	18,467.16
July 2013	71.45	52.30	69.00	52.35	20,351.06	19,126.82
August 2013	63.00	46.60	62.00	52.10	19,569.20	17,448.71
September 2013	59.85	52.00	56.25	54.00	20,739.69	18,166.17
October 2013	62.00	53.55	60.00	54.00	21,205.44	19,264.72
November 2013	64.95	51.65	61.85	56.00	21,293.88	20,137.67
December 2013	61.95	56.10	71.30	55.60	21,483.74	20,568.70
January 2014	67.90	56.00	67.85	55.50	21,409.66	20,343.78
February 2014	64.60	53.10	68.00	51.40	21,140.51	19,963.12
March 2014	63.40	54.95	61.75	55.00	22,467.21	20,920.98

Source BSE & NSE Websites



9) Registrars & Share Transfer Agent (Both Physical & Demat Segments)	Maheshwari Datamatics Pvt. Ltd. (Unit : Gillanders Arbuthnot and Company Limited) 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata - 700001			
10) Share Transfer System	Requests for transfer of shares in physical form received either at the office of the Company or at the Office of the Registrars are generally approved 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.			
11) Distribution of Shareholding as on 31st March, 2014				
Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	14,443	90.2800	11,66,344	5.4649
501-1000	753	4.7068	5,65,929	2.6517
1001-2000	384	2.4003	5,58,228	2.6156
2001-3000	142	0.8876	3,59,356	1.6838
3001-4000	58	0.3625	2,05,140	0.9612
4001-5000	48	0.3000	2,20,477	1.0330
5001-10000	89	0.5563	6,51,817	3.0541
10001 and above	81	0.5065	1,76,15,055	82.5357
Total	15,998	100.00	2,13,42,346	100.00
12) Categories of Shareholders as on 31st March, 2014				
Category	Number of shares	Percentage of Shareholdings		
Indian Promoters	1,46,71,465	68.7434		
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	8,58,913	4.0245		
Indian Public	43,84,703	20.5446		
NRI	1,39,340	0.6529		
Others - Trusts, Clearing Members etc.	24,281	0.1138		
TOTAL	2,13,42,346	100.00		
13) Dematerialization of Shares and Liquidity	<p>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 2014-15 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 31st March, 2014, 2,05,06,259 Ordinary Shares representing 96.0825% of the total Ordinary Share Capital of the Company were held in dematerialized form.</p> <p>The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE047B01011.</p>			



14) Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	Not applicable												
15) Plant Locations	<p>1. Tea Division:</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) Jutlibari 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) Taipoo 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>2. Textile Division:</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>3. Engineering (MICCO) Division: Ekford Road, Sodepur, 24 Parganas (North), W. B.</p> <p>4. Chemical (Waldies) Division: 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) Jutlibari 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) Taipoo 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
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) Jutlibari 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) Taipoo 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												
16) Address for Communication	<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>(Investors are requested to forward their complaints / grievances, if any, to the above e-mail address)</p> <p>Registrar and Share Transfer Agent 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>												



17) Cost Audit for the Financial Year 2012-13	Name of Division	Name of Cost Auditor
	Textile Division - North India Spinning Mill (NISM)	M/s. D. Sabyasachi & Co.
	Textile Division - GIS Cotton Mill	M/s. D. Sabyasachi & Co.
	Tea - Betjan, Jutlibari, Gorunga, Arun, Dooria, Borkatonee, Dherai, Gaikhata, Taipoo, Tengpani Tea Estates	M/s. B. Ray & Associates
	Chemical (Waldies)	M/s. Rammani Sarkar & Co.
	The Cost Audit Report relating to the aforesaid Divisions and Compliance Report relating to the Engineering (MICCO) Division of the Company were filed in XBRL format within the prescribed time with the Ministry of Corporate Affairs.	

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 erstwhile Companies Act, 1956 with respect to determination of remuneration package for Managing Director/Executive Directors.

Mr. H. M. Parekh is the Chairman of the Remuneration Committee. The Remuneration Committee met once during the year on 10th February, 2014. 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. M. Parekh	Yes	11,000
2.	Smt. P. D. Kothari	Yes	11,000
3.	Dr. H. P. Kanoria	Yes	11,000
4.	Mr. P. K. Khaitan*	No	NIL
5.	Mr. N. Pachisia	Yes	11,000

* Mr. P. K. Khaitan has communicated that he will resign from the Board of Directors of the Company with effect from 29th May, 2014.

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 erstwhile Companies Act, 1956, 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 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 6 (six) times.

XII. Other Useful information for Shareholders

1) Unpaid/Unclaimed Dividends

Shareholders who have not yet encashed their dividend warrant(s) for the years 2007-2008 to 2012-2013 may approach the Share Department of the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio numbers.

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 Participant (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 Corporate Governance" initiated by the Ministry of Corporate Affairs, the Company once again requests all the shareholders, holding shares in dematerialized form and who has not yet registered their e-mail address, to register their e-mail address with the Company for receiving notice/documents including Annual Report in electronic mode through their concerned Depository Participants. Shareholders who hold shares in physical form and who has not yet registered their e-mail address are requested to register their e-mail id with Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents of the Company.

For and on behalf of the Board

A. K. KOTHARI
Chairman

Kolkata, 26th May, 2014

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 on 31st March, 2014.

D. K. Sharda
Managing Director & CEO

Kolkata, 26th May, 2014

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 on 31st March, 2014, 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

Kolkata, 26th May, 2014



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, 2014, 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 Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of the section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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.

Auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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, 2014;
- 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"), as amended, 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of the section 133 of the Companies Act, 2013.
 - On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the board of directors, we report that none of the directors are disqualified as on 31st March, 2014, 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 accounts of Engineering (MICCO) Division and GIS Cotton Mill (a unit of Textile Division) carried out by Kothari & Company and Dutta Ghosh & Associates respectively has been forwarded to us as required under clause (c) of sub-section (3) of section 228 of the Companies Act, 1956 and have been dealt with in preparing our report in the manner considered necessary by us. Our opinion is not qualified in respect of other matter.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Anurag Singhi
Partner

Kolkata, 26th May, 2014

Membership No: 066274



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)

In our opinion and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company have been physically verified by the management and/or by a firm of Chartered Accountants on behalf of the management during the year and no material discrepancies have been noticed on such physical verification. In our opinion, the frequency of verification is reasonable.
 - c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed of by the Company during the year.
- ii. In respect of its inventories:
 - a) 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. In our opinion the frequency of such verification is reasonable.
 - b) 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.
 - c) 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:
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the Order are not applicable to the Company.
- 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:
 - a) 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.
 - b) 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 deposits (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 2014 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	50.21	2003-04 & 2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		1,602.03	2005-06 to 2010-11	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
The West Bengal Value Added Tax Act, 2005	Sales Tax	638.04	Various periods from 2005-06 to 2010-11	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
The 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	339.22 (Paid under Protest ` 58.81 lakhs)	2003-04 to 2011-12	CESTAT, Kolkata
		16.68	April 2012 to June 2012	Additional Commissioner, Central Excise & Service tax, Jamshedpur
		17.75 (Paid under Protest ` 17.75 lakhs)	2006-07 to 2007-08	CCE (Appeals) Bhubaneswar-II
		68.93 (Paid under Protest ` 5 lakhs)	16.06.05 to Sep '10	Commissioner of Central excise (Appeals)
Income Tax Act, 1961	Income Tax	5.86	1987-88	Hon'ble High Court at Calcutta

- x. The Company does not have accumulated losses as at 31st March 2014 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. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Anurag Singhi
Partner

Kolkata, 26th May, 2014

Membership No: 066274



BALANCE SHEET as at 31st March, 2014

		` in Lakhs	
Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	2,334.23	2,334.23
Reserves and Surplus	3	19,571.23	19,219.30
Non-Current Liabilities			
Long Term Borrowings	4	6,808.14	8,268.22
Deferred Tax Liabilities (Net)	5	615.00	940.00
Other Long Term Liabilities	6	3,066.24	2,280.90
Current Liabilities			
Short Term Borrowings	7	24,365.49	17,482.71
Trade Payables	8	10,462.38	9,233.86
Other Current Liabilities	9	7,215.35	6,455.92
Short Term Provisions	10	2,439.71	2,311.02
		TOTAL	68,526.16
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	11	24,048.65	21,049.08
(ii) Intangible Assets		35.91	93.91
(iii) Capital Work-in-Progress		621.43	2,744.08
		24,705.99	23,887.07
Non-Current Investments			
Long Term Loans and Advances	12	2,719.07	24.17
Other Non-Current Assets	13	8,680.42	6,617.24
	14	28.09	73.00
Current Assets			
Current Investments	15	504.10	2,350.37
Inventories	16	17,253.01	17,015.48
Trade Receivables	17	14,973.78	11,271.21
Cash and Bank Balances	18	790.40	351.50
Short Term Loans and Advances	19	6,306.50	6,287.15
Other Current Assets	20	916.41	648.97
		TOTAL	68,526.16

Significant Accounting Policies

1

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

D. K. Sharda
Managing Director & CEO

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

Anurag Singhi
Partner
Membership No. 066274
Kolkata, 26th May, 2014

D. Karmakar
Company Secretary

P. K. Jain
Joint President & CFO



STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

` in Lakhs

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Income			
Revenue from Operations (Gross)	21	95,718.03	79,090.29
Less : Excise Duty		1,038.21	848.67
Revenue from Operations (Net)		94,679.82	78,241.62
Other Income	22	1,358.90	825.44
Total Revenue		96,038.72	79,067.06
Expenses			
Cost of Raw Materials Consumed	23	38,115.35	32,373.14
Purchases of Stock-in-Trade	24	13,153.33	7,621.54
Changes in Inventories of Finished goods, Stock-in-Process and Stock-in-Trade	25	(1,851.82)	(932.81)
Employee Benefits Expenses	26	11,456.77	10,029.11
Finance Costs	27	3,597.78	2,848.14
Depreciation and Amortization Expense	11	2,859.49	2,490.75
Other Expenses	28	28,284.90	21,698.15
Total Expenses		95,615.80	76,128.02
Profit Before Tax		422.92	2,939.04
Tax Expense:			
- Current Tax	29	190.00	550.00
- Deferred Tax		(325.00)	330.00
Profit for the year		557.92	2,059.04
Earnings per Ordinary Share (Face Value of ` 10 per share)			
- Basic & Diluted (in `)	41	2.53	9.56

Significant Accounting Policies

1

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

D. K. Sharda
Managing Director & CEO

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

Anurag Singhi
Partner
Membership No. 066274
Kolkata, 26th May, 2014

D. Karmakar
Company Secretary

P. K. Jain
Joint President & CFO



CASH FLOW STATEMENT for the year ended 31st March, 2014

in Lakhs

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		422.92		2,939.04
Adjustments for :				
Depreciation and Amortisation Expense	2,859.49		2,490.75	
Finance Cost (Net of incentive income)	3,597.78		2,848.14	
Profit on Sale of Investments (Net)	(2.70)		(38.28)	
Profit on Sale of Fixed Assets (Net)	(55.90)		(7.18)	
Bad Debts and Advances written off	167.92		187.13	
Provision for Doubtful Debts and advances (Net of write back)	22.28		(0.91)	
Provision for diminution in value of investment	(0.28)		(12.20)	
Interest Income	(109.05)		(132.18)	
Dividend Income	(50.78)		(89.06)	
Liability no longer required written back	(69.42)	6,359.34	(250.36)	4,995.85
Operating profit before Working Capital Changes		6,782.26		7,934.89
Changes in Working Capital :				
(Increase)/Decrease in Trade and Other Receivables	(6,504.02)		(4,670.02)	
(Increase)/Decrease in Inventories	(237.53)		(2,951.49)	
Increase/(Decrease) in Trade and Other Payables	2,354.38	(4,387.17)	1,918.88	(5,702.63)
Cash Generated from Operations		2,395.09		2,232.26
Direct Taxes Paid (Net)		(607.60)		(459.01)
Interest received on Income Tax Refund		38.25		38.97
Net Cash from Operating Activities		1,825.74		1,812.22
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets including capital Work in Progress	(2,876.57)		(4,213.04)	
Proceeds from Sale of Fixed Assets	76.38		19.94	
Capital Subsidy Received	9.22		49.24	
Purchase of Non Current Investments	(2,745.68)		(2,296.28)	
Proceeds from Sale of Current Investments	1,900.04		1,772.43	
Interest Received	71.11		94.20	
Dividend Received	50.78		89.06	
Net Cash used in Investing Activities		(3,514.72)		(4,484.45)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings (Net)	6,474.92		3,945.53	
Proceeds from Long Term Borrowings	832.00		2,841.00	
Repayment of Long Term Borrowings	(1,696.32)		(1,386.20)	
Proceeds from Fixed Deposits (from Public)	952.56		679.26	
Repayment of Fixed Deposits (from Public)	(335.82)		(285.04)	
Dividend Paid	(433.21)		(124.78)	
Tax on Dividend	(75.26)		(19.91)	
Finance Charges Paid	(3,635.90)		(2,932.31)	
Net Cash from / (used) in Financing Activities		2,082.97		2,717.55
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		393.99		45.32

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, 2014	For the year ended 31st March, 2013
	424.50	379.18
	818.49	424.50
	(393.99)	(45.32)

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. Cash and Cash Equivalents includes ₹ 620.08 lakhs (Previous Year ₹ 192.77 lakhs) available for restricted use (Refer Note - 18). The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees and unclaimed dividends.
3. The deposits maintained by the bank comprises of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.
4. Previous year's figures have been rearranged and/or 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

D. K. Sharda
Managing Director & CEO

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

Anurag Singhi
Partner
Membership No. 066274
Kolkata, 26th May, 2014

D. Karmakar
Company Secretary

P. K. Jain
Joint President & CFO



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2014

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 as prescribed by the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable).

1.2 Tangible Fixed Assets

Tangible 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 recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

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.



Notes to the Financial Statements (Contd).

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 amortized 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.

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 and estimated conversion cost. |
| d) Finished Goods/Stock in Trade /Contract in Progress | - | For long term contracts, contract in progress is valued at realisable value/contractual rate and provision for losses, as may be estimated for completion thereof. |
| | - | Others - At cost or net realisable value whichever is lower. |
| e) Waste / Scrap | - | 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 recognized in the period in which employee services are rendered.
- b) Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.
- c) Actuarial gains/losses arising under Defined Benefit Plans are recognized 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. Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract cost. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. 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.

Notes to the Financial Statements (Contd).

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. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

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, 2014	As at 31st March, 2013
Authorised		
4,20,00,000 (Previous Year - 4,20,00,000) Ordinary Shares of ₹ 10 each	4,200.00	4,200.00
2,00,000 (Previous Year - 2,00,000) Preference Shares of ₹ 100 each	200.00	200.00
Issued		
2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10 each	2,134.23	2,134.23
2,00,000 (Previous Year - 2,00,000) Preference Shares of ₹ 100 each	200.00	200.00
Subscribed and Fully Paid up		
2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10 each	2,134.23	2,134.23
2,00,000 (Previous Year - 2,00,000) Preference Shares of ₹ 100 each	200.00	200.00
	2,334.23	2,334.23

2.2 Reconciliation of number of Shares Outstanding:

Particulars	2013-14		2012-13	
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares
Shares outstanding at the beginning of the year	21,342,346	200,000	21,342,346	200,000
Shares outstanding at the end of the year	21,342,346	200,000	21,342,346	200,000

2.3 Rights, Preferences and Restrictions attached to shares

i) Ordinary Shares

- (a) 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.



Notes to the Financial Statements (Contd).

(b) 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.

(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 shareholder 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, 2014		As at 31st March, 2013	
	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
Ordinary Shareholders				
Kothari Phytochemicals & Industries Ltd.	5,501,078	25.78	5,506,078	25.80
Kothari Investment & Industries Pvt. Ltd.	2,253,748	10.56	2,253,748	10.56
Vishnuhari Investments & Properties Ltd.	1,707,291	8.00	1,707,291	8.00
M.D. Kothari & Company Ltd.	1,521,868	7.13	1,521,868	7.13
Kothari & Co. Pvt. Ltd.	1,426,199	6.68	1,426,199	6.68
Commercial House Pvt. Ltd.	1,368,212	6.41	1,363,212	6.39
Life Insurance Corporation of India	1,187,278	5.56	1,187,278	5.56
Preference Shareholder				
Kothari & Co. Pvt. Ltd.	200,000	100.00	200,000	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, 2014	As at 31st March, 2013
	No. of Ordinary Shares	
Fully paid up Ordinary Shares of ₹ 10 each pursuant to contract(s) without payment being received in cash#	156,250	3,005,068
Fully paid up Ordinary Shares of ₹ 10 each by way of bonus shares by capitalisation of General Reserve	7,114,115	7,114,115

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, 2014		As at 31st March, 2013	
Capital Reserve				
At the beginning and at the end of the year		3,394.88		3,394.88
Amalgamation Reserve				
At the beginning and at the end of the year		61.93		61.93
Export Profit Reserve				
At the beginning and at the end of the year		0.85		0.85
Preference Shares Redemption Reserve				
At the beginning and at the end of the year		262.47		262.47
General Reserve				
At the beginning of the year	9,760.07		9,460.07	
Add : Transferred from Surplus in Statement of Profit and Loss	100.00	9,860.07	300.00	9,760.07
Surplus in Statement of Profit and Loss				
At the beginning of the year	5,739.10		4,498.17	
Add : Profit for the year	557.92		2,059.04	
	6,297.02		6,557.21	
Less : Appropriations				
Transfer to General Reserve	100.00		3,00.00	
Proposed Dividend on Preference Shares	16.00		16.00	
Proposed Dividend on Ordinary Shares	160.07		426.85	
Tax on Proposed Dividend	29.92	5,991.03	75.26	5,739.10
Total		19,571.23		19,219.30

4. Long Term Borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
	Non Current Portion		Current Maturities	
Secured				
Term Loans in Indian Rupees				
From Banks				
IDBI Bank Ltd	635.00	1,003.00	368.00	368.00
State Bank of Patiala	700.00	1,060.00	360.00	360.00
State Bank of India	4,423.71	5,363.71	1,748.00	944.32
IndusInd Bank Ltd (for Equipments)	167.33	-	110.64	155.03
HDFC Bank Ltd (for Vehicles)	12.78	8.97	11.53	24.86
From Others				
Tea Board of India	147.48	196.64	49.16	-
	6,086.30	7632.32	2,647.33	1,852.21
Unsecured				
Fixed Deposits (From Public)	721.84	635.90	304.54	184.24
	721.84	635.90	304.54	184.24
Total	6,808.14	8,268.22	2,951.87	2,036.45



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.	
From Banks:-								
IDBI Bank Ltd	Technology Upgradation Fund Scheme (TUF) - II	1,003.00	Dec -16	11	92.00/Quarter 83.00/Quarter	Apr'14 - Sep'16 Dec'16	Base rate + 2.35%	
State Bank of Patiala	TUF - II	1,060.00	Mar -17	12	90.00/Quarter 70.00/Quarter	Apr'14 - Dec'16 Mar'17	Base rate + 1.75%	
State Bank of India	TUF - II	1,850.71	Mar -17	12	130.00/Quarter 175.00/Quarter 182.67/Quarter 82.70/Quarter	Apr'14 - Mar'15 Apr'15 - Mar'16 Apr'16 - Dec'16 Mar'17	Base rate + 2.40%	
	TUF - III *	793.00	Jun -18	17	49.00/Quarter 43.00/Quarter 37.00/Quarter 27.00/Quarter	Apr'14 - Sep'17 Dec'17 Mar'18 Jun'18	Base rate + 2.40%	
	TUF - IV *	2,848.00	Mar-18	16	196.00/Quarter 195.00/Quarter 153.00/Quarter 144.00/Quarter 143.00/Quarter 59.00/Quarter	Sep, Dec, Mar Quarter of 2014-15 to 2016-17 Jun Quarter of 2014-15 to 2016-17 Jun'17 Sep'17 Dec'17 Mar'18	Base rate + 2.40%	
State Bank of India	Term Loan (III) *	178.00	Mar-19	18	10.00/Quarter 11.00/Quarter 1.00/Quarter 2.00/Quarter	Jun, Sep, Dec quarter of 2014-15 to 2017-18 Mar' Quarter of 2014-15 to 2017-18 & Jun '18 Sep'18 Mar'19	Base rate + 2.40%	
	Term Loan (IV) *	502.00	Sep-16	10	58.00/Quarter 50.00/Quarter 44.00/Quarter	Jun'14 Sep'14 to Jun'16 Sep'16	Base rate + 2.40%	
IndusInd Bank Ltd.	Equipment Loan	19.35	Jul -16	28	Equated monthly Installment (EMI)	Apr'14 - Jul'16	10.51%	
		19.35	Jul -16	28		EMI		Apr'14 - Jul'16
		19.35	Jul -16	28		EMI		Apr'14 - Jul'16
		17.48	Jul -16	28		EMI		Apr'14 - Jul'16
		17.48	Jul -16	28		EMI		Apr'14 - Jul'16
		17.48	Jul -16	28		EMI		Apr'14 - Jul'16
		17.48	Jul -16	28		EMI		Apr'14 - Jul'16
		17.47	Jul -16	28		EMI		Apr'14 - Jul'16
		17.47	Jul -16	28		EMI		Apr'14 - Jul'16
115.06	Jul -16	28	EMI	Apr'14 - Jul'16				
HDFC Bank Ltd	Vehicle Loan	0.75	Jul -14	4	EMI	Apr'14 - Jul'14	11.00%	
		5.31	Aug - 15	17	EMI	Apr'14 - Aug'15	10.75%	
		3.15	Sep -15	18	EMI	Apr'14 - Sep'15	11.25%	
		5.43	May -16	26	EMI	Apr'14 - May'16	9.62%	
		9.67	April -17	36	EMI	May'14 - Apr'17	10.50%	
From Others:-								
Tea Board of India	Special Purpose Tea Fund Scheme	196.64	Jan -18	8	24.58/Half Yearly	Jul'14 - Jan'18	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 10.25% p.a. - 11.25% p.a. are as set out below :-

in Lakhs

	2014-15	2015-16	2016-17
Maturity Period	304.54	454.88	266.96

5. Deferred Tax Liabilities (Net)

in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities		
- Depreciation and Amortisation	1,675.42	1,577.91
Less: Deferred Tax Assets		
- Provision for doubtful debts	151.03	137.60
- Items allowed on actual payment basis under Income Tax Act	598.17	500.31
- Unabsorbed depreciation/Carry forward business losses	311.22	-
Total	615.00	940.00

6. Other Long Term Liabilities

Job Advance received from Customers	1,405.69	1,179.89
Trade deposit/Security deposit received	1,601.74	1,051.56
Interest Accrued but not due on Fixed Deposits (From Public)	58.81	49.45
Total	3,066.24	2,280.90



Notes to the Financial Statements (Contd.)

7. Short Term Borrowings

₹ in Lakh

Particulars	As at 31st March, 2014	As at 31st March, 2013
7.1 Secured		
Working Capital Facilities from Banks		
- United Bank of India	975.90	388.3
- Other Banks	14,297.21	12,979.89
	15,273.11	13,368.19
7.2 Unsecured		
Short Term Loans		
From Banks	7,000.00	2,000.00
From Bodies Corporate		
- Related Parties	-	430.00
Fixed Deposits (From Public)	2,092.38	1,684.52
	9,092.38	4,114.52
	24,365.49	17,482.71

- (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, both present and future 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, (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.
- (iii) The Working Capital Facilities having interest rate bearing between 10.50% p.a. - 12.75% p.a. are repayable on demand.
- (iv) The Unsecured Short Term Loan of ₹ 3,000.00 Lakhs from Axis Bank Ltd. bearing Base rate + 0.50% rate of interest p.a. is repayable by September 2014 and is secured by guarantee of a Director.
- (v) The Unsecured Short Term Loan of ₹ 4,000.00 Lakhs from HDFC Bank Ltd. bearing Base rate + 0.75% rate of interest p.a. is repayable by May 2014 .
- (vi) Fixed Deposit from Public is bearing interest rate of 11.00% p.a.



Notes to the Financial Statements (Contd.)

8. Trade Payables

in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
For Goods	4,438.04	3,382.06
For Services & Others	3,239.75	2,705.62
Acceptances	2,784.59	3,146.18
Total	10,462.38	9,233.86

9. Other Current Liabilities

Current Maturities of Long- Term Borrowings [Refer Note-4]	2,951.87	2,036.45
Interest Accrued but not due on borrowings	168.25	145.65
Job advance received from Customers	1,838.15	1,868.49
Advances from Agents and Customers	64.36	48.93
Unclaimed Dividends	68.40	58.76
Unclaimed matured deposits and interest accrued thereon	6.96	4.01
Statutory Liabilities	337.11	299.96
Trade deposit/Security deposit received	430.83	478.34
Employee's related liabilities	963.54	812.96
Other payables #	385.88	702.37
Total	7,215.35	6,455.92

Includes liability for Electricity voltage surcharge, Capital items etc.

10. Short Term Provisions

Provision for Employee Benefits		
- Provision for Leave	277.60	251.12
- Provision for Gratuity	1,956.12	1,541.79
Provision for Proposed Dividends	176.07	442.85
Provision for Tax on Proposed Dividends	29.92	75.26
Total	2,439.71	2,311.02



Notes to the Financial Statements (Contd.)

11. Fixed Assets

(₹ in Lakhs)

Sl. No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block	
		Balance as at 31st March 2013	Additions	Disposals/ Adjustments (See Note-a below)	Balance as at 31st March 2013	For the year	On disposals	Balance as at 31st March 2014	Balance as at 31st March 2013
A	Tangible Assets								
	Freehold Land	444.48	-	-	-	-	-	444.48	444.48
	Leasehold Land	53.09	-	-	37.01	-	-	16.08	16.08
	Estate	3,243.75	-	-	0.27	-	-	3,243.48	3,243.48
	Buildings	7,197.03	613.60	-	2,344.81	226.03	-	5,239.79	4,852.22
	(See Note-b below)	24,680.28	4,572.91	357.44	14,869.91	2,204.72	3,53.36	12,174.48	9,810.37
	Plant and Machinery	420.46	32.83	0.56	229.50	30.19	0.44	193.48	190.96
	Furniture and Fixtures	1,015.04	199.95	43.65	1,171.34	99.83	31.36	496.20	408.37
	Vehicles	582.17	49.77	5.06	358.59	49.17	3.52	222.64	223.58
	Office Equipment	1,555.53	128.60	2.85	721.11	78.80	0.40	881.77	834.42
	Electric Installation	1,530.96	233.10	9.22	505.84	112.75	-	1,136.25	1,025.12
	Tubewell and	80.86	-	-	80.86	-	-	-	-
	Water Supply								
	Livestock								
	Total	40,803.65	5,830.76	418.78	19,754.57	2,801.49	3,89.08	24,048.65	21,049.08
	Previous Year	39,748.37	1,157.30	102.02	17,365.13	2,429.46	40.02	21,049.08	
B	Intangible Assets								
	Computer Software	300.74	-	-	206.83	58.00	-	35.91	93.91
	Total	300.74	-	-	206.83	58.00	-	35.91	93.91
	Previous Year	279.39	21.35	-	145.54	61.29	-	93.91	
C	Capital								
	Work In Progress							621.43	2,744.08
	Total	-	-	-	-	-	-	621.43	2,744.08
	Previous Year							2,744.08	
	Grand Total (A+ B+ C)	41,104.39	5,830.76	418.78	19,961.40	2,859.49	389.08	24,705.99	23,887.07
	Previous Year	40,027.76	1,178.65	102.02	17,510.67	2,490.75	40.02	23,887.07	

Note: a) Disposals / Adjustments includes ₹ 9.22 Lakhs (Previous Year ₹ 49.24 Lakhs) relating to Capital Subsidy received during the year.

b) Refer to Note - 39(b) for Office Premises given on Operating Lease (included under Head 'Building' above).

c) Borrowing Cost ₹ 12.13 Lakhs (Previous Year ₹ 67.49 Lakhs) has been capitalized during the year.



Notes to the Financial Statements (Contd.)

12. Non-current Investments

` in Lakhs

Particulars	Face Value (`)	Nos	As at 31st March 2014	As at 31st March 2013
Long Term Investments				
Quoted-Other than Trade (At Cost unless otherwise stated)				
Amarjothi Spinning Mills Ltd.	10	1	*	*
B & A Ltd.	10	1	*	*
Banswara Syntex Ltd.	10	1	*	*
Dhunseri Petrochems Tea Ltd.	10	1	*	*
Duncans Industries Ltd.	10	1	*	*
Era Infra Engineering Ltd.	2	1	*	*
Ginni Filaments Ltd.	10	1	*	*
Goodricke Group Ltd.	10	1	*	*
GTN Industries Ltd.	10	1	*	*
Harrisons Malayalam Ltd.	10	1	*	*
Jay Shree Tea & Industries Ltd.	5	1	*	*
K.P.R. Mill Ltd.	10	1	*	*
Kilburn Engineering Ltd.	10	1	*	*
Kiran Vypar Ltd. #	10	1	-	-
L.G.Balakrishnan & Bros. Ltd.	10	1	*	*
Lambodhara Textiles Ltd.	10	1	*	*
Lanco Infratech Ltd.	1	1	*	*
Maharaja Shree Umaid Mills Ltd.	10	1	*	*
Maral Overseas Ltd.	10	1	*	*
McLeod Russel India Ltd.	5	1	*	*
McNally Bharat Engineering Co. Ltd.	10	1	*	*
Mukand Engineers Ltd.	10	1	*	*
Nahar Industrial Enterprises Ltd.	10	1	*	*
Nahar Spinning Mills Ltd.	5	1	*	*
NCC Ltd.	2	1	*	*
Nitin Spinners Ltd.	10	1	*	*
Patspin India Ltd.	10	1	*	*
Petron Engineering Construction Ltd.	10	1	*	*
Punj Lloyd Ltd.	2	1	*	*
Rajapalayam Mills Ltd.	10	1	*	*
Rajvir Industries Ltd.	10	1	*	*
Rossel India Ltd.	2	1	*	*
RSWM Ltd.	10	1	*	*
Sambandam Spinning Mills Ltd.	10	1	*	*
Sangam (India) Ltd.	10	1	*	*
Shree Rajasthan Syntex Ltd.	10	1	*	*
Shriram EPC Ltd.	10	1	*	*
Simplex Projects Ltd.	10	1	*	*
Stewarts & Llyods of India Ltd.	10	1	*	*
Suryajyoti Spinning Mills Ltd.	10	1	*	*
Suryalata Spinning Mills Ltd.	10	1	*	*
Suryavanshi Spinning Mills Ltd.	10	1	*	*
Sutlej Textiles & Industries Ltd.	10	1	*	*
UB Engineering Ltd.	10	1	*	*
Vardhman Polytex Ltd.	10	1	*	*
Vardhman Textiles Ltd.	10	1	*	*
Warren Tea Ltd.	10	1	*	*
Welspun Projects Ltd.	10	1	*	*
Winsome Textile Industries Ltd.	10	1	*	*
Winsome Yarns Ltd.	10	1	*	*
Sub total			0.04	0.04

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

Share issued by the company against the scheme of arrangement of Maharaja Shree Umaid Mills Ltd. without any consideration.



Notes to the Financial Statements (Contd.)

12. Non-current Investments (Contd)

` in Lakhs

Particulars	Face Value (`)	Nos	As at 31st March, 2014	As at 31st March, 2013
Unquoted - Other Than Trade (At Cost unless otherwise stated)				
(a) Investment in Fully paid Equity Shares ABC Tea Workers Welfare Services Ltd.	10	7,502 (7,502)	0.75	0.75
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000 (95,000)	9.50	9.50
Satyam Financial Services Ltd.	10	149,669 (149,669)	18.00	18.00
Bharat Fritz Werner Ltd	2	2,681,811 (-)	2,694.90	-
James Warren Tea Ltd.#	10	1 (-)	-	-
Woodlands Multispeciality Hospital limited	10	8,655 (8,655)	0.87	0.87
			2,724.02	29.12
Less: Provision of Diminution in value of Investments			5.00	5.00
Sub total			2,719.02	24.12
(b) Investment in Fully paid Debentures 5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13 (13)	0.01	0.01
Sub total			0.01	0.01
Total			2,719.07	24.17
# Share issued by the company against the scheme of arrangement of Warren Tea Ltd. without any consideration. Note: - Figures in the brackets represents previous year figure.				
Aggregate book value of Quoted Investments			0.04	0.04
Aggregate market value of Quoted Investments			0.04	0.04
Aggregate book value of Unquoted Investments			2,724.03	29.13
Aggregate provision for diminution in value of Investments			5.00	5.00

13. Long Term Loans and Advances

(Unsecured and Considered good)		
Capital Advances	120.77	857.60
Security Deposits Paid	8,559.65	5,759.64
Total	8,680.42	6,617.24

14. Other Non-Current Assets

(Unsecured and Considered good)		
Deposits with Banks (Maturity with more than 12 months) (Refer Note - 18)	28.09	73.00
Total	28.09	73.00

Notes to the Financial Statements (Contd.)
15. Current Investments

` in Lakhs

Particulars	Face Value (`)	Nos	As at 31st March, 2014	As at 31st March, 2013
Unquoted - Other Than Trade				
Current Investments (valued at lower of cost or fair market value, unless otherwise stated)				
(a) Investments in Government and Trust Securities				
6 Years National Saving Certificates (Matured during the year) (Deposited with Agricultural Market Committee, Sales Tax Officer and District Collector)			-	0.04
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07	0.07
Sub Total			0.07	0.11
(b) Investments in Mutual funds				
UTI Liquid Cash Plan Institutional - Daily Dividend Option - Re Investment	1000	13,121 (31,591)	133.77	322.06
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Reinvestment	1,000	16,035 (182,541)	160.41	1,825.80
SBI PSU Fund - Regular Plan-Growth	10	250,000 (250,000)	25.00	25.00
SBI Premier Liquid Fund- Institutional-Growth	100	4 (4)	0.07	0.07
Goldman Sachs Mutual Fund Gold Benchmark	100	3,100 (3,100)	78.79	78.79
Birla Sun Life Floating Rate Fund - Long Term - Weekly Dividend - Reinvestment	100	57,654 (52,149)	57.78	52.27
Birla Sun Life Floating Rate Fund-Retail-Long Term - Weekly Dividend - Reinvestment	100	25,750 (25,750)	25.79	25.79
Tata Liquidity Management Fund-Plan A-Daily Dividend	1,000	2,797 (2,631)	28.04	26.38
			509.65	2,356.16
Less: Provision for Diminution in Value of Investments			5.62	5.90
Sub Total			504.03	2,350.26
Total			504.10	2,350.37
<i>Note: - Figures in the brackets represents previous year figure</i>				
Aggregate book value of Unquoted Investments			509.72	2,356.27
Aggregate provision for diminution in value of investments			5.62	5.90

Notes to the Financial Statements (Contd.)

16. Inventories

(Refer Note - 1.9 for mode of Valuation)

in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	4,176.60	5,597.28
Stock-in-Process	1,458.94	1,580.04
Finished Goods (Other than Trading Goods)	5,705.71	3,941.83
Stock-in-trade (Goods purchased for Trading)	1,338.80	1,117.80
Contract-in-Progress	2,161.62	2,692.81
Stores and Spare Parts	2,388.16	2,050.58
Waste	20.29	24.06
Scrap	2.89	11.08
Total	17,253.01	17,015.48
<i>Included in above are</i>		
Goods in Transit		
Raw Materials	188.05	84.28
Stock-in-trade (Goods purchased for Trading)	11.99	6.85
Total	200.04	91.13

Broad Category of Inventories

Finished Goods		
Tea	1,095.67	672.31
Lead Oxide and Metallic Stearates	411.78	180.93
Cotton & Man - Made Fibre Yarn	4,198.26	3,088.59
Total	5,705.71	3,941.83
Stock-in-Process		
Lead Oxide and Metallic Stearates	167.02	123.40
Cotton & Man - Made Fibre Yarn	1,289.02	1,453.35
Others	2.90	3.29
Total	1,458.94	1,580.04
Stock-in-Trade		
Paints & Allied Products	154.08	177.29
Cotton & Man - Made Fibre Yarn	-	34.98
Boughtout Goods for Construction Jobs	1,184.72	905.53
Total	1,338.80	1,117.80

Notes to the Financial Statements (Contd.)

17. Trade Receivables

in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured and considered good, unless otherwise stated)		
(a) Outstanding for a period exceeding six months from the date they become due for payment		
Considered Good	1,477.38	1,459.73
Considered Doubtful	349.29	326.54
Less: Provision for Doubtful Debts	349.29	326.54
Sub total	1,477.38	1,459.73
(b) Other Trade Receivables		
Considered Good	13,496.40	9,811.48
Considered Doubtful	9.26	9.73
Less: Provision for Doubtful Debts	9.26	9.73
Sub total	13,496.40	9,811.48
Total	14,973.78	11,271.21

18. Cash and Bank Balances

(a) Cash and Cash Equivalents		
Balances with Banks	136.95	165.70
Cheques, Drafts in hand and in Transit	50.87	54.20
Cash in hand	10.59	11.83
Sub total	198.41	231.73
(b) Other Bank Balances		
Unclaimed Dividend Accounts	68.40	58.76
Margin Money with Banks	523.59	61.01
Deposits with Banks (Maturity with more than 12 months)	28.09	73.00
Sub total	620.08	192.77
Total	818.49	424.50
Less : Deposits with Banks disclosed under 'Other Non Current Assets' (Refer Note - 14)	28.09	73.00
Total	790.40	351.50



Notes to the Financial Statements (Contd.)

19. Short Term Loans and Advances

` in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured and Considered Good)		
Security Deposits	854.20	1,208.18
Inter Corporate Loan (Other than related Parties)	-	35.00
Advance for Raw Materials and Stores	746.48	1,280.82
Balances with Statutory/Government Authorities	1,857.14	1,526.06
Advance Payment of Income Tax (Net of Provision)	1,218.32	800.72
Deposit with NABARD	302.48	337.00
Other Advances Recoverable in Cash or in Kind #	1,327.88	1,099.37
Sub total	6,306.50	6,287.15
(Unsecured and Considered Doubtful)		
Balances with Statutory/Government Authorities	12.44	12.44
Other Advances Recoverable in Cash or in Kind #	64.63	64.71
	77.07	77.15
Less: Provision for Doubtful Loans & Advances	77.07	77.15
Sub total	-	-
# includes Prepaid Expenses, Contractor advances, etc.	Total	Total
	6,306.50	6,287.15

20. Other Current Assets

(Unsecured and Considered Good)		
Interest Receivable on Loans and Deposits	46.22	46.25
Subsidy /Incentive Receivables	460.58	433.71
Export Incentive Receivables	172.58	132.33
Claims Receivable	0.48	0.48
Other Receivables	236.55	36.20
Total	916.41	648.97

Notes to the Financial Statements (Contd.)

21. Revenue from Operations (Gross)

₹ in Lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sale of Products		
Cotton and Man - Made Fibre Yarn	39,106.08	35,855.75
Tea	18,024.31	15,155.47
Fabrics	2,586.48	623.65
Lead Oxide and Metallic Stearates	5,451.17	5,620.49
Paints & Allied Products	1,364.03	1,562.58
Sub total	66,532.07	58,817.94
Income from Construction Contracts	26,653.39	17,724.47
Income from Services	356.33	356.44
Other Operating Revenue		
Subsidies	58.28	119.67
Export Incentives	367.25	358.51
Claims	60.55	66.21
Commission and Allowances	6.51	9.47
Sale of Waste	897.02	899.85
Rental Income	671.90	687.67
Sale of Scrap	114.73	50.06
Sub total	2,176.24	2,191.44
Total	95,718.03	79,090.29

Notes to the Financial Statements (Contd.)

22. Other Income

in Lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Income		
- Interest on Bank and Other Deposits	70.80	93.21
- Interest Received on Income Tax Refund	38.25	38.97
Dividend Income from Current Investments	50.78	89.06
Profit on Sale of Fixed Assets (Net)	55.90	7.18
Insurance Claim Received	847.31	184.97
Foreign Exchange Fluctuations (Net)	103.13	43.08
Profit on Sale of Current Investments (Net)	2.70	38.28
Provision for Doubtful Debts and Advances written back	45.32	21.31
Liabilities no longer required, written back	69.42	250.36
Provision for Diminution in Value of Investment written back	0.28	12.20
Other Non Operating Income	75.01	46.82
Total	1,358.90	825.44

23. Cost of Raw Materials Consumed

Opening Stock	5,597.28	5,049.47
Add : Purchases	36,694.67	32,920.95
Less : Closing Stock	4,176.60	5,597.28
Total	38,115.35	32,373.14
Broad Category of Raw Materials Consumed		
i) Green Leaf (Purchased)	2,653.65	2,865.13
ii) Cotton and Man-Made Fibre	28,472.39	24,005.31
iii) Mild Steel	2,781.64	1,443.47
iv) Lead	4,207.67	4,059.23
Total	38,115.35	32,373.14



Notes to the Financial Statements (Contd.)

24. Purchase of Stock-in-Trade

` in Lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Tea	2,433.02	999.91
Paints & Allied Products	1,060.61	1,239.83
Boughtout Goods for Construction job	9,659.70	5,073.78
Cotton and Man-Made Fibre Yarn	-	308.02
Total	13,153.33	7,621.54

25. Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
(a) Finished Goods (Manufactured)				
Opening Inventories	3,941.83		3,426.30	
Closing Inventories	5,705.71	(1,763.88)	3,941.83	(515.53)
(b) Stock-in-Process				
Opening Inventories	1,580.04		1,222.02	
Closing Inventories	1,458.94	121.10	1,580.04	(358.02)
(c) Stock-in-Trade				
Opening Inventories	1,117.80		1,077.46	
Closing Inventories	1,338.80	(221.00)	1,117.80	(40.34)
(d) Stock of Scrap				
Opening Inventories	11.08		2.63	
Closing Inventories	2.89	8.19	11.08	(8.45)
(e) Waste				
Opening Inventories	24.06		13.59	
Closing Inventories	20.29	3.77	24.06	(10.47)
Total		(1,851.82)		(932.81)

Notes to the Financial Statements (Contd.)

26. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(a) Salaries and Wages	9,259.16	8,131.63
(b) Contribution to Provident and Other Funds		
- Contribution to Gratuity Fund	414.91	338.06
- Contribution to Provident Fund	714.98	593.19
- Contribution to Employee State Insurance Fund	122.23	101.34
(c) Staff Welfare Expenses	945.49	864.89
Total	11,456.77	10,029.11

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 ₹ 714.98 Lakhs (Previous Year ₹ 593.19 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 ₹ 13.31 Lakhs as at 31st March, 2014 (Previous Year ₹ 19.89 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 ₹ 122.23 Lakhs (Previous year ₹ 101.34 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.)

in Lakhs

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 2014.

Description		Gratuity (Funded)	
		2013-14	2012-13
A	Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation		
	Present value of Obligation as on 1st April	2,295.79	2,272.95
	Current Service Cost	123.11	124.67
	Interest Cost	188.31	166.10
	Actuarial (Gain)/Losses	155.42	125.53
	Benefits Paid	(287.33)	(393.46)
	Present Value of Obligation as on 31st March	2,475.30	2,295.79
B	Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets		
	Fair Value of Plan Assets as on 1st April	754.00	1,069.22
	Expected Return on Plan Assets	67.86	90.88
	Actuarial Gain /(Losses)	(15.93)	(12.65)
	Contribution	0.58	0.01
	Benefits Paid	(287.33)	(393.46)
	Fair Value of Plan Assets as on 31st March	519.18	754.00
C	Reconciliation of the Present Value of the Defined Benefit Obligation and Fair Value of Plan Assets		
	Present Value of Obligation as on 31st March	2,475.30	2,295.79
	Fair Value of Plan Assets as on 31st March	519.18	754.00
	Assets/ (Liabilities) recognised in the Balance Sheet	(1,956.12)	(1,541.79)
D	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	123.11	124.67
	Interest Cost	188.31	166.10
	Expected return on Plan Assets	(67.86)	(90.89)
	Actuarial (Gain)/Losses	171.35	138.18
	Total Expense recognised	414.91	338.06
E	Category of Plan Assets		
	Fund with LIC	340.97	564.83
	Fund with SBI Life	178.21	189.17
	Total	519.18	754.00
F	Actual return on Plan Assets	51.93	78.23
G	Principal Actuarial Assumptions		
	Discount Rate	8.75%	8.00%
	Salary Escalation	3.00%	3.00%
	Expected return on Assets	9.00%	8.50%
	Mortality Rates	I ALM 2006-08 ULTIMATE	LIC (1994-96) Mortality Table

Notes to the Financial Statements (Contd.)

26.3 ` in Lakhs

Description	Gratuity (Funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Net Assets/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
Present Value of Obligation at the end of the year	2,475.30	2,295.79	2,272.95	2,199.99	2,003.27
Fair Value of Plan Assets at the end of the year	519.18	754.00	1,069.22	1,253.11	1,356.74
Assets/(Liabilities) recognised in the Balance Sheet	(1,956.12)	(1,541.79)	(1,203.73)	(946.88)	(646.53)
Experience adjustment on Plan Liabilities	155.42	125.53	52.66	170.11	Not Available
Experience adjustment on Plan Assets	(15.93)	(12.65)	(74.30)	-	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 ` 406 Lakhs during 2014-15 towards Gratuity Fund.
- 5) The above information is actuarially determined.

27. Finance Costs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Expenses	3,391.99	2,716.71
Other Borrowing Costs	205.79	131.43
Total	3,597.78	2,848.14



Notes to the Financial Statements (Contd.)

28. Other Expenses

` in Lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Consumption of Stores and Spare Parts	3,266.87	2,728.15
Power and Fuel	6,513.69	5,884.20
Repairs to Buildings	290.36	303.58
Repairs to Machinery	1,135.05	1,103.72
Repairs to Other Assets	167.05	128.11
Jobs on Contract	8,711.06	4,548.58
Jobs Outsourcing	604.86	779.62
Machinery Hire Charges	679.34	355.80
Cess on Green Leaf and Made Tea	130.33	120.73
Excise Duty on Closing Stock of Finished Goods (Net)	5.01	8.80
Freight, Shipping, Delivery and Selling Expenses	1,975.02	1,490.30
Selling Agents' Commission	757.83	424.61
Brokerage and Discount on Sale	599.87	588.74
Auditors' Remuneration		
Statutory Auditor		
- Audit Fees	16.00	16.00
- Other Services	5.00	9.25
- Reimbursement of Expenses	0.06	0.12
Branch Auditors		
- Audit Fees	4.95	4.95
- Tax Audit Fees	2.05	2.05
- Other Services	1.25	0.63
- Reimbursement of Expenses	0.56	0.57
Rent	137.26	140.34
Rates and Taxes, excluding taxes on income	280.93	345.66
Insurance	219.07	163.13
Bad Debts and Advances Written off	167.92	187.13
Provision for Doubtful Debts and Advances	67.60	20.40
Directors Fees & Commission	10.52	31.35
Consultation and Advisory Charges	304.76	231.70
Travelling and Conveyance Expenses	868.31	717.87
Other Miscellaneous Expenses	1,362.32	1,362.06
Total	28,284.90	21,698.15

29. Current Tax

Income Tax	-	470.00
Agricultural Income Tax	190.00	80.00
Total	190.00	550.00



Notes to the Financial Statements (Contd.)

30. Contingent Liabilities and Commitments

` in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
30.1 Contingent Liabilities		
Claims against the Company not acknowledged as debts.		
i) ESI	17.87	17.75
ii) Sales Tax	2,537.77	2,094.30
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	70.30	56.87
vi) Service Tax	442.58	489.26
vii) Income Tax	137.00	5.86
viii) Voltage Surcharge on Electricity consumed	159.32	159.32
30.2 Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advance ` 120.77 Lakhs (Previous Year ` 857.60 Lakhs)]	225.92	348.59

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 the Accounting Standard-17 on 'Segment Reporting':-

a) The Company has identified six primary business segments viz :

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

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.

- i) 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".
- ii) 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	42,812.55 (37,662.06)	26,723.35 (17,749.19)	18,326.91 (15,440.45)	5,457.27 (5,622.86)	1,726.86 (1,928.06)	671.09 (687.67)	- (-)	95,718.03 (79,090.29)
Inter Segment Revenue	- (-)	- (-)	5.14 (-)	- (-)	- (-)	101.71 (75.77)	- (-)	106.85 (75.77)
Total Turnover	42,812.55 (37,662.06)	26,723.35 (17,749.19)	18,332.05 (15,440.45)	5,457.27 (5,622.86)	1,726.86 (1,928.06)	772.80 (763.44)	- (-)	95,824.88 (79,166.06)
Less : Excise Duty	- (-)	429.39 (232.47)	- (-)	608.82 (616.20)	- (-)	- (-)	- (-)	1,038.21 (848.67)
Segment Revenue (Net of Excise Duty)	42,812.55 (37,662.06)	26,293.96 (17,516.72)	18,332.05 (15,440.45)	4,848.45 (5,006.66)	1,726.86 (1,928.06)	772.80 (763.44)	- (-)	94,786.67 (78,317.39)
Less : Inter Segment Elimination			5.14 (-)			101.71 (75.77)		106.85 (75.77)
Revenue from Operations (Net)								94,679.82 (78,241.62)
Segment Result	1,651.96 (1,869.35)	-252.96 (1,863.80)	2,109.83 (1,473.23)	179.68 (324.38)	30.60 (62.29)	495.71 (476.84)		4,214.82 (6,069.89)
Less: Unallocable Expenditure net of Unallocable Income							194.12 (282.71)	194.12 (282.71)
Finance Costs							3,597.78 (2,848.14)	3,597.78 (2,848.14)
Profit before Tax								422.92 (2,939.04)
Depreciation and Amortisation	2,029.19 (1,691.67)	367.55 (359.73)	393.50 (370.10)	20.50 (23.22)	3.89 (2.84)	4.15 (4.16)	40.71 (39.03)	2,859.49 (2,490.75)
Non Cash Expenses other than Depreciation and Amortisation	- (1.07)	218.67 (177.57)	- (-)	- (-)	1.85 (9.79)	15.00 (19.10)	- (-)	235.52 (207.53)
Capital Expenditure	1,682.98 (3,175.15)	468.63 (220.21)	801.71 (606.27)	3.84 (2.19)	5.02 (35.99)	0.37 (0.86)	8.71 (34.18)	2,971.26 (4,074.85)
Segment Assets	30,971.09 (30,030.76)	26,012.28 (22,264.01)	12,236.23 (9,798.10)	1,560.63 (1,497.24)	832.02 (972.22)	103.03 (98.99)	5,162.49 (3,864.84)	76,877.77 (68,526.16)
Segment Liabilities	5,224.83 (5,396.36)	10,167.60 (8,283.27)	2,912.26 (2,293.48)	621.91 (417.26)	290.95 (375.96)	444.59 (422.87)	35,310.17 (29,783.43)	54,972.31 (46,972.63)

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
Segment Revenue	85,043.86 (68,740.55)	9,635.96 (9,501.07)	94,679.82 (78,241.62)
Segment Assets	68,204.34 (62,995.72)	3,510.94 (1,665.60)	71,715.28 (64,661.32)
Capital Expenditure	2,962.55 (4,040.67)	- (-)	2,962.55 (4,040.67)

Figures in brackets represent particulars for Previous Year



Notes to the Financial Statements (Contd.)

32. a) The Company has signed a Share Purchase Agreement for purchase of 100 per cent stake in Group Development Limited, Malawi (GDL). GDL, along with its 3 (three) subsidiaries, is engaged in the business of growing, production and sale of tea, macadamia and other crops.
- b) The Company is in the process of setting up a Wholly Owned Subsidiary at Mauritius for the purpose of overseas acquisitions and investments.

33. Related Party Disclosure

33.1 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. MD Kothari and Company Limited (MDKCL)
 - ii. Bhaktwatsal Investments Limited (BIL)
 - iii. Bharat Fritz Warner Ltd. (BFW)
 - iv. Kothari and Co Pvt. Limited (KCPL)
 - v. Kothari Investments & Industries Pvt. Limited (KIIPL)
 - vi. Commercial House Pvt. Limited (CHPL)
 - vii. Vishnuhari Investments and Properties Limited (VIPL)
 - viii. Kothari Medical Centre (KMC)
 - ix. 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.)

33.2 Details of transactions entered into with the related parties

in Lakhs

Nature of Transaction	2013-14							2012-13											
	MDKCL	BIL	BFW	KCPL	KIIPL	KMC	VIPL	KPIL	CHPL	TOTAL	MDKCL	BIL	KCPL	KIIPL	KMC	VIPL	KPIL	CHPL	TOTAL
Rent Paid	-	-	-	2.40	9.00	-	-	-	-	11.40	-	-	-	6.00	-	-	-	-	6.00
Rent Received	-	-	2.11	-	-	0.40	-	0.69	-	3.20	-	-	-	-	0.40	-	0.69	-	1.09
Purchase of Goods / Services	4.30	-	-	-	-	-	-	408.72	1.24	414.26	4.30	-	-	-	-	-	-	1.24	5.54
Unsecured Loans given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-	50.00
Receipts towards Unsecured Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-	50.00
Interest received on Unsecured Loan given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.48	-	-	-	0.48
Unsecured Loans Taken	1,170.00	500.00	-	665.00	1,710.00	-	1,220.00	300.00	525.00	6,090.00	380.00	190.00	210.00	370.00	-	325.00	-	90.00	1,565.00
Unsecured Loans Repaid	1,200.00	515.00	-	690.00	1,895.00	-	1,380.00	300.00	540.00	6,520.00	370.00	200.00	200.00	385.00	-	365.00	-	150.00	1,670.00
Interest on Loans Taken	9.29	5.51	-	5.88	19.24	-	4.45	2.71	5.62	52.70	17.34	9.62	11.42	36.79	-	39.38	-	12.67	127.22
Equity Contribution	-	-	2,694.90	-	-	-	-	-	-	2,694.90	-	-	-	-	-	-	-	-	-
Donation Given	-	-	-	-	-	51.00	-	-	-	51.00	-	-	-	-	125.00	-	-	-	125.00
Balance as on 31st March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-	-	-	30.00	15.00	25.00	185.00	-	160.00	-	15.00	430.00
Trade payable	-	-	-	-	-	-	-	0.31	-	0.31	-	-	-	-	-	-	-	-	-

33.3 Transactions with the Key Management Personnel of the Company

in Lakhs

Nature of Transaction	2013-14		2012-13	
	DKS	DKS	DKS	DKS
Remuneration Paid	33.25	29.95	-	-



Notes to the Financial Statements (Contd.)

34. Imported and Indigenous Material consumed:

` in Lakhs

Particulars	2013-14	%	2012-13	%
Raw Materials				
- Imported	3,860.12	10.13	1,889.26	5.84
- Indigenous	34,255.23	89.87	30,483.88	94.16
	38,115.35	100.00	32,373.14	100.00
Stores & Spare Parts (including components)				
- Imported	33.24	1.02	31.68	1.16
- Indigenous	3,233.63	98.98	2,696.47	98.84
	3,266.87	100.00	2,728.15	100.00

35. CIF Value of Imports

Particulars	2013-14	2012-13
i) Raw Materials	3,370.11	1,731.73
ii) Capital Equipment	549.78	611.78
iii) Stores, Spare Parts and Components	34.18	25.97
iv) Lead Scrap /Bought Out goods	74.59	-
Total	4,028.66	2369.48

36. Expenditure in Foreign Currency

Particulars	2013-14	2012-13
i) Commission on Sales/Orders	68.09	62.31
ii) Travelling Expenses	33.73	6.22
iii) Selling Expense on Exports	-	2.18
iv) Consultancy Charges	10.35	-
v) Bank Charges & Commission	3.26	0.86
vi) Quality Claim	4.83	-
Total	120.26	71.57

37. Earnings in Foreign Currency

Particulars	2013-14	2012-13
Export of Goods calculated on F.O.B. basis	9,374.78	9,170.57
Total	9,374.78	9,170.57

Notes to the Financial Statements (Contd.)

₹ in Lakhs

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

Particulars	2013-14	2012-13
a) Contract revenue recognised for the year	26,723.35	17,749.20
b) Aggregate amount of contracts costs incurred and recognised Profits (Less recognised losses) up to the year end for all the Contracts-in-Progress.	97,479.59	70,585.87
c) The amount of customer advances outstanding for Contracts-in-Progress as at year end.	3,243.84	3,048.38
d) The amount of retention money due from customers for Contracts-in-Progress as at year end.	9,011.93	6,564.44
e) Gross amount due from customers for Contracts-in-Progress as at year end [included in work-in-progress ₹ 2,161.62 Lakhs (Previous year ₹ 2,692.81 Lakhs), Trade Receivables ₹ 8,028.91 Lakhs (Previous year ₹ 6,895.50 Lakhs)]	10,190.54	9,588.31
f) Gross amount due to customer for contract work in Progress as at year end	-	-

39. Operating Lease Commitments

- 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 ₹ 679.34 Lakhs (Previous Year ₹ 355.80 Lakhs) in the Statement of Profit and Loss under the head Machinery Hire Charges.
- 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 ₹ 469.03 Lakhs during the year (Previous Year ₹ 458.80 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2014 was ₹ 23.59 Lakhs (Previous Year ₹ 23.59 Lakhs) and ₹ 23.55 Lakhs (Previous Year ₹ 23.55 Lakhs) respectively.
- 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).

40. Details of Dues to Micro, Small and Medium Enterprises as defined under The MSMED Act, 2006

₹ in Lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Principal Amount due to Suppliers under MSMED Act and remaining unpaid	29.31	-
Interest due to Suppliers on above	-	-
Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	-	-
Interest due and payable to suppliers under MSMED Act	-	-
Interest Accrued & remaining unpaid	-	-
Interest remaining due & payable as per section 23 of the Act	-	-

The company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.



Notes to the Financial Statements (Contd.)

41. Basic and Diluted Earnings per Share

	2013-14	2012-13
(i) Profit after tax available for Ordinary Shareholders (` in Lakhs) *	539.20	2040.32
(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 `)	2.53	9.56

* After deducting Proposed Dividend on Preference Shares of ` 16.00 Lakhs (Previous Year ` 16.00 Lakhs) for the year 2013-14 and Dividend Distribution Tax thereon of ` 2.72 Lakhs (Previous Year ` 2.72 Lakhs).

42. 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, 2014 Net (Buy) / Sell*	As at 31st March, 2013 Net (Buy) / Sell*
USD	490.33	179.03
EURO	(3.05)	(0.85)
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, 2014 Sell*	As at 31st March, 2013 Sell*
USD	1,234.94	531.90
GBP	-	32.93

*Sell indicates Receivable

43. 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

Anurag Singhi
Partner
Membership No. 066274
Kolkata, 26th May, 2014

D. Karmakar
Company Secretary

P. K. Jain
Joint President & CFO



NOTES

Lined area for notes, consisting of multiple horizontal lines.

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

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

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

I / We, being the Member(s), holding _____ shares of the above named Company, hereby appoint:

(1) Name:	Address:
E-mail ID:	Signature:
OR failing him /her	
(2) Name:	Address:
E-mail ID:	Signature:
OR failing him /her	
(3) Name:	Address:
E-mail ID:	Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 80th Annual General Meeting of the Company, to be held on Thursday, August 14, 2014 at 11.30 a.m. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	#	
		For	Against
Ordinary Business			
1.	Adoption of the financial statement of the Company for the financial year ended on 31 st March, 2014, the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Dividend on 8% Redeemable Cumulative Preference Shares of Rs.100 each for the financial year ended on 31 st March, 2014.		
3.	Declaration of dividend on Ordinary Shares for the financial year ended on 31 st March, 2014.		
4.	Re-appointment of Mr. A. K. Kothari who retires by rotation, and being eligible, offers himself for re-appointment.		
5.	Re-appointment of Smt. P. D. Kothari who retires by rotation, and being eligible, offers herself for re-appointment.		
6(a)	Re-appointment of Singhi & Co., Chartered Accountants as Statutory Auditors.		
6(b)	Re-appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants, as Branch Auditors of GIS Cotton Mill Unit of the Company.		
6(c)	Re-appointment of M/s. Kothari & Company, Chartered Accountants, as Branch Auditors of Engineering (MICCO) Division of the Company.		
Special Business			
7.	Ratification of remuneration payable to Cost Auditors for 2014-15.		
8.	Appointment of Mr. Naresh Pachisia (DIN: 00233768) as an Independent Director.		
9.	Appointment of Mr. Jayant Narayan Godbole (DIN: 00056830) as an Independent Director.		
10.	Appointment of Dr. Hari Prasad Kanoria (DIN: 00286685) as an Independent Director.		
11.	Appointment of Mr. Harishchandra Maneklal Parekh (DIN: 00026530) as an Independent Director.		
12.	Re-appointment of Mr. Dev Kishan Sharda (DIN: 00105406) as Managing Director & CEO of the Company.		
13.	Approval for payment of remuneration to Non-Executive Directors (including Independent Directors).		

Signed this _____ day of _____, 2014

Signature of Shareholder(s) _____

Signature of Proxyholder(s) _____

Affix Revenue Stamp

Notes:

- This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Statement and Notes please refer to the Notice of the 80th Annual General Meeting.
- # It is optional to put a 'X' in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



GILLANDERS ARBUTHNOT AND COMPANY LIMITED
Registered Office – C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001
CIN: L51909WB1935PLC008194



Phone : +91-33 2230-2331(6 Lines), 2242-1940 (3 Lines), 3022-4470(4 Lines), Fax : +91-33-2230-4185
Website : www.gillandersarbuthnot.com; E-mail : gillander@gillandersarbuthnot.com

ATTENDANCE SLIP

Serial No.:

Regd. Folio No. / DP ID & Client ID:	
Name and Address of the Shareholder:	
Joint Holder(s)	
Number of Ordinary Shares held	

1. I hereby record my presence at the 80th Annual General Meeting of the Company being held on Thursday, August 14, 2014 at 11.30 a.m. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001.
2. Signature of the Shareholder / Proxy present _____
3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance slip, duly signed, to the meeting and hand it over at the entrance.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the Meeting.

Note: *Please cut here and bring the above Attendance Slip to the Meeting.*

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	Password

Note:

The voting period starts from 10.00 a.m. on Friday, August 08, 2014 and will end at 5.00 p.m. on Sunday, August 10, 2014. Thereafter, the voting module shall be disabled by CDSL. Kindly refer to the e-voting instructions on the reverse of this page.

P.T.O

INSTRUCTIONS ON ELECTRONIC VOTING

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID:
 1. For CDSL: 16 digits beneficiary ID,
 2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence number is communicated in the Attendance Slip/ Covering Letter.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <GILLANDERS ARBUTHNOT AND COMPANY LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

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

- (C)** The e-voting period commences from at 10.00 a.m. on Friday, August 08, 2014 and will end at 5.00 p.m. on Sunday, August 10, 2014. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 04, 2014 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (D)** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



GILLANDERS ARBUTHNOT AND COMPANY LIMITED

CIN: L51909WB1935PLC008194

Registered Office:

C-4, Gillander House, Netaji Subhas Road

Kolkata – 700 001

www.gillandersarbuthnot.com