



GILLANDERS ARBUTHNOT & COMPANY LIMITED

ANNUAL REPORT 2008 - 2009





BLAST FURNACE - 3 FOR
DURGAPUR STEEL PLANT



FABRICATED STRUCTURE
FOR SOUTH AFRICA



6.5 MW CO-GENERATION CAPTIVE POWER PLANT



Dear Shareholders,

It gives me immense pleasure to converse with you on this august occasion of the 'Platinum Jubilee Year' of the Company.

You are aware that the fiscal year 2008-09 was challenging in more than one ways. Global meltdown affected the Indian economy too, which is expected to recover by the end of March 2010. In spite of the slowdown and other negatives, 2008-09 saw your Company move ahead on the growth track. However, it has not been a pushover for your Company. It has been made possible because we are a generalist-specialist with a wide range of deep competencies, knowledge driven and a quality information system.

Your Company makes continuous efforts to improve, adapt and implement new technologies, equipments and innovation. In line with the above, 26,208 Spindles with the latest modern machines has been installed at Akbarpur, Punjab. It plans to continue this upgradation process by replacing old machineries and equipments in the future.

In the last few years, several Companies have

FROM THE DESK OF THE CHAIRMAN

amalgamated with your Company which has resulted in efficient utilisation of resources, reduction in overheads and other expenses and improvement in various other operating parameters. The importance of these amalgamations is that it has resulted in the formation of a larger and stronger entity having greater capacity for carrying on its business and conducting its operations on more favorable terms and thus maximising shareholders' value.

Figures released by the Indian Tea Association (ITA) suggest that global tea production is estimated to have fallen to 44.5 million kg until March. Tea exports during the January-March period fell by 24% to 38.89 million kg from 50.94 million kg in the corresponding period of the last year. Traders are optimistic that the global shortage will create opportunities for India as the carryover stocks have come down globally, while prices have maintained their upward spiral. Studies suggest that demand is seen growing at 3-4% per annum. Shortfall in Kenya works to our advantage and CTC consuming markets will open up more in coming days.

Recession in world market has affected the export

market for textile products, which has slackened the activities of textile industry of the Country. The government has to come out with adequate specific package for the recovery and growth of textile industry.

The macro picture for opportunities in infrastructure businesses continues to look robust when one sees the massive infrastructure deficit in power, roads, ports, airports and railways. This augurs well for the engineering (MICCO) division of your Company.

The auto industry in India is inching towards a slow recovery. With a number of new launches, the market sentiment is likely to improve, particularly for the passenger vehicle and two-wheeler segments. India is witnessing a telecommunication revolution and huge investments are also planned in the power sector. In this background, the chemical (Waldies) division of your Company is expected to do well.

The economic slowdown, input cost fluctuations and growing competition are likely to pose serious challenges. In spite of impediments, your Company is fully aware of opportunities. With this in mind your Company is

continually strengthening its business processes and rejuvenating its intellectual capital. We are targeting higher levels of productivity and efficiency environment that rewards meritocracy and performance. I am confident that we will continuously strive towards maximizing the stakeholders' wealth while providing enhanced customer satisfaction. I seek your continued support in our endeavours to take your Company from pan India to Global India.

Yours truly,

A. K. Kothari
Chairman



CORPORATE INFORMATION

BOARD OF DIRECTORS

A. K. Kothari, *Chairman*
 P. K. Khaitan, *Director*
 J. N. Godbole, *Director*
 H. P. Kanoria, *Director (w.e.f. March 06, 2009)*
 S. Lahiri, *Director (w.e.f. March 06, 2009)*
 H. M. Parekh, *Director (w.e.f. April 30, 2009)*
 D. K. Sharda, *Joint Managing Director*
 S. K. Lakhotia, *Executive Director & CEO*
 A. Mallick, *Executive Director*

JOINT PRESIDENT & CFO

P. K. Jain

COMPANY SECRETARY

D. Karmakar

AUDITORS

Price Waterhouse, Kolkata

SOLICITORS

Khaitan & Co., Kolkata

BANKERS

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

REGISTERED OFFICE

C-4, Gillander House,
 Netaji Subhas Road, Kolkata - 700 001
 Phone : 033-2230-2331 (6 Lines)
 Fax : 033-2230 4185
 E-mail : gilander@cal3.vsnl.net.in
 Website : www.gillandersindia.com

Audit Committee

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

Shareholders' / Investors' Grievance Committee

S. Lahiri, *Chairman*
 A. K. Kothari, *Member*
 P. K. Khaitan, *Member*
 D. K. Sharda, *Member*

Remuneration Committee

H. P. Kanoria, *Chairman*
 A. K. Kothari, *Member*
 P. K. Khaitan, *Member*
 H. M. Parekh, *Member*

Quarterly Result Approval Committee

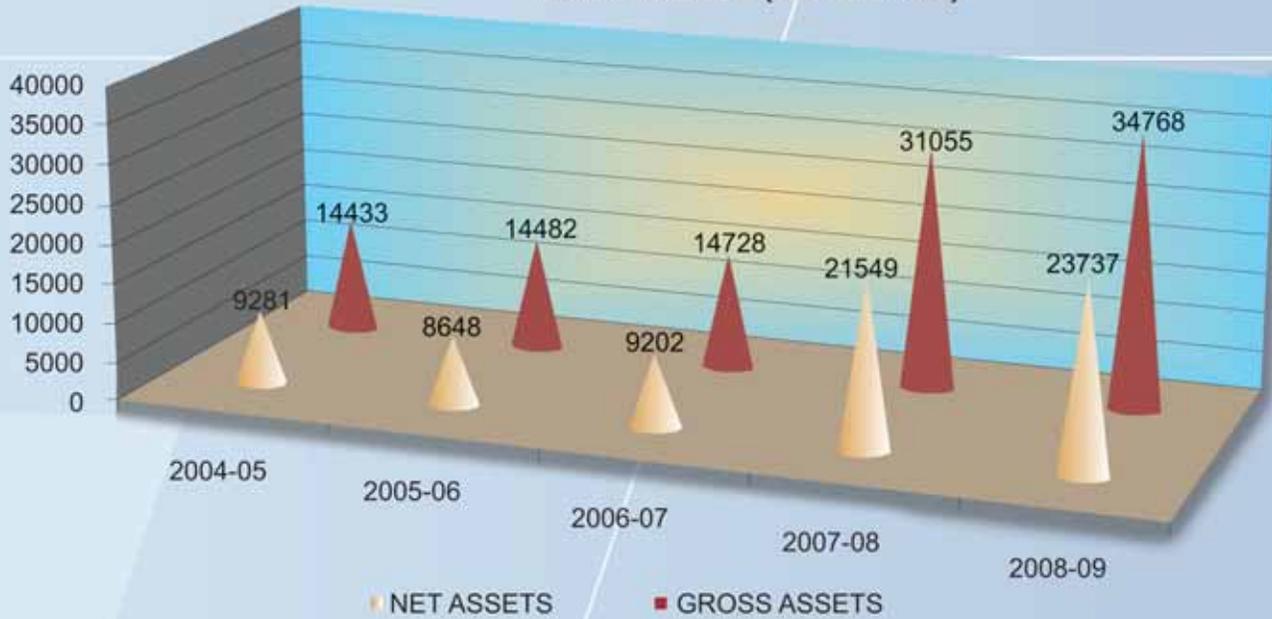
A. K. Kothari, *Chairman*
 S. Lahiri, *Member*
 D. K. Sharda, *Member*
 A. Mallick, *Member*

Branches/Offices

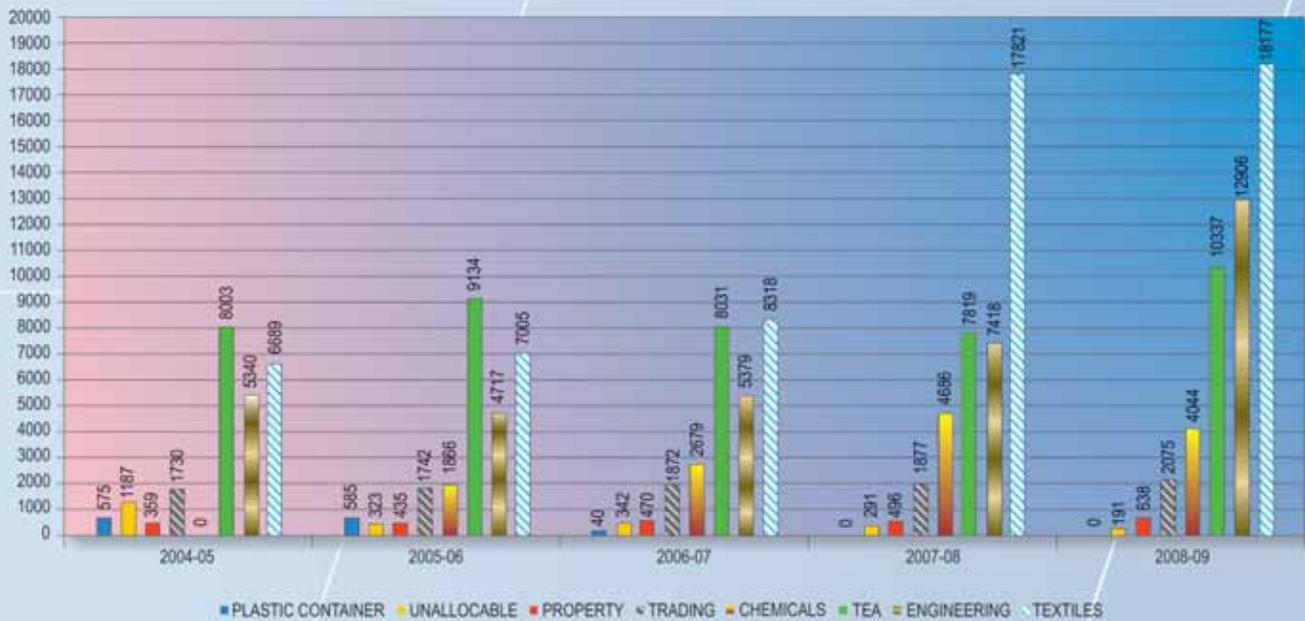
Ahmedabad, Amritsar, Bangalore, Chennai, Coimbatore,
 Delhi, Ernakulam, Hyderabad, Kundli, Ludhiana, Mumbai,
 Panipat, Salem, Solapur.



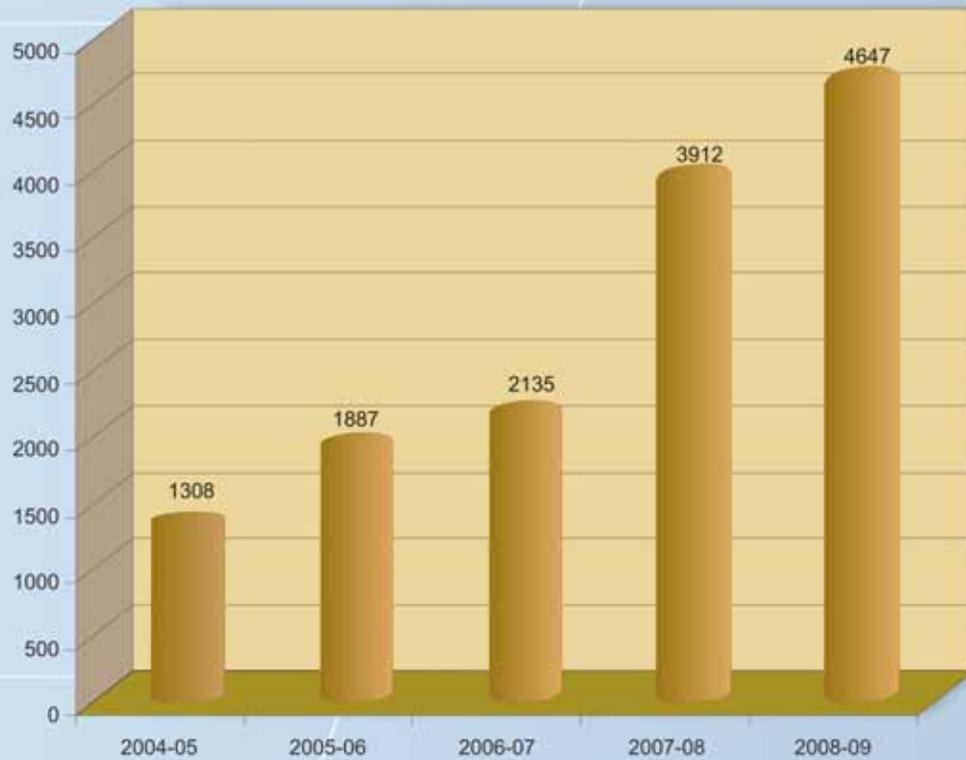
FIXED ASSETS (Rs. in Lakhs)



SEGMENTWISE REVENUE (Rs. in Lakhs)



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

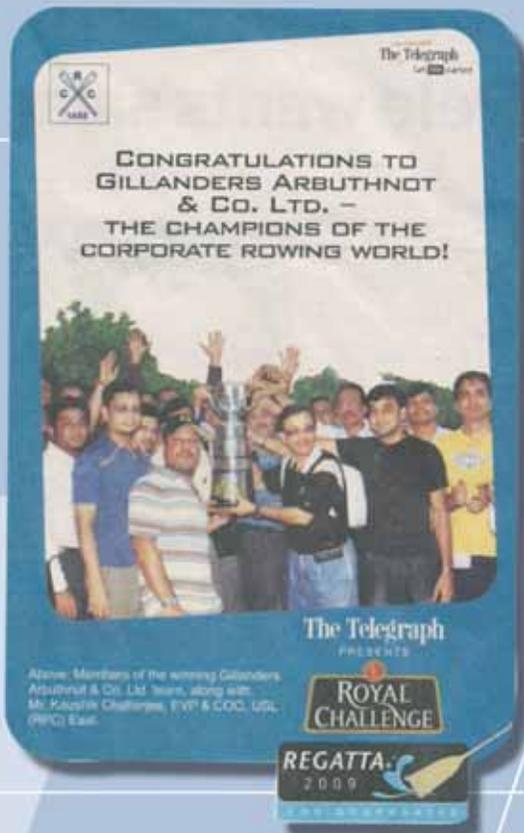


SHAREHOLDERS' FUND (Rs. in Lakhs)





GILLANDERS ARBUTHNOT & CO. LTD.



TEA FACTORY



RING SPINNING FRAME LR 6/S

**CONTENTS**

	Page
NOTICE	2
DIRECTORS' REPORT	10
REPORT ON CORPORATE GOVERNANCE	16
TEN YEAR FINANCIAL HIGHLIGHTS	27
AUDITORS' REPORT	28
BALANCE SHEET	32
PROFIT AND LOSS ACCOUNT	33
CASH FLOW STATEMENT	34
SCHEDULES TO ACCOUNTS	36
NOTES ON ACCOUNTS	50



NOTICE

NOTICE is hereby given that the **Seventy Fifth** Annual General Meeting of the Members of the Company will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata on **Thursday, the 27th August, 2009 at 11.30 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2009 and Profit and Loss Account for the year ended on that date along with, the Reports of Auditor and Directors thereon.
2. To Declare Dividend on 8% Cumulative Redeemable Preference & Ordinary Shares.
3. To appoint a Director in place of Mr. J. N. Godbole, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. K. Kothari, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as **Ordinary Resolutions**:

- (a) "RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 Messrs. Price Waterhouse, Chartered Accountants, Kolkata, be and are hereby re-appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."
- (b) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 Messrs. Bagree & Co., Chartered Accountants, Kolkata, be and are hereby re-appointed as Branch Auditor to audit the accounts in respect of Modern India Construction Division (MICCO) of the Company and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."
- (c) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 Messrs Dutta Ghosh &

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

SPECIAL BUSINESS:

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

6. Appointment of Mr. H. P. Kanoria as Director

"RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956, Mr. H. P. Kanoria be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. Appointment of Mr. S. Lahiri as Director

"RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956, Mr. S. Lahiri be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. Appointment of Mr. H. M. Parekh as Director

"RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956, Mr. H. M. Parekh be and is hereby appointed as Director of the Company, liable to retire by rotation."

9. Re-appointment of Mr. D. K. Sharda as Joint Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords approval to the re-appointment of Mr. D. K. Sharda as Joint Managing Director of the Company for a period of one year with effect from 1st April, 2009 on the terms and conditions and payment of remuneration and other perquisites/benefits as set out in the Agreement entered into between the Company and Mr. D. K. Sharda (copy whereof duly authenticated is placed before this Annual General Meeting), and to such remuneration, perquisites/benefits being set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting with liberty to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the



provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder.”

10. Re-appointment of Mr. S. K. Lakhotia as Executive Director designated as Chief Executive Officer

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords approval to the re-appointment of Mr. S. K. Lakhotia as Executive Director, designated as Chief Executive Officer (CEO) of the Company for a period of one year with effect from 1st April, 2009 on the terms and conditions and payment of remuneration and other perquisites/benefits as set out in the Agreement entered into between the Company and Mr. S. K. Lakhotia (copy whereof duly authenticated is placed before this Annual General Meeting) and to such remuneration, perquisites/benefits being also set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting with liberty to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder.”

11. Re-appointment of Mr. A. Mallick as Executive Director

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords approval to the re-appointment of Mr. A. Mallick as Executive Director of the Company for a period of one year with effect from 1st April, 2009 on the terms and conditions and payment of remuneration and other perquisites/benefits as set out in the Agreement entered into between the Company and Mr. A. Mallick (copy whereof duly authenticated is placed before this Annual General Meeting), and to such remuneration, perquisites/benefits being also set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting with liberty to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder.”

By Order of the Board
For GILLANDERS ARBUTHNOT & CO. LTD.

Place : Kolkata
Date : 30th June, 2009.

D. Karmakar
Company Secretary

Notes :

- 1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.**
- 2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 6 to 11 of the Notice set out above, is annexed hereto.
- 3) The Register of Members and Share transfer Books of the Company will remain closed from 20th August, 2009 to 27th August, 2009 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
- 4) The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after 27th August, 2009 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 19th August, 2009 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and
 - b) As members in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company or its Registrar & Share Transfer Agent (RTA) viz, Maheshwari Datamatic Pvt. Ltd., having their registered office at 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001 on or before 19th August, 2009.
- 5) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 as amended with effect from 31st October, 1998, dividends for the financial year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under subsection (1) of the said Section will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government established under Section 205C of the Act. In compliance with the said provisions of the Act, all unclaimed dividends pertaining to the financial years ended 31st March, 1996 to 31st March, 2001 have already been transferred to the IEPF and all subsequent unpaid dividends will be transferred to the said Fund from time to time. Members are advised that no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims. Shareholders who have not yet encashed the dividend warrants for the subsequent years are, therefore, advised to approach the Company for the payment thereof.



- 6) The Ordinary Shares of the Company are listed on the Calcutta Stock Exchange Association Limited and Bombay Stock Exchange Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges for the year 2009-2010. The Company has made an application to the National Stock Exchange of India Limited for listing of the Ordinary Shares of the Company. Approval for the same is awaited.
- 7) 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 & Co. Ltd.),
6, Mangoe Lane (Surendra Mohan Ghosh Sarani),
2nd Floor, Kolkata – 700001.
- Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.
- 8) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 9) **In terms with Circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or its RTA for registration of transfer of shares. Shareholders are requested to furnish copy of PAN card at the time of transferring physical shares.**
- 10) A brief resume of the Directors seeking re-appointment/ appointment at the Annual General Meeting along with details of their other Directorships and shareholding in the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are provided as an annexure to this notice.

ANNEXURE TO THE NOTICE

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

Item No. 6

At their meeting held on March 06, 2009, the Board of Directors of the Company have co-opted Mr. H. P. Kanoria as an Additional Director under the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company. Mr. H. P. Kanoria will hold office only up to the date of this Annual General Meeting. Notice under Section 257 along with a deposit of Rs.500/- proposing the candidature of Mr. H. P. Kanoria as Director has been received from a member of the Company.

Mr. H. P. Kanoria is an 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 a Committee member of Bharat Chamber of Commerce.

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

The Board of Directors recommends for your approval his appointment as Director of the Company, liable to retire by rotation.

None of the Directors, except Mr. H. P. Kanoria is concerned or interested in this resolution.

Item No. 7

At their meeting held on March 06, 2009, the Board of Directors of the Company have co-opted Mr. S. Lahiri as an Additional Director under the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company. Mr. S. Lahiri will hold office only up to the date of this Annual General Meeting. Notice under Section 257 along with a deposit of Rs.500/- proposing the candidature of Mr. S. Lahiri as Director has been received from a member of the Company.

Mr. S. Lahiri is a Managing Partner of Messrs G. Basu & Co., Chartered Accountants, one of the eminent and oldest professional firms in the country, being founded in 1924. Mr. Lahiri has wide range of experience and expertise in the field of financial planning, management and control.

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

The Board of Directors recommends for your approval his appointment as Director of the Company, liable to retire by rotation.

None of the Directors, except Mr. S. Lahiri is concerned or interested in this resolution.

Item No. 8

At their meeting held on April 30, 2009, the Board of Directors of the Company have co-opted Mr. H. M. Parekh as an Additional Director under the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company. Mr. H. M. Parekh will hold office only up to the date of this Annual General Meeting. Notice under Section 257 along with a deposit of Rs.500/- proposing the candidature of Mr. H. M. Parekh as Director has been received from a member of the Company.

Mr. H. M. Parekh has about 50 years of experience in tea industry. Retired as 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 presently is in the Board of eminent Tea Companies.

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



The Board of Directors recommends for your approval, his appointment as Director of the Company, liable to retire by rotation.

None of the Directors, except Mr. H. M. Parekh is concerned or interested in this resolution.

Item No. 9

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 6th March, 2009 re-appointed Mr. D. K. Sharda, as Joint Managing Director of the Company for a period of one year from 1st April, 2009. The previous term of Mr. D. K. Sharda, as Joint Managing Director expired on 31st March, 2009.

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

The said terms and conditions including remuneration of the said Agreement entered into by the Company with him are set out below:

1. DUTIES AND RESPONSIBILITIES :

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

2. REMUNERATION :

- I. Salary : Rs.1,23,500/- per month.
- II. Perquisites : Apart from Salary Mr. D. K. Sharda will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

PART – A

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

- iv) Personal Accident Insurance/Mediclaim Insurance: Premium not exceeding Rs.6,000/- per annum.

PART – B

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

PART – C

- i) Free use of car.
- ii) Free telephone facility at residence.
- iii) Provision of car for use on Company's business will not be considered as perquisite. Use of car for private purposes will be valued as per Income tax Rules, 1962.

3. MINIMUM REMUNERATION:

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

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

The Board of Directors is of the opinion that the above remuneration being paid/ payable to Mr. D. K. Sharda, as Joint Managing Director of the Company as fixed by the Remuneration Committee is commensurate with his duties and responsibilities and is well within the limits specified in Part II of Schedule XIII of the Companies Act, 1956. A copy of the Agreement referred to in the Resolution is available for inspection by the Members at the Registered Office of the Company between 10-00 A.M. to 12-00 Noon on any working day, other than Saturdays, till 27th August, 2009 and will also be available for inspection at the Meeting.

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

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

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

Item No. 10

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 6th March, 2009 re-appointed Mr. S. K. Lakhotia, as the Executive Director, designated as Chief Executive Officer (CEO) of the Company for a period of one year from 1st April, 2009. The previous term of Mr. S. K. Lakhotia, as the Executive Director expired on 31st March, 2009.



The re-appointment of Mr. S. K. Lakhotia, as the Executive Director, designated as CEO of the Company and the remuneration being paid/ payable to him as fixed by the Remuneration Committee of the Board of Directors of the Company are in accordance with the conditions specified in Parts I & II of Schedule XIII of the Companies Act, 1956.

The said terms and conditions including remuneration of the said Agreement entered into by the Company with him are set out below:

1. DUTIES AND RESPONSIBILITIES :

Mr. S. K. Lakhotia as the Executive Director, designated as CEO of the Company shall, subject to the provisions of the Companies Act, 1956 and the overall superintendence and control of the Board of Directors of the Company perform such duties and exercise such powers as may from time to time be entrusted to or conferred on him by the Board of Directors of the Company.

2. REMUNERATION:

- I. Salary: Rs.1,60,000/- per month.
- II. Perquisites: Apart from salary, Mr. S. K. Lakhotia will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

PART – A

- i) Housing : The Company shall provide rent free furnished accommodation with free electricity which will be maintained by the Company. In case no accommodation is provided by the Company, Mr. S. K. Lakhotia shall be entitled to House Rent Allowance limited to 8% of his salary plus reimbursement of expenses incurred on electricity.
- ii) Medical Reimbursement and Leave Travel Concession: Mr. S. K. Lakhotia shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
- iii) Fees of Clubs : Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Mediclaim Insurance : Premium not exceeding Rs.6,000/- per annum.

PART – B

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

PART – C

- i) Free use of car.
- ii) Free telephone facility at residence.
- iii) Provision of car for use on Company's business will not be considered as perquisite. Use of car for private purposes will be valued as per Income tax Rules, 1962.

3. MINIMUM REMUNERATION

In the event of absence or inadequacy of profits during the period of service of Mr. S. K. Lakhotia, as the Executive Director, designated as CEO of the Company, he shall be entitled to the same Salary and Perquisites as stated hereinbefore.

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

The Board of Directors is of the opinion that the above remuneration being paid/ payable to Mr. S. K. Lakhotia, as the Executive Director, designated as CEO of the Company as fixed by the Remuneration Committee is commensurate with his duties and responsibilities and is well within the limits specified in Part II of Schedule XIII of the Companies Act, 1956. A copy of the Agreement referred to in the Resolution is available for inspection by the Members at the Registered Office of the Company between 10-00 A.M. to 12-00 Noon on any working day, other than Saturdays, till 27th August, 2009 and will also be available for inspection at the Meeting.

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

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

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

Item No. 11

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 6th March, 2009 re-appointed Mr. A. Mallick, as Executive Director of the Company for a period of one year from 1st April, 2009. The previous term of Mr. A. Mallick, as Executive Director expired on 31st March, 2009.

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

The said terms and conditions including remuneration of the said Agreement entered into by the Company with him are set out below:



1. DUTIES AND RESPONSIBILITIES :

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

2. REMUNERATION :

- I. Salary: Rs.1,00,000/- per month.
- II. Perquisites : Apart from salary, Mr. A. Mallick will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

PART – A

- i) He shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Reimbursement of expenditure incurred on gas and electricity.
- iii) Medical Reimbursement and Leave Travel Concession: The Executive Director shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
- iv) Fees of Clubs: Up to a maximum of two clubs. This will not include any life membership or admission fees.
- v) Personal Accident Insurance: Premium not exceeding Rs.6,000/- per annum.

PART – B

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

PART – C

- i) Free use of car with driver.
- ii) Free telephone facility at residence.
- iii) Provision of car for use on Company's business will not be considered as perquisite. Use of car with driver for private purposes will be valued as per Income Tax Rules, 1962.

3. MINIMUM REMUNERATION:

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

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

The Board of Directors is of the opinion that the above remuneration being paid/ payable to Mr. A. Mallick, as the Executive Director of the Company as fixed by the Remuneration Committee is commensurate with his duties and responsibilities and is well within the limits specified in Part II of Schedule XIII of the Companies Act, 1956. A copy of the Agreement referred to in the Resolution is available for inspection by the Members at the Registered Office of the Company between 10-00 A.M. to 12-00 Noon, on any working day, other than Saturdays, till 27th August, 2009 and will also be available for inspection at the Meeting.

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

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

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

By Order of the Board
For GILLANDERS ARBUTHNOT & CO. LTD.

Place: Kolkata
Date: 30th June, 2009.

D. Karmakar
Company Secretary

**Annexure****Particulars of Directors proposed to be appointed/re-appointed at the 75th Annual General Meeting of the Company to be held on Thursday, August 27, 2009 at 11.30 a.m.**

Name of the Director	Mr. J. N. Godbole	Mr. A. K. Kothari	Mr. H. P. Kanoria	Mr. Subroto Lahiri
Age (in years)	64	56	67	57
Date of Appointment	March 7, 2007	August 26, 1985	March 6, 2009	March 6, 2009
Experience/Expertise	An eminent banker having technical background. Was the Chairman of IDBI Ltd. Wide experience & expertise in the field of industrial banking, project financing, business development, venture capital etc.	Well known industrialist having knowledge, experience & expertise on areas relating to tea, pharmaceuticals, engineering & spinning industry.	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 a Committee member of Bharat Chamber of Commerce.	Managing Partner of M/s G. Basu & Co., Chartered Accountants, one of the eminent and oldest professional firms in the country, being founded in 1924. Has wide range of experience and expertise in the field of financial planning, management and control.
List of Outside Directorship held (Public Limited Companies)	<ol style="list-style-type: none"> 1. Emmelen Biotech Pharmaceuticals Ltd. 2. Technocraft Industries(India) Ltd. 3. J. K. Cements Ltd. 4. I M P Powers Ltd. 5. Emami Paper Mills Ltd. 6. Unitex Designs Ltd. 7. The Oudh Sugar Mills Ltd. 8. Madhya Bharat Papers Ltd. 9. Zuari Industries Ltd. 10. Jay Kay Cem Ltd. 11. Saurashtra Cement Ltd. 12. Gujarat Alkalies & Chemicals Ltd. 	<ol style="list-style-type: none"> 1. Albert David Ltd. 2. Bhaktwatsal Investments Ltd. 3. Claro India Ltd. 4. Kothari Phytochemicals & Industries Ltd. 5. Vishnuhari Investments & Properties Ltd. 6. Bharat Fritz Werner Ltd. 7. Indian Glass & Electricals Ltd. 8. Arvind engineering works Ltd. 	<ol style="list-style-type: none"> 1. Adisri Investment Ltd. 2. Adishakti Retail Ltd. 3. Asian Health Care Services Ltd., 4. TSCCF - Shristi Infra Ltd. 	SIL - Investments Ltd.
Chairman/Member of the Committee of Directors of other Public Ltd. Companies in which he is a Director*	<p>Chairman Audit Committee</p> <ol style="list-style-type: none"> 1. IMP Powers Ltd. 2. Unitex Designs Ltd. <p>Member Audit Committee</p> <ol style="list-style-type: none"> 1. Technocraft Industries (India) Ltd. 2. Emmelen Biotech Pharmaceuticals Ltd. 3. Emami Paper Mills Ltd. 4. Madhya Bharat Papers Ltd., 5. Zuari Industries Ltd. 6. Jay Kay Cem Ltd. 7. Gujarat Alkalies & Chemicals Ltd. 	<p>Member Audit Committee</p> <ol style="list-style-type: none"> 1. Albert David Ltd., 2. Kothari Phytochemicals & Industries Ltd. <p>Shareholders Investors Grievance Committee</p> <p>Albert David Ltd.</p>	Nil	Member Audit Committee SIL Investments Ltd.
No. of Shares held in the Company	Nil	83,525	Nil	Nil



Name of the Director	Mr. H. M. Parekh	Mr. D. K. Sharda	Mr. S. K. Lakhotia	Mr. A. Mallick
Age (in years)	72	62	61	62
Date of Appointment	April 30, 2009	October 27, 2005	April 30, 2008	December 29, 2006
Experience/Expertise	Has about 50 years of experience in tea industry. Retired as 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 presently is in the Board of eminent Tea Companies.	Experience & expertise in the field of finance, administration and textile industry for more than 36 years.	Experience & expertise in planning and executing turnkey contracts & fabrication jobs in Steel plants, power plants, aluminum plants etc. which involves inter alia structural, mechanical, civil, electrical and instrumentation work.	Qualified Chartered Accountant & Company Secretary having experience & expertise in finance, corporate & commercial matters. Expertise in functioning & monitoring of chemical Industry.
List of Outside Directorship held (Public Limited Companies)	<ol style="list-style-type: none"> The Methoni Tea Co. Ltd. Gujarat Tea Processors & Packers Ltd. Rossell Tea Ltd. Beeyu Overseas Ltd. Diana Tea Co. Ltd. The Grob Tea Co. Ltd. Williamson Magor & Co. Ltd., 	<ol style="list-style-type: none"> M.D.Kothari & Co. Ltd. Bhaktwatsal Investments Ltd. 	Nil	The Tengpani Tea Co. Ltd (since amalgamated)
Chairman/Member of the Committee of Directors of other Public Ltd. Companies in which he is a Director*	<p>Chairman Shareholders Investors Grievance Committee</p> <p>Rossell Tea Ltd.</p> <p>Member Audit Committee</p> <ol style="list-style-type: none"> Rossell Tea Ltd. Beeyu Overseas Ltd. Diana Tea Co. Ltd. Williamson Magor & Co. Ltd. 	Nil	Nil	<p>Member Audit Committee</p> <p>The Tengpani Tea Company Ltd.</p> <p>Shareholders Investors Grievance Committee</p> <p>The Tengpani Tea Company Ltd.</p>
No. of Shares held in the Company	Nil	Nil	850	41

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



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report and the Audited Accounts for the year ended 31st March, 2009.

REVIEW OF PERFORMANCE

	2009	2008
	(Rs. in lakhs)	(Rs. in lakhs)
Profit for the year before Depreciation and taxation	3420.41	2898.98
Depreciation	1210.05	1052.38
Profit before Taxation	2210.36	1846.60
Provision for Taxation (net)	(519.07)	(329.53)
Fringe Benefit Tax	(35.00)	(33.00)
Profit after Taxation	1656.29	1484.07
Add : Profit brought forward	590.04	288.66
Amount available for appropriation	2246.33	1772.73
Appropriations		
Proposed Dividend		
- On Preference Shares	16.00	16.00
- On Ordinary Shares	711.41	562.87
Tax on Dividend	123.62	103.82
Transfer to General Reserve	500.00	500.00
Balance carried forward	895.30	590.04
	2246.33	1772.73

OPERATIONS

As can be seen from the above table, the profits before tax and profits after tax during the year have increased significantly by 19.70% and 11.60% respectively, as compared to those of the previous year. Operational matters have been discussed in detail under the heading 'Management Discussion and Analysis,' elsewhere in this Report.

SCHEME OF AMALGAMATION

The Scheme of Amalgamation ('The Scheme') for Amalgamation of the erstwhile The Tengpani Tea Co. Ltd. (TTCL), with the Company was sanctioned by the Hon'ble High Court at Calcutta on May 21, 2009. Upon completion of the relevant legal formalities on June 25, 2009, the Amalgamation became effective retrospectively from the 'Appointed Date' viz. April 01, 2008 and accordingly the financial results of TTCL for the year ended March 31, 2009 including their assets and liabilities have been incorporated in and are reflected in the Company's accounts for the said period. Hence the performance of the Company during the year has to be reviewed having regard to the fact that the accounts have been prepared after giving effect to 'the Scheme' as aforesaid.

DIVIDEND

Your Directors are pleased to recommend the following dividends:

- Dividend @ Rs. 8/- per Share on 2,00,000 8% Cumulative Redeemable Preference Shares of Rs. 100/- each.
- Dividend @ Rs.5/- per Share including Re. 0.50 for celebrating the Platinum Jubilee Year of the Company on 1,42,28,231 fully paid up Ordinary Shares of Rs. 10/- each of the Company, including 1,56,250 fully paid up Ordinary Shares to be allotted to the Equity Shareholders of TTCL in terms of 'the Scheme,' entailing an outflow of Rs. 711.41 Lakhs.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is well diversified with 6 (six) major divisions viz. Tea Division, Engineering (MICCO) Division, Textile Division, Chemical (Waldies) Division, Property Division and Trading Division. The industry structure, development, performance, opportunities, threats and outlook of each of these divisions, internal control systems and industrial relations have been discussed hereunder in detail.

Tea Division

The world tea production in 2008 was slightly lower compared to last year with major loser being Kenya, whereas India, China



and Sri Lanka were major gainer. India produced a crop of 981 Million Kgs. during the year 2008, which shows an increase of 36 Million Kgs. over the last year predominantly contributed by South India. Average price realization in auction was dearer by Rs.20/- per kg. due to low carry forward of stock, increase in export and surge in domestic consumption.

During the year under review, your Tea Division produced 8.90 Million Kgs of Tea. Average price realization was Rs 106.79 per Kg., an increase of Rs. 24.10 per Kg. over previous year. Your Company while exploring packet tea market has got an encouraging response during the year under review and is optimistic of making further inroads in this segment.

World Tea production in the current year upto April, 2009 is down by around 80 Million Kgs. (including 25 Million Kgs. in India) due to unfavourable climatic conditions prevailing in the growing region. However, tea prices in India has firmed-up due to tightening of supply and increase in domestic demand. This Division is expected to perform better during the current year. All the Tea estates of the Company are ISO 9001:2000 and HACCP certified.

Engineering (MICCO) Division

In developing countries like India, Steel, Cement, Power and Aluminium industries are fast expanding to boost the economy and growth of our country. This Division of your Company is engaged in execution and implementation of Turn key Projects of such industries. It is involved *inter alia* in Structural, Mechanical, Electrical and Instrumentation work. It has recorded excellent performance during the year under review. It achieved a turnover of Rs.132 crores as compared to Rs.75 crores in the previous year. Exports have also increased to Rs.18 crores as compared to Rs.6 crores in last year. The overall performance of this division is better. The growth and potential of this division appears to be bright in view of boom in Infrastructure Industry. The Division expects more big orders from various Steel Plants particularly SAIL & TATA Steel. The present order booking is satisfactory in view of global recession.

This division is accelerating into own infrastructure facilities including human resources to cater increased volume of its operations.

Textile Division

The recent global slowdown has impacted industries in general and in particular, has significantly impacted the Indian Textile Industry due to a sudden decline in export which has forced the industry to cut production.

Your directors take pleasure to report that the expansion programme of your division as reported in the previous year has been completed and the commercial production has started in the year under review.

The Cotton crop for the season 2008-09 is lower at 290 lakhs bales as compared to 315 lakhs bales in 2007-08. Apart from the above, substantial increase in MSP by about 40% has resulted in very high prices of cotton in the country in comparison to International Market which has put the entire Indian Textile Industry at a disadvantageous position with the competing countries.

The abnormally high fluctuation in the prices of all the synthetic fibre mainly due to fluctuation of crude oil prices has put the industry to further hardship by way of losses on inventory. In spite

of all the adversities, your division has been able to maintain its production and sale.

Looking to the current global economic scenario, the performance of the industry in the current year is expected to be poor unless the government comes out with adequate specific package on the line provided by Government of other competitive countries.

Chemical (Waldies) Division

This Division is engaged in the manufacture of Lead Oxides and PVC Stabilisers used in manufacture of Battery, Paints, Cables and other products. It has substantially improved its profitability as compared to last year in spite of uncertain and volatile economic environment.

The outlook for the current year is promising as many initiatives have been taken for focusing on sustainable improvements in operation. Barring unforeseen circumstances, this division is expected to perform well in the current year.

This division enjoys ISO 9001 and ISO 14001 certification. The protection of health and safety of the employees is of great importance to the division. It enjoys OHSAS 18001 certification for its Occupational Health and Safety Management System.

Property Division

This Division has been able to show higher revenue of Rs.638 lakhs against Rs.496 lakhs during the previous year. As reported last year several steps have been taken to improve the quality of services and that will continue in the current year. Economic slow down has caused tenants to vacate 'Gillander House'. However, efforts are being made identify suitable occupiers to use the vacant place.

Trading Division

The division deals in various types of Paints, Construction Chemicals, Abrasive Products and various other related commodities. In the past, the bulk of the sales were of Cement Paint for exterior painting. Over the years, demand for cement paint has been slowing down gradually. During the year, your division has entered into an agreement with Tata Pigments Ltd., for the sales of their Floor Oxides in Tamil Nadu.

Despite the slowdown in the economy and sluggish demand in the market, this division was able to achieve a turnover of Rs.20.75 crores compared to Rs.18.77 crores in previous year, mainly because of increase in Sales of 3-M Products, and Waterproofing Contracts.

With the present trend in the market, your Directors expect that the performance of this Division will continue to remain stable in the current financial year.

Internal Control System and their adequacy

The Company has adequate internal control in all areas of its operation. Internal audits at all the divisions/units/branches are undertaken on regular basis by Chartered Accountant firms.

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

Material Development in Human Resource and Industrial Relations

Your Company attaches greatest importance to human resource. Employees at every level have the opportunity to



interact with their senior managers and discuss the innovative ideas in an open house environment. This gives them a strong platform for all round improvement in their efficiencies and experience. Congenial environment is being maintained and recreation activities are sponsored occasionally.

Caution Statement

Management Discussion and Analysis contain forward-looking statements that involve risk and uncertainties. The forward looking statements are subject to change depending on global and local demand supply conditions, finished goods prices, availability of raw materials, changes in Government Regulations, Tax regimes etc. over which the Company does not have any control. Readers are cautioned not to place undue reliance on such statements and apply their own diligence and independent judgment.

DIRECTORS

During the year under review, Mr. A. K. Basu and Mr. R. L. Kanoria resigned from close of business on January 30, 2009 and on April 15, 2009 respectively from the Board and its committees where they were Chairman/ member. The Board wishes to place on record its deep sense of appreciation and gratitude for the valuable contribution, guidance and advice received from them.

Mr. H. P. Kanoria and Mr. S. Lahiri were appointed as Additional Directors by the Board at its meeting held on March 06, 2009 and Mr. H. M. Parekh was appointed as an Additional Director on April 30, 2009, to hold such office till the conclusion of the ensuing Annual General Meeting.

Notices under Section 257 of the Companies Act, 1956 have been received from members proposing the name of the aforesaid Additional Directors for appointment as Directors of the Company in the forthcoming Annual General Meeting.

Mr. D. K. Sharda, Joint Managing Director, Mr. S. K. Lakhota, Executive Director & CEO and Mr. A. Mallick, Executive Director have been re-appointed for a further period of one year with effect from April 01, 2009 subject to the approval of the members of the Company.

Mr. A. K. Kothari and Mr. J. N. Godbole retire by rotation under Articles 109 and 110 of the Articles of Association of the Company, and being eligible, offer themselves, for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities; and

- d) that they have prepared the annual accounts on a going concern basis.

AUDITORS' REPORT

The qualification/ observations made by the Auditors in their Report have been dealt with in the Notes on Accounts.

AUDITORS

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

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

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

COST AUDIT

The Ministry of Corporate Affairs, Government of India, by their Orders have directed audit of Cost Accounts maintained by the Company in respect of the tea, chemicals and textile divisions on a yearly basis. In terms of the said Orders, Cost Audits are conducted by three firms of Cost Accountants appointed with the approval of the Ministry of Corporate Affairs.

CORPORATE GOVERNANCE

A detailed report on the implementation of the Code on Corporate Governance forms part of this Annual Report.

FIXED DEPOSIT

As at March 31, 2009 an amount of Rs.1,596.16 lakhs was outstanding on account of fixed deposits received from public including Rs.0.30 lakhs being unclaimed fixed deposits.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1) (e) of the Companies Act, 1956, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure-I attached hereto and forming part of the Directors' Report.

PARTICULARS OF EMPLOYEES

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

PERSONNEL

Your Directors wish to record their appreciation of the co-operation received from all employees.

ACKNOWLEDGEMENT

Your Directors are grateful for the unstinted support received from the Investors, stakeholders and bankers of the Company and look forward to receive their continued support and advice.

For and on behalf of the Board

A. K. Kothari
Chairman

Kolkata, June 30, 2009.



ANNEXURE I TO DIRECTORS' REPORT

Additional information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2009.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company over the years has given high importance to energy conservation and has implemented various schemes on continuous basis to save energy, wherever possible. This continues to remain the area of thrust with continuous studies, discussions and analysis being undertaken regularly for further improvement. Some of the measures taken are:

- i) Timely replacement of Power Capacitor and equipment for achieving ideal power factor, wherever required.
- ii) Installed transformer to redistribute the power load.
- iii) Replacement of condenser with compactor for saving power.
- iv) Energy conservation and Maintenance study by South India Textile Research Association (SITRA) and follow up actions.
- v) Replacement of conventional tube lights by energy efficient tube lights.
- vi) Conversion of 'V' grooved pulley to flat pulley in doubling machines, which consumes less power.

- vii) Installation of energy saving spindles in ring frame machines.
- viii) Installation of inverter drive in pneumafil suction in Ring Frame.

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

The investments required to be made to implement the suggestions made by SITRA are under consideration. The Company also proposes to replace old machineries, equipments and technologies with new upgraded machineries, equipments and technologies. Campaigns to create awareness for conservation of energy and lubricants are taken up by the Company at all levels of management, on a regular basis.

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

The above measure has resulted in savings of energy which has an impact on the cost of production, by reducing the same. However, due to steep increase in the cost of rice husk, petroleum products and other inputs, the overall cost of production has increased.

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

FORM A

A. Power & Fuel Consumption

	2009	2008
1. Electricity		
a) Purchased -		
Unit	4,90,97,703	5,14,82,122
Total Amount (Rs. '000)	2,11,041	2,13,152
Rate/unit (Rs.)	4.30	4.14
b) Own Generation		
i) Through Diesel Generator (unit)	39,08,472	38,83,766
Unit per litre of diesel oil	3.23	3.09
Cost/unit (Rs.)	10.27	9.93
ii) Through Gas Gen Set Unit	10,98,606	6,84,852
Unit per (S.Cu.M.)	1.33	1.33
Fuel Cost/unit (Rs.)	2.41	2.08
2. Coal (Grade B Coal used in Drier)		
Quantity (M. T.)	8,919	8,859
Total Cost (Rs. '000)	34,532	26,980
Average Rate (Rs./MT)	3,871.59	3,045.49



	2009	2008
3. Furnace Oil		
Quantity (K. ltrs.)	180	252
Total Cost (Rs. `000)	7,243	6,935
Average Rate (Rs.)	40.29	27.50
4. Others/internal generation		
Natural Gas		
Quantity (S.Cu.M.)	21,11,884	17,70,859
Total Cost (Rs. `000)	5,249	4,428
Rate/unit (Rs.)	2.49	2.50
5. Husk		
Quantity (M.T.)	14,09,224	10,32,529
Total Cost (Rs. `000)	4,342	2,725
Average rate (Rs./MT)	3.08	2.64

B. Consumption per unit of production

1. Tea		
Production (Gross) (M.T.)	9,060	9,238
Electricity Unit (including own generation) (units per kg)	0.94	0.88
Coal (kgs per kg)	0.69	0.65
Furnace Oil (ltrs. Per Kg)	0.02	0.03
Natural gas (C.M. per Kg)	0.23	0.19
2. Cotton and Man-made Fibre Yarn		
Production (MT)	12,913	13,889
Electricity (units per MT)	3,441	3,361
Husk (MT per MT)	215	152
Coal (MT per MT)	0.24	0.24
3. Steel Structural		
Production (MT)	1,701	1,700
Electricity (Units per MT)	112	87
4. Lead Oxides		
Production (MT)	3,397	3,421
Electricity (units per MT)	170	174
Coal (Kgs per MT)	225	231
4. White lead, Lead Salts & Metallic Stearates		
Production (MT)	544	663
Electricity (Units per MT)	328	312
Coal (Kgs per MT)	592	533



B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption :

FORM B

a) Research and Development (R &D)

1. Specific areas in which R&D is carried out by the Company:
2. Benefits derived as a result of the above R&D
3. Future plan of action
4. Expenditure on R & D

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

R & D have resulted in resource conservation, efficiency and reduction in cost of production, beside, improvement in quality of the products.

The Company is committed to strengthen R & D in order to enhance the quality of its products and increase its competitiveness in the market. The Company also plans to install new and modern equipments to achieve the above cause.

The expenditure incurred on R & D remains merged with various heads as per established accounting policy.

b) Technology absorption, adaptation & innovation

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

The Company makes continuous efforts to improve, adapt and implement new technology, equipments and innovation. 26,208 Spindles with the latest modern machines have been installed at Akbarpur, Punjab. Latest assembly winding machine (VERSA) and compact Spinning systems has also been installed at Champdani, West Bengal.

The above efforts have helped in improving the productivity, conservation of power and energy and overall improvement in the quality of products.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:
- g) Total foreign exchange used and earned.

Sincere efforts are made to produce quality products which are acceptable in overseas market by continuous R & D in all the stages of production. Constant efforts are made to identify and develop new export markets for the products of the Company and to increase its exports.

	2009 (Rs. in lakh)	2008 (Rs. in lakh)
Foreign exchange earned	2,025.59	1,645.50
Foreign exchange used	2,842.58	1,717.74

For and on behalf of the Board

Place: Kolkata
Date: June 30, 2009.

A. K. Kothari
Chairman



REPORT ON CORPORATE GOVERNANCE

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 for 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 (Board)

A) Composition

Your Company's Board presently comprises of 9 (Nine) Directors, 5 (Five) of whom are Independent Directors, 1 (One) is Non-Executive Director and 3 (Three) are Whole

time Directors with considerable experience in their respective fields.

During the year under review, the Board met 7 (seven) times. The details of Board Meetings held during the financial year 2008-09 are as under:

S. N.	Date of Board Meeting	City	No. of Directors present
1.	April 30, 2008	Kolkata	6
2.	July 14, 2008	Kolkata	7
3.	July 31, 2008	Kolkata	6
4.	September 11, 2008	Kolkata	5
5.	October 31, 2008	Kolkata	5
6.	January 30, 2009	Kolkata	7
7.	March 06, 2009	Kolkata	9

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

Name of Director	Category of Director	Attendance during 2008-09		No. of Outside Directorship#	No. of Membership(s)/ Chairmanship(s) in Outside Committee*
		Board Meetings	Last AGM held on 11.09.08		
Mr. A. K. Kothari	Non-Executive Chairman	6	Yes	8	3
Mr. S. Shah (Resigned w.e.f. May 08, 2008)	Non-executive Independent	1	N.A.	1	Nil

B) Non-Executive Directors' Compensation and Disclosures

All fees/compensation paid to the non-executive Directors and Independent Directors are approved by the Board of Directors and have the Shareholders' approval. Details of sitting fees/compensation paid to them are given at the respective places in this Report.

C) Other Provisions as to Board and Committees

Your Company's Board of Directors play important role in ensuring good corporate governance and functioning of the Company. All relevant information as specified in Annexure 1A to clause 49 of the Listing Agreement with the Stock Exchanges is regularly placed before the Board. Agenda and Notes on Agenda are circulated to the Directors in advance, before each meeting of the Board.

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

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



Name of Director	Category of Director	Attendance during 2008-09		No. of Outside Directorship#	No. of Membership(s)/ Chairmanship(s) in Outside Committee*
		Board Meetings	Last AGM held on 11.09.08		
Mr. R. L. Kanoria (Resigned w.e.f. April 15, 2009.)	Non-executive Independent	5	No	NIL	Nil
Mr. A. K. Basu (Resigned from the close of business on January 30, 2009)	Non-executive Independent	4	No	1	2 (1 as Chairman)
Mr. P. K. Khaitan	Non-executive Independent	2	No	13	4
Mr. J. N. Godbole	Non-executive Independent	6	Yes	12	9 (2 as Chairman)
Mr. H. P. Kanoria (Appointed as Additional Director w.e.f. March 06, 2009)	Non-executive Independent	1	N.A.	4	Nil
Mr. S. Lahiri (Appointed as Additional Director w.e.f. March 06, 2009)	Non-executive Independent	1	N.A.	1	1
Mr. H. M. Parekh (Appointed as Additional Director w.e.f. April 30, 2009)	Non-executive Independent	N.A.	N.A.	7	5 (1 as Chairman)
Mr. D. K. Sharda	Joint Managing Director	7	Yes	2	Nil
Mr. S. K. Lakhotia	Executive Director & CEO	5	Yes	Nil	Nil
Mr. A. Mallick	Executive Director	7	Yes	1	2

Includes Indian Public Limited Companies only.

* Includes Audit & Shareholders'/Investors' Grievance Committee only.

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 stakeholders' viz. shareholders, customers, creditors, employees, government, regulatory agencies, media and society at large. The Code of Conduct was amended by the Board at its meeting held on April 30, 2009. The Code is available on the Company's website.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed compliance with the Company's 'Code of Conduct' for the financial year ended March 31, 2009.

Kolkata, June 30, 2009.

S. K. Lakhotia
Executive Director & CEO



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) and (D) of the Listing Agreement, which acts as a link between the management, the statutory 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:

1.	Mr. S. Lahiri	Chairman
2.	Mr. A. K. Kothari	Member
3.	Mr. J. N. Godbole	Member
4.	Mr. H. M. Parekh	Member

Except Mr. A. K. Kothari, all the members of the Audit Committee are Independent Directors. The Statutory as well as Internal Auditors of the Company are also invited to the Audit Committee Meetings, whenever required. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 11, 2008.

B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 4 (four) times to deliberate on various matters and the details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	No. of Meetings attended	Sitting fees paid #
Mr. A. K. Kothari	4	Rs.30,000/-
Mr. A. K. Basu (Resigned as Chairman from close of business on January 30, 2009)	3	Rs.22,500/-
Mr. J. N. Godbole	3	Rs.22,500/-
Mr. R. L. Kanoria (Resigned w.e.f. April 15, 2009.)	3	Rs.22,500/-

Sitting fees paid @ Rs.7,500/- per meeting of the Committee.

Mr. S. Lahiri was inducted in the Audit Committee as Chairman w.e.f. March 06, 2009 and Mr. H. M. Parekh as member of the said Committee w.e.f. April 30, 2009.

C) Powers of Audit Committee

The audit committee is endowed with the following powers:

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

D) Role of Audit Committee

The role of the audit committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
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 Directors' Responsibility Statement as part of the Boards' Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by 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 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 any significant findings and follow up there on.



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 auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. 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.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses, and
5. The appointment, removal and terms of remuneration of the internal auditor.

III. Subsidiary Companies

Your Company does not have any subsidiary.

IV. Disclosures

A) Basis of Related Party transactions

Your Company places all the aforesaid details before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18, forms part of the Note No. 21 of Schedule 18 to the Accounts in the Annual Report. These transactions are not likely to have any conflict with the interests of the Company at large.

B) Disclosure of Accounting Treatment

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

C) Risk Management

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

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

The Remuneration Committee met twice during the year on April 30, 2008 and March 30, 2009. Details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	No. of Meetings attended	Sitting fees paid # Rs.
Mr. S. Shah (Resigned w.e.f. May 08, 2008)	1	7,500/-
Mr. A. K. Basu (Resigned as Chairman from close of business on January 30, 2009)	1	7,500/-
Mr. R. L. Kanoria (Resigned w.e.f. April 15, 2009)	2	15,000/-
Mr. A. K. Kothari (Member w.e.f. March 06, 2009)	1	7,500/-
Mr. J. N. Godbole (Resigned w.e.f. March 06, 2009)	1	7,500/-
Mr. H. P. Kanoria (Chairman w.e.f. March 06, 2009)	1	7,500/-
Mr. P. K. Khaitan (Member w.e.f. March 06, 2009)	-	-
Mr. H. M. Parekh (Member w.e.f. April 30, 2009)	-	-

Sitting fees paid @ Rs.7,500/- per meeting of the Committee.

Remuneration of the Joint Managing Director and Executive Directors are recommended by the Remuneration Committee and considered and approved by the Board of Directors, subject to the approval of the Shareholders.

Non Executive Directors are entitled to sitting fees for attending the meetings of the Board and Committees thereof. The present sitting fees is Rs.7,500/- for attending each meeting of the Board or Committee thereof.



Details of remuneration paid/payable to Directors for the year ended 31st March, 2009.

(In Rs.)

Name	Salary & Allowances	Contribution to Provident & Other Funds	Leave Encashment on Retirement	Perquisites	Sitting Fees	Total
Mr. A. K. Kothari	N.A.	N.A.	N.A.	N.A.	1,12,500	1,12,500
Mr. S. Shah	N. A.	N.A.	N.A.	N.A.	15,000	15,000
Mr. R. L. Kanoria	N.A.	N.A.	N.A.	N.A.	75,000	75,000
Mr. P. K. Khaitan	N.A.	N.A.	N.A.	N.A.	15,000	15,000
Mr. J. N. Godbole	N. A.	N.A.	N.A.	N.A.	90,000	90,000
Mr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	15,000	15,000
Mr. S. Lahiri	N.A.	N.A.	N.A.	N.A.	7,500	7,500
Mr. A. K. Basu	N.A.	N.A.	N.A.	N.A.	82,500	82,500
Mr. D. K. Sharda	11,82,000	1,41,840	N.A.	96,181	N.A.	14,20,021
Mr. S. K. Lakhotia	15,60,000	1,87,200	N.A.	3,26,439	N.A.	20,73,639
Mr. A. Mallick	9,36,000	1,12,320	N.A.	2,80,275	N.A.	13,28,595
Total	36,78,000	4,41,360	0.00	7,02,895	4,12,500	52,34,755

(N.A. indicates not applicable)

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

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

Name of Director	No. of Ordinary Shares held as on March 31, 2009
Mr. A. K. Kothari	83,525
Mr. R. L. Kanoria (Resigned w.e.f. April 15, 2009)	NIL
Mr. P. K. Khaitan	NIL
Mr. J. N. Godbole	NIL
Mr. H. P. Kanoria	NIL
Mr. S. Lahiri	NIL

In terms with Clause 41(II) of the Listing Agreement with the Stock Exchanges, the Company has a Quarterly Results Approval Committee. As on June 30, 2009, the Committee comprises of Mr. A. K. Kothari as Chairman, Mr. S. Lahiri, Mr. D. K. Sharda and Mr. A. Mallick as members of the Committee. The said Committee met twice during the year under review i.e. on August 29, 2008 and November 28, 2008.

F) Management

- 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.
- 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.

G) Shareholders

- The Company has provided the details of the Directors seeking appointment/re-appointment in the Notice convening the Annual General Meeting of the Company.
- Shareholders' /Investors' Grievance Committee

The Company has a "Shareholders' / Investors' Grievance Committee" at the Board level to look into various issues relating to shareholders/investors including transfer and transmission of shares as well as non-receipt of dividend, annual report, shares after transfers and delays in transfer of shares. 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 Committee comprises of the following Directors viz., Mr. S. Lahiri as Chairman, Mr. P. K. Khaitan, Mr. A. K. Kothari and Mr. D. K. Sharda as members of the Committee. Mr. D. Karmakar, Company Secretary acts as the Compliance Officer. The Shareholders' / Investors' Grievance Committee met twice during the year on July 14, 2008 and January 30, 2009. Details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	No. of Meetings attended	Sitting fees paid # Rs.
Mr. A. K. Kothari	2	15,000/-
Mr. A. K. Basu (Resigned as Chairman from close of business on January 30, 2009)	2	15,000/-
Mr. J. N. Godbole (Resigned w.e.f. March 06, 2009)	2	15,000/-
Mr. D. K. Sharda	2	N.A.

Sitting fees paid @ Rs.7,500/- per meeting of the Committee.

Mr. S. Lahiri was inducted as Chairman and Mr. P. K. Khaitan as member of the Committee w.e.f. March 06, 2009.

During the year, the Company received 21 complaints regarding non-receipt of Annual Report/ non-receipt of dividend from the shareholders, all of which were attended satisfactorily.

iii) 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.

iv) To expedite the transfer of shares in the physical segment, necessary authority has been delegated by your Board to a Committee of Directors who are authorised to approve share transfers/transmission.

V. CEO/CFO Certification

CEO/CFO certificate, as required in terms of the Listing Agreement, have been duly submitted to the Board.

VI. Report on Corporate Governance

This Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with all the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges in India.

VII. Compliance

i) Certificate from Mr. K. C. Dhanuka, Practicing Company Secretary, confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India is

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

ii) The Company is compliant with mandatory requirements of Clause 49 of the Listing Agreement. As far the non-mandatory requirements are concerned, the Board has set up a Remuneration Committee, the details of which have been provided earlier in this report.

VIII. General Body Meetings

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

Financial Year	Date of AGM	Venue	Time
2007-08 (74th AGM)	11.09.2008	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	10.30 A.M.
2006-2007 (73rd AGM)	05.09.2007	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	3.00 P.M.
2005-06 (72nd AGM)*	29.12.2006	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata - 700 001.	3.00 P.M.

* The 72nd AGM held on 29th December, 2006 was adjourned till 25th January, 2007 and held at the same venue from 3.00 P.M.

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

B) Postal Ballot

No resolution was passed through Postal Ballot in the year under review. As on date, no resolution is proposed to be passed through Postal Ballot.

IX. Means of Communication

- The half-yearly/quarterly financial results, in the proforma prescribed under the Listing Agreement, are approved by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the leading newspapers like Economic Times/ Business Standard/ Financial Express, in English and in Pratidin/ Aajkal, in Bengali. The results are also available in the Company's website at www.gillandersindia.com
- Quarterly/half-yearly reports are not sent to each household of shareholders.

**General Shareholder Information**

Date, time and venue of the Annual General Meeting	27th August, 2009 at 11-30 A.M. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, Kolkata-700001.
Financial Calendar 2009-2010 (tentative and subject to change)	<ul style="list-style-type: none"> • Financial Year: April to March • First Quarter Results: Last week of July, 2009 • Half Yearly Results: Last week of October, 2009 • Third Quarter Results: Last week of January, 2010 • Audited results for the year ending 31st March, 2010 : Last week of June 2010
Listing on Stock Exchanges	i) The Calcutta Stock Exchange Association Ltd., (CSE) 7 Lyons Range, Kolkata-700 001. ii) Bombay Stock Exchange Ltd., (BSE) P J Towers, Dalal Street, Mumbai- 400 001.
Stock Code	CSE - 10017321 BSE – 532716
Book Closure Period	20th August, 2009 to 27th August, 2009 (both days inclusive)
Dividend Payment Date	First week of September, 2009
Outstanding ADRs/GDRs	Not applicable

Distribution of Shareholding as on March 31, 2009

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares held	Percentage of Shares held
1-500	13,177	92.6913	9,60,545	6.8259
501-1000	539	3.7915	4,03,738	2.8691
1001-2000	254	1.7868	3,90,515	2.7752
2001-3000	74	0.5205	1,91,419	1.3603
3001-4000	30	0.2110	1,03,963	0.7388
4001-5000	29	0.2040	1,37,529	0.9773
5001-10000	62	0.4361	4,63,352	3.2927
10001 and above	51	0.3588	1,14,20,920	81.1607
Total	14,216	100.00	1,40,71,981	100.00

Categories of Shareholders as on March 31, 2009

Category	Number of Shares held	Percentage of Shareholdings
Indian Promoters	98,04,823	69.6762
Mutual Funds	200	0.0014
Banks, Financial Institutions, Insurance Companies	8,37,505	5.9517
Other Private Corporate Bodies	6,77,635	4.8155
Indian Public	27,07,163	19.2379
NRI/ OCB-s	44,655	0.3173
Total	1,40,71,981	100.00



As explained in Note 2 of Schedule 18 to the Accounts for the year ended 31st March, 2009, pursuant to the Scheme of Amalgamation of The Tengpani Tea Co. Ltd. with the Company, 156250 Ordinary Shares of Rs.10/- each fully paid up are to be issued to the Equity shareholders of The Tengpani Tea Co. Ltd. in the ratio of one Ordinary Share of the Company for every six Equity Shares held in The Tengpani Tea Co. Ltd. Subsequent to the aforesaid allotment, paid up Share Capital of the Company would stand increased to Rs.1422.82 Lakhs.

Stock Market Price for the year

Month	Stock Price at BSE (Rs.)		Bombay Stock Exchange SENSEX	
	High	Low	High	Low
April 2008	84.80	66.00	17378.46	15343.12
May 2008	91.00	77.50	17600.12	16275.59
June 2008	84.00	65.00	16063.18	13461.60
July 2008	84.00	59.80	14942.28	12575.80
August 2008	88.05	80.00	15503.92	14048.34
September 2008	86.10	64.00	15049.86	12595.75
October 2008	72.10	40.00	13055.67	8509.56
November 2008	56.05	44.00	10631.12	8451.01
December 2008	56.60	44.05	10099.91	8739.24
January 2009	58.50	44.00	10335.93	8674.35
February 2009	53.00	46.50	9647.47	8822.06
March 2009	55.50	45.80	10048.49	8160.40

Registrars & Share Transfer Agent (Both Physical & Demat Segments)	Maheshwari Datamatics Pvt. Ltd., (Unit : Gillanders Arbuthnot & Co. Ltd.), 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2nd floor, Kolkata - 700 001.
Share Transfer system	Requests for transfer of shares in physical form received either at the Registered Office of the Company or at the Office of the Registrars are generally approved by the Share Transfer Approval Committee within a maximum period of 3 weeks from the date of receipt, provided the documents are complete in all respects. Dematerialization requests are also normally disposed off within an average period of 3 weeks.
Dematerialisation of Shares and Liquidity	The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i.e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialized form in accordance with the provisions of the Depositories Act, 1996. As per SEBI Guidelines, Ordinary Shares of the Company are compulsorily traded in dematerialized form for all the investors with effect from 28th August, 2000. As on 31st March, 2009, 1,29,05,119 Shares representing 91.71% of the total Ordinary Share Capital of the Company were held in dematerialized form. The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE047B01011.



Address for Communication	<p>Gillanders Arbuthnot & Co. Ltd., Secretarial Department, C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001. Fax : 033-22304185 Phone : (033) 2230 2331(6), 2230 4182 (4) email: secretarial@gillandersindia.com</p> <p>(INVESTORS ARE REQUESTED TO FORWARD THEIR COMPLAINTS/ GRIEVANCES, IF ANY, TO THE ABOVE E-MAIL ADDRESS)</p> <p>R & T Agent : Maheshwari Datamatics Pvt. Ltd., (Unit : Gillanders Arbuthnot & Co. Ltd.) 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata – 700 001. Fax : 033-22484787 Phone : (033) 2248 2248, 2243 5029 E-mail : mdpl@cal.vsnl.net.in</p>
Plant Locations	<p>1. Tea Estates/ Factories:</p> <ul style="list-style-type: none">a) Betjan Tea Estate, Post Office : Makum Junction, District : Tinsukia, Assam.b) The Jutlibari Tea Estate, Post Office : Hoogrijan, District : Dibrugarh, Assam.c) Gorunga Tea Estate, Post Office : Golaghat, District : Golaghat, Assam.d) Arun tea Estate, Post Office : Dhekiajuli, District : Sonitpur, Assam.e) Dooria Tea Estate, Post Office : Golaghat, District : Golaghat, Assam.f) Tengpani Tea Estate, P.O. - Makum JN., Dist. - Tinsukia, Assam.g) Borkatonee Tea Estate, Golaghat, Assam.h) Dherai Tea Estate, Dhekiajuli, Assam.i) Gairkhata Tea Estate, Post Office : Gairkhata, District : Jalpaiguri, W.B.j) Taipoo Tea Estate, Post Office : Bagdogra, District : Darjeeling, W. B.k) Banwaripur Tea Factory, (Tea Processing Factory taken on lease), Golaghat, Assam.



<p>Plant Locations (Contd.)</p>	<p>2. Textile Division :</p> <p>(i) North India Spinning Mill, Vill. - Akbarpur, Ahmedgarh, District - Sangrur, Punjab.</p> <p>(ii) GIS Cotton Mill, 47, G. T. Road, Champdany, P.O. Baidyabati-712222, Hooghly, W.B.</p> <p>3. Engineering (MICCO) Division : Sodepur, 24 Parganas (North), W.B.</p> <p>4. Chemical (Waldies) Division : 70, G. T. Road (East), P. O. Konnagar, Dist. Hooghly - 712235. W.B.</p>
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X. Other useful information for Shareholders

i) Unpaid/Unclaimed Dividends

Shareholders who have not yet encashed their dividend warrants for the years 2001-2002 to 2007-2008 may approach the Share Department of the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio numbers. Unclaimed dividend for the year 2001-2002 is due for transfer to IEPF later during the year.

ii) ECS Facility

Company is providing facility of "Electronic Clearing Service" (ECS) for payment of dividend to shareholders residing in selected cities. Shareholders holding shares in physical form are requested to provide details of their bank account and ECS Code for availing ECS facility in the form attached to the Notice of the Annual General Meeting. However, if the shares are held in dematerialized form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

For and on behalf of the Board

A. K. Kothari
Chairman

Kolkata, June 30, 2009.



CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Gillanders Arbuthnot & Co.Ltd.

We have reviewed the compliance of conditions of Corporate Governance by Gillanders Arbuthnot & Co.Ltd. for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company as well as Registrars of the Company and furnished to us.

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

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

On the basis of our review and according to the information and explanation given to us, we certify that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respects by the Company.

For K. C. Dhanuka & Co.
Company Secretaries

K. C. Dhanuka
Proprietor

Membership No. FCS 2204
C P No. 1247

Kolkata, June 30, 2009.



TEN YEAR FINANCIAL HIGHLIGHTS

Rs. '000

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Share Capital	16,22,82*	16,07,19	11,22,31	11,22,31	10,87,93	4,84,76	4,75,65	4,75,65	4,75,65	4,75,65
Reserves & Surplus	1,34,86,91	1,25,98,86	1,10,74,06	1,06,19,37	1,00,05,83	48,50,67	46,54,52	45,31,67	43,00,39	41,60,64
Net Worth*	1,50,20,84	1,41,42,46	1,21,29,98	1,17,40,90	1,10,88,89	53,08,29	50,84,40	49,39,66	46,96,50	46,36,29
Fixed Assets (Net)	2,37,36,56	2,15,49,20	92,01,84	86,47,89	92,80,73	23,46,02	20,49,42	21,25,73	22,78,88	23,15,62
Investments	13,36,49	14,35,05	25,56,31,	37,24,70	22,09,54	20,14,77	20,13,69	24,43,04	16,42,37	10,82,26
Net Current Assets	89,09,60	76,25,47	65,40,81	50,39,30	62,94,18	12,07,71	12,80,80	6,39,14	8,28,98	12,80,15
Total Capital Employed	3,40,71,54	3,06,73,31	1,83,65,35	1,74,12,67	1,77,89,32	55,95,64	53,89,68	52,75,57	48,29,77	46,78,03
Sales (Net)	4,71,10,91	3,94,15,13	2,59,23,35	2,46,13,77	2,28,89,84	47,63,14	39,24,57	39,18,42	43,38,07	47,15,12
Profit Before Tax	22,10,36	18,46,60	10,70,14	5,39,30	2,49,38	(1,64,35)	2,62,78	8,64,01	4,07,07	11,01,24
Profit After Tax	16,56,29	14,84,07	7,74,62	5,03,48	3,90,09	(1,08,14)	2,57,00	8,01,60	2,97,00	7,98,88
Dividend Distributed	7,27,41®	5,78,87	2,80,58	2,52,52	2,17,59	72,71	1,18,91	3,56,74	1,42,70	1,42,70
Retained earnings for the year \$	8,05,26	8,01,38	4,54,69	2,15,54	1,41,98	(1,90,35)	1,22,85	4,44,86	1,39,75	6,40,48
Dividend %										
Equity	50	40	25	22.50	20	15	25	75	30	30
Preference	8	8	-	-	-	-	-	-	-	-
Earnings per Ordinary Share (Rs.)	11.51	10.41	6.90	4.49	3.59	(2.23)	5.40	16.85	6.24	16.79
Net Worth per Ordinary Shares (Rs.)	105.57	100.50	108.08	104.61	101.93	109.50	106.89	103.86	98.74	97.47

1,56,250 Ordinary Shares are to be allotted to the shareholders of the erstwhile The Tengpani Tea Co. Ltd. pursuant to the scheme of Amalgamation.

* After adjustment of Deferred Revenue Expenditure.

@ If approved by the Members in the ensuing AGM.

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



AUDITORS' REPORT

TO THE MEMBERS OF GILLANDERS ARBUTHNOT & COMPANY LIMITED

1. We have audited the attached Balance Sheet of Gillanders Arbuthnot & Company Limited, as at 31st March 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. The report on the audit of Modern India Construction Division and GIS Cotton Mill Division carried out by Bagree & Co and Dutta Ghosh and Associates respectively has been forwarded to us as required under clause(c) of sub-section 3 of Section 228 of the Companies Act 1956 of India(' the Act') and has been considered in preparing our report and the report on audit of the Tengpani Tea Company Ltd (Refer Note 2 on Schedule 18) carried out by Dhandhanian & Associates has also been considered in preparing our report.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together 'the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in Annexure referred to in paragraph 4 above, we report that:
 - 5.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - 5.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - 5.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - 5.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - 5.5 On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act ;
 - 5.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements ,read together with the notes thereon and attached thereto, give subject to Note 11b(i) of schedule 18 to the accounts regarding non ascertainment of value of green leaf consumed, in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009.
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

P.Law
Partner

Membership Number 51790
For and on behalf of
Price Waterhouse
Chartered Accountants

Kolkata, 30th June 2009.



ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 4 of the Auditors' Report of even date to the members of Gillanders Arbuthnot & Company Limited on the financial statements for the year ended 31st March 2009]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

of the aforesaid loans and the Company has during the year, repaid the principal amounts to the extent demanded and paid the interest.
- (b) The fixed assets of the company have been physically verified by the management or by a firm of Chartered Accountants on behalf of the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. (a) The inventory of the Company (excluding stocks with third parties) has been physically verified by the management or by a firm of Chartered accountants on behalf of the management during the year. Stock lying with third parties have substantially been verified with confirmations/ subsequent sale. In our opinion the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) In view of our comment in paragraph 3(a) above, clauses (iii)(b),(iii)(c), and (iii)(d) of paragraph 4 of the aforesaid order are not applicable.
4. The company has taken unsecured demand loans, from 5 companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 1014.50 lakhs and Rs. 725 lakhs. respectively.
 - b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - c) According to the information and explanations given to us, there are no stipulations regarding payment of principal amounts and payment of interest in respect
5. In our opinion and according to the information and explanations given to us ,there is an adequate internal control system commensurate with the size of the Company and the nature of the business for the purchase of inventory ,fixed assets and for the sale of the goods or 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.
6. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. 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 and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
8. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
9. We have broadly reviewed the books of account maintained by the company relating to certain products (Tea Plantation, Textile and Chemical) where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. To the best of our knowledge and according to the informations and explanations given to us , the central



Government of India under the aforesaid Act have not prescribed the maintenance of cost records for other products of the company, We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

10. a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including

provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. As at 31st march 2009, there were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable, except in respect of service tax as stated below :

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Finance Act, 1997	Service tax on freight bills	1.89	1997-98	June, 2002	Not paid

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

- c) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March 2009 which have not been deposited on account of a dispute, are as follows –

Name of the Statute	Nature of Dues	Amount Rs. (in lacs)	Period to which the amount relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	5.86	Year ended 31st March, 1988	High Court, Kolkata
Central Sales Tax Act, 1956	Sales Tax	35.44	31st March, 2005	The Deputy Commissioner of Commercial Taxes - Corporate Division, Kolkata. Deputy Commissioner, Kolkata.
		7.40	2003-04	
		20.22	4 quarters ended 31st March, 2003	
	Disallowance of EI form	35.32	2004-05	The Deputy commissioner Commercial Taxes-Corporate Division, Kolkata (Applied for Settlement of dispute). Deputy commissioner, Kolkata.
The West Bengal Sales Tax Act,	Sales Tax	1.44	4 quarters ended 31st March, 1997	The Deputy Commissioner Commercial Taxes - Corporate Division, Kolkata. Additional Commissioner of Commercial Taxes - Corporate Division, Kolkata. The Deputy Commissioner of Commercial Taxes - Corporate Division, Kolkata. Deputy Commissioner, Kol. Deputy Commissioner, Kol.
		0.82	31st March, 2002	
		0.95	31st March, 2005	
		28.81	Year ended 31st March, 1999	
		9.68	Year ended 31st march, 2004	
Bengal Finance (Sales Tax) Act, 1941	Sales Tax	15.66	Year ended 31st March, 1986	West Bengal Commercial Appellate and Revisional Board, Kolkata
Central Excise Act, 1994	Excise Duty	13.21	Year ended 31st March, 1988	Commissioner, Central Excise and Customs, Bhubneshwar - I. Commissioner of Central Excise (Appeal).
		21.11	Upto 21.08.1985	



Name of the Statute	Nature of Dues	Amount Rs. (in lacs)	Period to which the amount relates	Forum where Dispute is Pending
Central Excise Act, 1994	Excise Duty	8.11	2000-01 and 2001-02	Office of the Commissioner-Central Excise, Kolkata.
		5.34	2007-08	Office of the Commissioner-Central Excise, Kolkata.
	On Manufacture and sale of various goods	15.28	From March, 1995 to January, 2002	Office of the Additional Commissioner of Central Excise, Kolkata.
	Availment of Modvat Credit	3.26	From November, 1994 to April 1995	Office of the Additional / Deputy Commissioner of Central Excise, Kolkata.
	Applicable rate of duty on sales through Depots / Agents	1.30	From April, 1995 to March, 2007	- do -
	Miscellaneous	2.75	From March 1994 to March 1995	Office of the Commissioner / Additional/Deputy Commissioner of Central Excise Kolkata.
Orissa Sales Tax Act, 1947	Sales Tax	0.53	Year ended 31st March, 1999	Assistant Commissioner Sales Tax, Cuttack.
Central Sales Tax (Orissa) Rules, 1957	Sales Tax	9.30	Year ended 31st March, 1999 and 31st March, 2000	Assistant Commissioner Sales Tax, Cuttack.

11. The Company has no accumulated losses as at 31st march 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
12. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or banks during the year. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
13. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the company.
15. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
16. 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 during the year.
17. 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.
18. 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.
19. 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.
20. The Company has not issued any debentures and accordingly the question of creation of securities in this regard does not arise.
21. The company has not raised any money from public during the year.
22. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

P.Law
Partner
Membership Number 51790
For and on behalf of
Price Waterhouse
Chartered Accountants

Kolkata, 30th June 2009.

**BALANCE SHEET as at 31st March, 2009****Rs. '000**

SOURCES OF FUNDS	Schedule No.	2009		2008	
1. SHAREHOLDERS' FUNDS					
a) Share Capital	1	16,22,82		16,07,19	
b) Reserves and Surplus	2	1,34,86,91	1,51,09,73	1,25,98,86	1,42,06,05
2. LOAN FUNDS	3				
Secured		1,32,37,95		1,25,51,02	
Unsecured		50,66,86	1,83,04,81	35,71,24	1,61,22,26
3. Deferred Tax Liability - Net (Note 24 on Schedule 18)			6,57,00		3,45,00
TOTAL			3,40,71,54		3,06,73,31
APPLICATION OF FUNDS					
1. FIXED ASSETS	4				
Gross Block		3,43,64,52		2,16,86,74	
Less : Depreciation		1,10,31,68		95,05,74	
Net Block		2,33,32,84		1,21,81,00	
Capital Work in Progress		4,03,72	2,37,36,56	93,68,20	2,15,49,20
2. INVESTMENTS	5		13,36,49		14,35,05
3. CURRENT ASSETS, LOANS AND ADVANCES					
a) Inventories	6	88,22,90		71,89,13	
b) Sundry Debtors	7	60,05,63		37,35,23	
c) Cash and Bank Balances	8	4,73,20		4,35,47	
d) Other Current Assets	9	6,44,39		3,55,32	
e) Loans and Advances	10	65,05,70		52,73,85	
		2,24,51,82		1,69,89,00	
<i>Less : -</i>					
4. CURRENT LIABILITIES AND PROVISIONS					
a) Current Liabilities	11	1,11,82,59		73,14,74	
b) Provisions	12	23,59,63		20,48,79	
		1,35,42,22		93,63,53	
NET CURRENT ASSETS			89,09,60		76,25,47
5. MISCELLANEOUS EXPENDITURE	13				
(To the extent not written off or adjusted)					
Deferred Revenue Expenditure			88,89		63,59
TOTAL			3,40,71,54		3,06,73,31
Notes on Accounts	18				

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

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

P. Law
Partner
Membership No. 51790
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants
Kolkata, 30th June, 2009.

D. K. Sharda
Joint Managing Director

D. Karmakar
Company Secretary

For and on behalf of the Board

A. K. Kothari
Chairman

P. K. Jain
Joint President & CFO



PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2009

Rs. '000

	Schedule No.	2009		2008	
INCOME					
Gross Sales (other than construction)	14A	3,48,19,57		3,27,80,62	
Income from Construction Contracts	14B	1,31,69,93		75,65,10	
		4,79,89,50		4,03,45,72	
Less: Excise Duty		8,78,59		9,30,59	
Net Sales			4,71,10,91		3,94,15,13
Rental Income			6,53,35		5,09,21
Other Income	15		6,03,98		4,83,81
			4,83,68,24		4,04,08,15
EXPENDITURE					
Cost of Materials Consumed and Inventory Adjustment	16	2,34,94,53		1,91,56,43	
Manufacturing and Other Expenses	17	2,02,26,64	4,37,21,17	1,73,39,77	3,64,96,20
Profit before Depreciation and Interest			46,47,07		39,11,95
Less : Depreciation /Amortisation	4		12,10,05		10,52,38
Interest/ Finance Charges [net of incentive income of Rs. 2,648 thousands (2008 - Rs. 3,252 thousands)] (Note 26 on Schedule 18)			12,26,66		10,12,97
Profit before Taxation			22,10,36		18,46,60
Taxation Charge :					
- Current Tax			2,14,10		2,03,13
- Deferred Tax (Note 24 on Schedule 18)			3,12,00		1,32,00
- Fringe Benefit Tax			35,00		33,00
- Excess Provision for Income Tax Written Back			(7,03)		(5,60)
Profit after tax			16,56,29		14,84,07
Profit Brought Forward			5,90,04		2,88,66
PROFIT AVAILABLE FOR APPROPRIATION			22,46,33		17,72,73
APPROPRIATIONS					
Proposed Dividend :					
- Ordinary Shares			7,11,41		5,62,87
- Preference Shares			16,00		16,00
Tax on Dividend			1,23,62		1,03,82
Transfer to General Reserve			5,00,00		5,00,00
Balance Carried Forward			8,95,30		5,90,04
			22,46,33		17,72,73
Earnings basic and diluted per share (of Rs. 10 each) - Rupees (Note 23 on Schedule 18)			11.51		10.41

Notes on Accounts

18

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

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

For and on behalf of the Board

P. Law

Partner

Membership No. 51790

For and on behalf of
PRICE WATERHOUSE

Chartered Accountants

Kolkata, 30th June, 2009.

D. K. Sharda

Joint Managing Director

A. K. Kothari

Chairman

D. Karmakar

Company Secretary

P. K. Jain

Joint President & CFO

**CASH FLOW STATEMENT** for the year ended 31st March, 2009

Rs. '000

	2009		2008	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		22,10,36		18,46,60
Adjustment for :				
Depreciation	12,10,05		10,52,38	
Profit on Sale of Investments (Net)	(33,58)		(19,47)	
Profit on Sale/discard of Fixed Assets (Net)	(6,56)		(4,75)	
Deferred Revenue Expenditure written off	88,89		20,13	
Bad Debts written off	23,29		2,92	
Bad Advances written off	27		45,60	
Provision for Doubtful Debts and advances (Net of write back)	2,82,28		(44,98)	
Provision for diminution in value of investment	27,80		-	
Interest /Finance Charges (Net of incentive income)	12,26,66		10,12,97	
Interest Income	(78,11)		(45,37)	
Dividend Income	(81,25)		(87,60)	
Liability no longer required written back	(40,93)	26,18,81	(21,33)	19,10,50
Operating profit before Working Capital Changes		48,29,17		37,57,10
Adjustments for :				
Trade and Other Receivables	(42,19,91)		(13,24,03)	
Inventories	(15,86,10)		(10,04,95)	
Trade Payables	34,76,14	(23,29,87)	21,03,98	(2,25,00)
Cash Generated from Operations		24,99,30		35,32,10
Direct Taxes Paid (Net)		(2,51,49)		(2,40,12)
Fringe Benefit Tax Paid		(29,97)		(29,41)
Interest received on Income Tax Refund		5,05		5,32
		22,22,89		32,67,89
Payment under Voluntary Retirement Scheme		(1,14,19)		(13,73)
Net Cash from Operating Activities		21,08,70		32,54,16
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets including capital work-in-progress	(18,37,79)		(98,13,79)	
Proceeds from Sale of Fixed Assets	23,98		28,92	
Capital Subsidy Received	1,36,82		5,74	
Purchase of Investments	(44,29,96)		(12,01,97)	
Proceeds from Sale of Investments	45,34,43		11,25,03	
Proceeds from Sale of Investments in erstwhile Subsidiary companies	-		12,17,80	
Inter Corporate Loans given (Net)	-		(3,50,00)	
Interest Received	67,28		34,31	
Dividend Received	81,25		87,60	
Net Cash used in Investing Activities		(14,23,99)		(88,66,36)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings (Net)	13,20,76		2,91,04	
Proceeds from Long Term Borrowings	14,95,83		70,30,91	
Repayment of Long Term Borrowings	(5,48,92)		(5,88,15)	
Proceeds from Fixed Deposits (Net)	1,58,37		76,21	
Dividend Paid	(6,07,11)		(55,18)	
Tax on Dividend	(1,03,82)		-	
Interest/Finance Charges Paid	(24,00,84)		(15,73,23)	
Net Cash from / (used) in Financing Activities		(6,85,73)		51,81,60
NET DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)		(1,02)		(4,30,60)



CASH FLOW STATEMENT (Contd.)

Rs. '000

	2009	2008
Cash and Cash Equivalents on Opening date (Schedule 8)	4,35,47	7,56,66
Cash and Cash Equivalents taken over consequent upon implementation of Scheme (Refer Note 2 below)	38,75	1,09,41
Cash and Cash Equivalents on Closing date (Schedule 8)	4,73,20	4,35,47
	1,02	4,30,60

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements prescribed under the Companies Act, 1956.
- Pursuant to the Scheme of Amalgamation referred to in Note 2 on Schedule 18 to the Company's Annual Accounts for the year ended 31st March, 2009, the undertaking of erstwhile The Tengpani Tea Company Ltd. (TTCL) shall stand transferred to and vested in the Company with effect from 1st April, 2008. In terms of the aforesaid Scheme all assets (including cash and bank balances of Rs. 38,75 thousands) and liabilities of TTCL have been incorporated in the books of the Company. Further in keeping with the aforesaid Scheme 1,56,250 Ordinary Shares of Rs. 10/- each fully paid up are to be issued to the Equity Shareholders of erstwhile TTCL by the Company to satisfy its obligation under the scheme. The above amalgamation however, is a non cash transaction other than vesting of certain cash and bank balances as aforesaid.
- Previous year's figures have been rearranged and regrouped wherever necessary. Consequently upon the amalgamation referred to in Note 2 above, cash flow of erstwhile TTCL have been incorporated in the current year and accordingly are not comparable with the previous year.

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

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

P. Law
Partner
Membership No. 51790
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants
Kolkata, 30th June, 2009.

D. K. Sharda
Joint Managing Director

D. Karmakar
Company Secretary

For and on behalf of the Board

A. K. Kothari
Chairman

P. K. Jain
Joint President & CFO

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

4,20,00,000 (2008 - 3,80,00,000) Ordinary Shares of Rs. 10/- each
 2,00,000 (2008 - 2,00,000) Preference Shares of Rs. 100/- each

Issued and Subscribed

1,40,71,981 (2008 - 1,12,23,163) Ordinary Shares of Rs.10/- each
 Of the Above -

(i) 1,01,60,043 (2008 - 73,11,225) Ordinary Shares of Rs.10/- each have been allotted as fully paid up pursuant to a contract (Schemes of Amalgamation / Arrangement) without payment being received in cash.

(ii) 39,10,938 (2008 - 39,10,938) Ordinary Shares of Rs. 10/- each have been allotted as fully paid up Bonus shares by way of capitalisation of General Reserve and Capital Redemption Reserve.

2,00,000 (2008 - Nil) 8% Redeemable Cumulative Preference Share of Rs. 100/- each issued as fully paid up pursuant to a contract (Scheme of Amalgamation / Arrangement) without payment being received in cash

Share Capital Suspense

1,56,250 (2008 - 28,48,818) Ordinary Shares of Rs.10/- each (Note 2 on Schedule 18)

Nil (2008 - 2,00,000) 8% Cumulative Redeemable Preference Shares of Rs. 100/- each to be issued as fully paid up pursuant to a Scheme of Amalgamation without payment being received in cash

2009	2008
42,00,00	38,00,00
2,00,00	2,00,00
44,00,00	40,00,00
14,07,19	11,22,31
2,00,00	-
15,63	2,84,88
-	2,00,00
15,63	4,84,88
16,22,82	16,07,19

SCHEDULE 2**RESERVES AND SURPLUS**

	As at 31st March, 2008	Additions	Arising on Amalgamation (Note 2 on Schedule 18)	As at 31st March, 2009
Capital Reserve	33,80,31	-	14,56	33,94,87
Amalgamation Reserve	61,93	-	-	61,93
Export Profit Reserve	85	-	-	85
Preference Shares Redemption Reserve	62,47	-	-	62,47
General Reserve	85,03,26	5,00,00 *	68,23	90,71,49
	1,20,08,82	5,00,00	82,79	1,25,91,61
Profit and Loss Account	5,90,04	-	-	8,95,30
	1,25,98,86	-	-	1,34,86,91

* Rs. 5,00,00 thousand transferred from Profit and Loss Account.



SCHEDULES TO ACCOUNTS

SCHEDULE 3

LOAN FUNDS

Rs. '000

Secured Loans

(Note 6 on Schedule18)

Term Loans

From Banks:

IDBI Bank Ltd

State Bank of India

State Bank of Patiala

Vijaya Bank

United Bank of India

Tea Board

IndusInd Bank Limited (For Equipment)

HDFC Bank Ltd (For Vehicles)

From Others:

Srei Equipment Finance Pvt. Ltd. (For Equipment)
(erstwhile Srei Infrastructure Ltd.)

Working Capital Facility from Banks

Cash Credit Accounts

Working Capital Demand Loans from Banks

In Foreign Currency

Total

Unsecured Loans

Fixed Deposits (From Public)

[Repayable within one year Rs. 13,45,26 thousands
(2008 Rs. 12,22,00 thousands)]

Short Term Loans from:

ICICI Bank

Axis Bank

From bodies corporate

Total

	2009	2008
Secured Loans		
(Note 6 on Schedule18)		
Term Loans		
From Banks:		
IDBI Bank Ltd	31,59,87	28,29,86
State Bank of India	34,33,11	37,21,10
State Bank of Patiala	24,10,00	16,00,00
Vijaya Bank	3,13,43	3,91,63
United Bank of India	36	23,10
Tea Board	1,95,83	-
IndusInd Bank Limited (For Equipment)	1,22,60	3,13,58
HDFC Bank Ltd (For Vehicles)	10,80	7,71
	96,46,00	88,86,98
From Others:		
Srei Equipment Finance Pvt. Ltd. (For Equipment) (erstwhile Srei Infrastructure Ltd.)	1,79,19	2,96,06
Working Capital Facility from Banks		
Cash Credit Accounts	34,12,76	32,09,66
Working Capital Demand Loans from Banks		
In Foreign Currency	-	1,58,32
Total	1,32,37,95	1,25,51,02
Unsecured Loans		
Fixed Deposits (From Public)	15,95,86	14,36,74
[Repayable within one year Rs. 13,45,26 thousands (2008 Rs. 12,22,00 thousands)]		
Short Term Loans from:		
ICICI Bank	5,00,00	10,00,00
Axis Bank	20,00,00	-
From bodies corporate	9,71,00	11,34,50
Total	50,66,86	35,71,24



SCHEDULES TO ACCOUNTS

SCHEDULE 4

FIXED ASSETS

Rs. '000

Particulars	Original Cost upto 31st March, 2008	Arising on Amalgamation (Note 2 on Sch. 18)	Additions (Note 2 below)	Deductions/ Adjustments (Note 1 below)	Original Cost upto 31st March, 2009	Depreciation upto 31st March, 2008	Arising on Amalgamation (Notes 2 on Sch. 18)	Depreciation/ Amortisation for the year	Deductions/ Adjustments	Depreciation upto 31st March, 2009	Net Book Value as at 31st March, 2009	Net Book Value as at 31st March, 2008
A. Block												
TANGIBLE												
Land and Building												
Land	1,59,25	-	97,87	-	2,57,12	-	-	-	-	-	2,57,12	1,59,25
Building (Note 16 (d) on Schedule 18)	22,30,60	1,91,59	22,33,03	19,15	46,36,07	8,62,97	92,21	1,28,98	14,50	10,69,66	35,66,41	13,67,63
Freehold	2,26,01	-	3,16	-	2,29,17	33,20	-	2,58	(2,48)	38,26	1,90,91	1,92,81
Freehold and Leasehold	2,07	34	-	1	2,40	57	-	-	-	57	1,83	1,50
Estate	40,93,69	76,77	-	(16,34)	41,86,80	4,63,89	-	-	(12,00)	4,75,89	37,10,91	36,29,80
Plant and Machinery (Note 1 below)	1,28,87,09	2,38,85	84,69,93	1,27,44	2,14,68,43	71,30,27	1,76,44	8,94,82	66,90	81,34,63	1,33,33,80	57,56,82
Furniture, Fixtures, Fittings and Equipment	4,62,39	8,65	80,62	6,03	5,45,63	2,20,19	7,38	41,32	(3,47)	2,72,36	2,73,27	2,42,20
Electric Installation	4,36,36	1,17,91	8,15,58	30,61	13,39,24	2,28,44	69,76	33,73	(18,54)	3,50,47	9,88,77	2,07,92
Live Stock	80,86	-	-	-	80,86	80,86	-	-	-	80,86	-	-
Motor and Other Vehicles	6,58,49	56,58	1,06,56	61,59	7,60,04	3,24,36	33,58	74,83	29,38	4,03,39	3,56,65	3,34,13
Tubewell and Water Supply	4,43,94	13,79	1,83,59	(1)	6,41,33	1,60,49	10,76	31,81	(5)	2,03,11	4,38,22	2,83,45
Sub - Total	2,16,80,75	7,04,48	1,19,90,34	2,28,48	3,41,47,09	95,05,24	3,90,13	12,08,07	74,24	1,10,29,20	2,31,17,89	1,21,75,51
INTANGIBLE												
Computer Software	5,99	-	2,11,44	-	2,17,43	50	-	1,98	-	2,48	2,14,95	5,49
Total	2,16,86,74	7,04,48	1,22,01,78	2,28,48	3,43,64,52	95,05,74	3,90,13	12,10,05	74,24	1,10,31,68	2,33,32,84	1,21,81,00
For the year 2007-2008	1,42,37,09	52,30,98	23,48,14	1,29,47	2,16,86,74	55,25,98	30,26,94	10,52,38	99,56	95,05,74	1,21,81,00	
B. Capital Work-in-Progress												
											4,03,72	93,68,20
											2,37,36,56	2,15,49,20

Notes : 1) Deductions / Adjustments includes Rs. 1,36,82 thousands relating to Capital Subsidies received during the year.

2) Including borrowing cost of Rs. 9,40,28 thousands (net of incentive Rs. 5,60,82 thousands).



SCHEDULES TO ACCOUNTS

SCHEDULE 5

INVESTMENTS

Rs. '000

LONG TERM - AT COST

UNQUOTED - EXCEPT OTHERWISE STATED

OTHER THAN TRADE

I. Government Securities

- i) 6 Years National Savings Certificates (Matured)
(Deposited with Agricultural Market Committee, Sales Tax Officer and District Collector)
- ii) 6 Years National Savings Certificates
(Deposited with Commercial Tax Officer)
[Encashed Rs. 6 thousand during the year]
- iii) 12 Years National Defence Certificate (Matured)
[Rs. 200 (2008- Rs. 200) deposited with Commercial Tax Officer]
- iv) 11.50% West Bengal Loan 2009
For Rs. 9,11,000/- each

II. Bonds in Public Sector Undertakings and Unit Trust of India

- i) 6.75% Tax Free US -64 Bonds of Unit Trust of India
Guaranteed by Government of India.
(Sold during the Year)
- ii) 6.60% Tax Free ARS Bonds of Unit Turst of India

	Bonds	Book Value (Rs. '000)
Purchased during the year	11,000	11,00

III. Units in Mutual Funds -

- i) Reliance Monthly Interval Fund - Series I Retail Dividend Plan
(Sold during the year)
- ii) J M Arbitrage Fund
(Sold during the year)

Number	Face Value of Each Bond, Share, units, etc	Book Value at at 31st March, 2009	Book Value as at 31st March, 2008
		4	4
		7	13
		-	2
		10,86	10,86
	Nil (2008, 1,45,222 Bonds)	100	-
	3,21,000 Bonds (2008 - 3,10,000)	100	3,21,00
		3,31,97	4,66,27
	Nil (2008- 9,99,070.864 Units)	10	-
	Nil (2008- 2,50,000 Units)	10	25,00



SCHEDULES TO ACCOUNTS

SCHEDULE 5 (Contd.)

INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, units, etc	Book Value at at 31st March, 2009	Book Value as at 31st March, 2008
iii) Reliance Monthly Interval Fund - Series II Institutional Dividend Plan (Sold during the year)	Nil (2008-10,09,737.468 Units)	10	-	1,01,00
iv) UTI Fixed Income interval Fund - Quarterly Plan III Dividend Plan (Sold during the year)	Nil (2008-3,49,954.506 Units)	10	-	35,00
v) Reliance monthly Interval Fund - Series II Retail Dividend Plan (Sold during the year)	Nil (2008-2,00,359.004 Units)	10	-	20,05
vi) JM Interval Fund - Quarterly Plan 4 - Inst. Dividend Plan (Sold during the year)	Nil (2008-2,50,000 Units)	10	-	25,00
vii) JM Interval Fund - Quarterly Plan 5 - Inst. Dividend Plan (Sold during the year)	Nil (2008-2,00,000 Units)	10	-	20,00
viii) UTI Fixed Maturity Plan (QFMP/0208/I) - Dividend Plan (Sold during the year)	Nil (2008-10,00,000 Units)	10	-	1,00,00
ix) UTI Fixed Income Interval Fund - Monthly Interval Plan I (Sold during the year)	Nil (2008-10,00,000 Units)	10	-	1,00,00
x) UTI Liquid Cash Plan institutional - Growth Option (Sold during the year)	Nil (2008 - 3,304.319 Units)	1000	-	44,00
xi) UTI Liquid Plus Fund Institutional Plan (Daily Dividend Plan)	Nil (2008-18,311-050 Units)	1000	-	1,83,15
Movements during the year :				
	Units	Book Value		
		(Rs. '000)		
Purchased / Lateral In	24,496.602	2,45,02		
Dividend Reinvested	880.642	8,81		
Sold/ Lateral Out	43,688.296	4,36,98		



SCHEDULES TO ACCOUNTS

SCHEDULE 5 (Contd.)

INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, units, etc	Book Value at at 31st March, 2009	Book Value as at 31st March, 2008
xii) Principal Floating Rate Fund FMP Institutional Option (Daily Dividend)	Nil (2008-17,85,516.834 Units)	10	-	1,78,77
Movements during the year :				
			Units	Book Value
			(Rs. '000)	
Dividend Reinvested	48,022.927		4,81	
Sold / Lateral Out	18,33,539.762		1,83,58	
xiii) UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option)	26,471.084 Units (2008 - Nil)	1000	2,64,77	-
Movements during the year :				
			Units	Book Value
			(Rs. '000)	
Purchased/Lateral In	1,15,865.170		11,62,66	
Dividend Reinvested	1,337.016		13,38	
Sold / Lateral Out	90,731.102		9,11,27	
xiv) UTI Fixed Income Interval Fund - Monthly Interval Fund Series - I Institutional	50,00,000.00 Units (2008 - Nil)	10	5,00,00	-
Dividend Plan - Reinvestment (Purchased during the year)				
xv) UTI GILT Advantage Fund - Long Term Plan - Dividend Plan - Reinvestment	18,67,717.324 Units	10	2,43,59	-
Movements during the year :				
			Units	Book Value
			(Rs. '000)	
Purchased / Lateral In	18,41,031.135		2,40,01	
Dividend Reinvested	26,686.189		3,58	
			10,08,36	9,31,97
Less: Provision of Diminution in value of Investment			27,80	-
			9,80,56	9,31,97

**SCHEDULES TO ACCOUNTS****SCHEDULE 5 (Contd.)****INVESTMENTS (Contd.)****Rs. '000**

	Number	Face Value of Each Bond, Share, units, etc	Book Value at at 31st March, 2009	Book Value as at 31st March, 2008
IV. Fully Paid Debentures-				
1/2% Debentures in Woodlands Hospital and Medical Research Centre Ltd.	159 (2008- 159)	100	16	16
5% Non Redeemable Mortgage Debenture Stock in Woodlands Hospital and Medical Research Centre Ltd.			54	54
5% 10 years Redeemable Debenture in Shillong Club Ltd.	13 (2008- 13)	100	1	1
			71	71
V. Fully Paid Equity Shares -				
A. Erstwhile Subsidiary Companies :				
The Tengpani Tea Co. Ltd. (Quoted) (Sold during the year)	Nil (2008 - 4,65,864)	10	-	12,98
Satyam Financial Services Ltd. (51 Shares sold during the year)	1,49,669 (2008 - 1,49,720)	10	18,00	18,00
			18,00	30,98
B. Others -				
ABC Tea Workers Welfare Services Ltd. [(acquired 1318 shares on Amalgamation) Note to on schedule 18]	7,502 (2008 - 6,184)	10	75	62
Kothari Hi Tech Consultants Pvt. Ltd.	95,000 (2008 - 95,000)	10	9,50	9,50
			10,25	10,12
Less: Provision of Diminution in value of Investment			5,00	5,00
			5,25	5,12
			13,36,49	14,35,05

As on 31st March, 2009	As on 31st March, 2008
---------------------------------------	------------------------------

Notes :

1. Aggregate Book Value of Investments in Shares etc.
Quoted
Unquoted

-	12,98
13,36,49	14,22,07
13,36,49	14,35,05

2. Aggregate Market Value of Quoted Investments
Repurchase price / NAV of units in Mutual Funds

Quotations not available	9,32,81
9,81,18	9,32,81



SCHEDULES TO ACCOUNTS

SCHEDULE 5 (Contd.)

INVESTMENTS (Contd.)

Rs. '000

	Units	Rs.
3. Units in Mutual Funds purchased and sold during the year :-		
Principal Floating Rate Fund SMP Institutional Option		
Dividend Reinvestment	Purchased 13,35,702	1,33,58
	Dividend	
	Reinvestment 775	8
	Sold 13,36,477	1,33,66
Principal PNB Fixed Maturity Plan (FMP - 46) 91 Days		
Series XV - June 08 Regular		
Dividend Pay Out	Purchased 5,00,000	50,00
	Sold 5,00,000	50,00
J M Money Manager Fund Super Plus Plan -		
Daily Dividend (171)	Purchased 18,49,242	1,85,00
	Dividend	
	Reinvestment 7,931	79
	Sold 18,57,173	1,85,79
G 598 IDFC Fixed Maturity Plan - Quarterly Series 32 - Dividend	Purchased 2,50,000	25,00
	Sold 2,50,000	25,00
UTI Liquid Cash Plan institutional - Daily Income Option - Reinvestment	Purchased 31,880	3,25,00
	Dividend	
	Reinvestment 8	8
	Sold 31,888	3,25,08
UTI Short Term Fixed Maturity Plan Series I - IV (96 Days) -		
Dividend Plan - Reinvestment.	Purchased 5,00,000	50,00
	Dividend	
	Reinvestment 11,165	1,12
	Sold 5,11,165	51,12
J M High Liquidity Fund Institutional Plan - Daily Dividend (76)	Purchased 19,96,825	2,00,00
	Dividend	
	Reinvestment 1,645	16
	Sold 19,98,470	2,00,16
UTI Liquid Cash Plan institutional - Daily Income Option - Reinvestment	Purchased 50,126	5,11,01
	Dividend	
	Reinvestment 98	100
	Sold 50,224	5,12,01
UTI Fixed Maturity Plan - QFMP - 07/ 08 -1 Institutional		
Dividend Plan Pay Out	Purchased 14,05,019	1,40,50
	Sold 14,05,019	1,40,61
Principal Liquid Plus Fund Dividend Reinvestment Daily		
(A/c No. 12402036 - CA)	Purchased 19,96,008	2,00,00
	Dividend	
	Reinvestment 4,134	41
	Sold 20,00,142	2,00,41

**SCHEDULES TO ACCOUNTS****SCHEDULE 5 (Contd.)****INVESTMENTS (Contd.)**

Units in Mutual Funds purchased and sold during the year (Contd.) :-
Principal Floating Rate Fund SMP Institutional Option
Dividend Reinvestment

J M Fixed Maturity Fund Series X Quarterly Plan 3
Institutional Dividend Plan

	Units	Rs.
Purchased	2,50,000	25,00
Sold	2,50,000	25,00

J M Fixed Maturity Fund Series X Quarterly Plan 4
Institutional Dividend Plan

Purchased	4,00,000	40,00
Sold	4,00,000	40,00

J M Fixed Maturity Fund Series XIII Monthly Plan 2 Institutional
Dividend Plan (389)

Purchased	4,00,000	40,00
Sold	4,00,000	39,73

UTI Fixed Income Interval Fund - Series II
Quarterly Interval Plan V - Institutional
Dividend Plan - Re-Investment

Purchased	20,50,587	2,05,06
Dividend		
Reinvestment	46,726	4,67
Sold	20,97,313	2,09,73

UTI Short Term Fixed Maturity Plan Series I I - 1
(91 Days) - Dividend Plan - Reinvestment

Purchased	5,11,165	51,12
Dividend		
Reinvestment	10,885	1,09
Sold	5,22,050	52,21

UTI Liquid Cash Plan institutional - Daily Income Option
- Reinvestment

Purchased	4,905	50,00
Dividend		
Reinvestment	1	1
Sold	4,906	50,01

SCHEDULE 6**INVENTORIES**

(Refer note 1(f) of Schedule 18)

Stores and Spare Parts, at cost

Raw Materials

Stock-in-Process

Stock in Trade / Contract in Progress

Waste

Scrap

Rs. '000

	2009	2008
	17,93,66	8,94,45
	31,62,43	24,89,29
	6,37,01	4,69,59
	31,05,77	32,50,35
	88,87	66,66
	35,16	18,79
	88,22,90	71,89,13



SCHEDULES TO ACCOUNTS

SCHEDULE 7

SUNDRY DEBTORS

Rs. '000

Unsecured

a) Debts outstanding for more than Six Months

Considered good

Considered doubtful

b) Other Debts :

Considered good

Considered doubtful

Total

Less : Provision for Doubtful Debts

2009	2008
1,80,96	2,93,08
3,15,61	97,44
4,96,57	3,90,52
58,24,67	34,42,15
1,07	-
58,25,74	34,42,15
63,22,31	38,32,67
3,16,68	97,44
60,05,63	37,35,23

SCHEDULE 8

CASH AND BANK BALANCES

Cash in hand

Cheques and Drafts in hands and in Transit

Balance with Scheduled Banks

On Current Accounts

[Including on account of Dividend Rs 38,52 thousands]
(2008 - Rs. 34,76 thousands)]

On Fixed Deposit Account

2009	2008
5,98	10,41
1,15	16,40
3,80,88	3,32,21
85,19	76,45
4,73,20	4,35,47

SCHEDULE 9

OTHER CURRENT ASSETS

(Unsecured - Considered good)

Interest accrued on Investments

Interest accrued on Loans and Deposits

Subsidy / Incentive Receivable

Claim Receivable

2009	2008
11,93	19,80
14,90	71
6,17,26	3,34,52
30	29
6,44,39	3,55,32

**SCHEDULES TO ACCOUNTS****SCHEDULE 10****LOANS AND ADVANCES****Rs. '000****Unsecured Loans :**

Considered good

Inter Corporate Loan

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

Considered good

Considered doubtful

Advance payment of Income Tax

Balances with PortTrust, Customs, Chamber of Commerce. etc.

Considered good

Considered doubtful

Deposits :

Considered good (Note below)

Considered doubtful

Less : Provision for Doubtful Advances and Deposits

	2009	2008
	-	3,50,00
	24,01,03	20,07,95
	47,69	35,98
	8,24,13	6,80,47
	10,76,06	7,67,33
	12,44	12,44
	22,04,48	14,68,10
	51,51	1,52
	66,17,34	53,23,79
	1,11,64	49,94
	65,05,70	52,73,85

Note: Includes Rs. 1,52,25 thousands deposited in NABARD

SCHEDULE 11**CURRENT LIABILITIES**

Acceptances

Sundry Creditors

Deposits from Contractors / Tenants (Net of Advances)

Advance from Selling Agents

Unclaimed Dividends

Investor Education and Protection Fund shall be credited by the following amounts (not due as at the year end) namely:-

Unpaid Dividend

Unclaimed Matured Fixed Deposit

Unclaimed Interest on Matured Fixed Deposit

Advances and Deposits

Interest Accrued but not Due

	2009	2008
	8,88,94	6,29,39
	57,83,04	36,87,83
	5,93,10	4,85,56
	30,72	1,01,42
	38,52	33,43
	-	1,33
	30	1,08
	3	-
	37,59,40	22,97,93
	88,54	76,77
	1,11,82,59	73,14,74



SCHEDULES TO ACCOUNTS

SCHEDULE 12

PROVISIONS

Rs. '000

	2009	2008
Provision for Taxation	5,69,64	4,70,40
Provision for Fringe Benefit Tax [Net of Advance Rs. 83,40 thousands (2008 - Rs. 74,32 thousands)]	21,09	15,77
Proposed Dividend	7,11,41	5,62,87
Tax on Dividend	1,23,62	1,03,82
Preference Dividend	16,00	48,00
Provision for Gratuity	7,05,58	6,73,63
Leave Encashment Benefits	2,12,29	1,74,30
	23,59,63	20,48,79

SCHEDULE 13

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferred Revenue Expenditure-
Payments under Voluntary Retirement Scheme

	2009	2008
	88,89	63,59
	88,89	63,59

SCHEDULE 14

SALES (GROSS)

(A) SALES

Paints and Allied Products
Tea
Yarn, Acrylic Polyester etc.
Lead Oxide, White Lead, Metallic Stearates

(B) INCOME FROM CONSTRUCTION CONTRACTS

(i) Sales
Add : closing contract-in-progress

Less : opening contract-in-progress

(ii) Design, Engineering and Services
(iii) Sale of Bought out goods for construction jobs
(iv) Scrap Sale

Total (A + B)

	2009	2008
	20,52,77	18,65,59
	1,01,17,25	77,04,70
	1,80,82,85	1,77,96,54
	45,66,70	54,13,79
	3,48,19,57	3,27,80,62
	91,17,78	57,82,09
	6,55,85	7,62,91
	97,73,63	65,45,00
	7,62,91	4,54,98
	90,10,72	60,90,02
	4,60,39	7,89,46
	36,57,36	6,69,43
	41,46	16,19
	1,31,69,93	75,65,10
	4,79,89,50	4,03,45,72

**SCHEDULES TO ACCOUNTS****SCHEDULE 15****OTHER INCOME****Rs. '000**

	2009	2008
Dividends from Investments	81,25	87,60
Profit on Sale of Investments (Net)	33,58	19,47
Claims (Net)	69,62	31,82
Interest Received on Income Tax Refund	5,05	5,32
Interest [Tax deducted at source Rs. 14,65 thousands (2008 - Rs.10,11 thousands)]	73,06	40,05
Income from Services rendered	-	3,83
Licence Fee	-	3,01
Subsidy	1,07,02	43,67
Commission and Allowances, etc.	13,69	10,13
Duty Entitlement on Exports and sale of License	54,05	36,39
Profit on Sale and discarding of Fixed Assets (Net)	6,56	6,23
Liabilities no longer required Written back	40,93	21,33
Provision for Doubtful Debts and Advances written back	3,31	47,04
Machinery Hire Charges	5,96	8,14
Miscellaneous Income	1,09,90	1,19,78
	6,03,98	4,83,81

SCHEDULE 16**COST OF MATERIALS CONSUMED
AND INVENTORY ADJUSTMENTS**

	2009		2008	
Opening Stock				
Raw Materials	24,89,29		25,99,31	
Stock-in-Process	4,69,59		4,34,84	
Finished Goods / Trading Goods *	25,16,03		18,16,52	
Waste	66,66		65,21	
Scrap	18,79	55,60,36	16,92	49,32,80
Add : Purchases				
Raw Materials	1,90,65,02		1,77,42,50	
Finished Goods / Trading Goods	52,42,54	2,43,07,56	20,12,90	1,97,55,40
Less : Closing Stock				
Raw Materials	31,62,43		24,89,29	
Stock-in-Process	6,37,01		4,69,59	
Finished Goods / Trading Goods	24,49,92		24,87,44	
Waste	88,87		66,66	
Scrap	35,16	63,73,39	18,79	55,31,77
		2,34,94,53		1,91,56,43

* Including Rs. 28,59 thousands added on Amalgamation (Note 2 on Schedule 18)



SCHEDULES TO ACCOUNTS

SCHEDULE 17

MANUFACTURING AND OTHER EXPENSES

Rs. '000

	2009	2008
Salaries and Wages including Benefits to Staff		
Salaries, Wages and Bonus	50,83,44	44,85,42
Pension to Former Managing Directors	30	75
Contribution to Gratuity Fund	1,36,78	2,90,79
Contribution to Provident Fund	4,26,74	4,00,91
Staff Welfare Expenses	6,40,05	5,90,56
Leave Encashment	72,84	75,62
Deferred Revenue Expenditure written off [in respect of Voluntary Retirement Payments - Note 1(g) on Schedule 18]	88,89	20,13
	64,49,04	58,64,18
Less : Recoveries from Companies	-	2,80
	64,49,04	58,61,38
Other Expenses		
Directors Fees	4,44	3,98
Rent	66,06	76,92
Lease Rent	9,00	12,22
Rates and Taxes	2,38,68	2,20,79
Power and Fuel	31,12,54	29,94,93
Insurance	1,04,97	1,15,74
Consumption of Stores and Spare Parts	18,97,47	13,99,83
Repairs to Buildings	2,16,68	1,29,53
Repairs to Plant and Machinery	6,43,91	5,08,84
Repairs - Others	63,75	37,98
Travelling Expenses	3,22,32	2,88,53
Machinery Hire Charges	1,86,74	2,68,67
Jobs on Contracts	29,62,23	25,27,56
Excise duty on Closing Stock (Net Charge)	(22,91)	21,23
Cess on Green Leaf and on Made Tea	93,72	87,16
Consultancy and Advisory charges	1,71,52	1,53,58
Law charges	37,59	31,77
Motor Vehicle Expenses	1,94,05	1,55,72
Bad Debts written off	23,29	2,92
Bad Advances written off	27	45,60
Provision for Doubtful Debts and Advances	2,85,59	2,06
Selling Agents' Commission (other than Sole Selling Agents)	42,81	47,65
Brokerage and Discount on Sales	11,35,75	8,94,60
Freight , Shipping, Delivery and Selling Expenses	11,71,52	8,11,66
Fixed Assets written off	27	1,48
Foreign Exchange Loss (Net)	8,40	6,61
Provision for Diminution of Value of Investment	27,80	-
Miscellaneous Expenses	7,79,14	6,30,83
	1,37,77,60	1,14,78,39
Total	2,02,26,64	1,73,39,77



SCHEDULES TO ACCOUNTS

Schedule 18

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. Significant Accounting Policies

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

(b) Fixed Assets

Fixed Assets are carried at cost of acquisition. 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. An impairment loss is recognised wherever the carrying amount of the fixed asset of a cash generating unit exceeds its net selling price or value in use whichever is higher.

(c) Depreciation

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

- a) In case of Company's Engineering (MICCO) Division.
- b) In respect of Tea Division transferred/acquired from Kothari Plantations and Industries Limited.
- c) In respect of the assets acquired before April, 2001 of GIS Cotton Mill Limited amalgamated with the Company. Lease hold land is amortised over the lease period.

Computer software is amortised over a period of five years.

(d) Investments

Long Term Investments are valued at cost with an appropriate provision for permanent diminution in value. Gains/Losses on disposal of investments are recognised as income/expenditure. Dividends are accounted for to the extent declared within the accounting year.

(e) 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 are recognised in the Profit and Loss Account. Year end balances of monetary items are translated at year-end rates or the forward cover rates as applicable. The resultant translation differences, if any, are recognised in the profit and loss account. Exchange differences in respect of liabilities incurred to acquire imported fixed assets are charged in profit and loss account. Premium in respect of forward contract is accounted for over the period of contract.

(f) Inventories

Inventories are valued as under: -

- i) Stores and Spare Parts
 - At cost (on weighted average basis) or net realisable value whichever is lower. 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.
- ii) Raw Materials
 - At cost (on weighted average basis) or net realisable value whichever is lower.
- iii) Stock in Trade
 - Tea – At cost or net realisable value whichever is lower.
 - Others – At cost or net realisable value whichever is lower.

For long term contracts, contract in progress is valued at realisable value net of progress payments and provision for losses, as may be estimated for completion thereof. Waste and Scrap are valued at estimated realisable value.

Stock in process is valued with materials at lower of weighted average cost and market rate and estimated conversion cost.



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

(g) Employee Benefits

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

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

The Company provides for gratuity and leave encashment (Defined Benefit plans) based on year end actuarial valuation. Actuarial gains/losses arising under Defined Benefit Plans are recognized immediately in the Profit and Loss Account as income/expense for the year in which they occur.

Expenditure on Voluntary Retirement Scheme is charged to the Profit and Loss Account and will be amortised before 31st March, 2010. The unamortised amount as at the year-end is carried forward as Deferred Revenue Expenditure.

(h) Provisions, Contingent Liabilities and Contingent Assets

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.

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.

Contingent Assets are neither recognised, nor disclosed.

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

(i) Recognition of Income and Expenditure

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

(j) Taxes on Income

Income tax expense comprises current tax and deferred tax charge. Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and Laws. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess the realisability thereof. Fringe Benefit Tax is accounted for based on the estimated fringe benefits for the year as per the related provision of the Income Tax Act, 1961.

(k) Leases

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

**Schedule 18 (Contd.)****Notes on Accounts (Contd.)****(l) Government Grants**

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

(m) Borrowing Costs

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

2. Amalgamation

- Pursuant to the Scheme of Amalgamation ("the Scheme") approved by the shareholders and sanctioned by the Hon'ble High Court at Calcutta on 21st May, 2009 and filed with the Registrar of Companies, West Bengal on 22nd June, 2009, the undertaking of The Tengpani Tea Company Limited (TTCL), engaged in the business of cultivation, manufacture and sale of tea stand transferred to and vested in Gillanders Arbuthnot & Company Limited (GACL) with effect from 1st April, 2008, the appointed date. Accordingly, the Scheme has been given effect to in these accounts in terms of the aforesaid High Court Order.
- In accordance with the above mentioned Scheme 1,56,250 Ordinary Shares of Rs. 10/- each, fully paid are to be issued by the Company to the Equity Shareholders of TTCL in the ratio of One Ordinary Share of Rs. 10/- each fully paid of GACL for every Six Equity Share of Rs. 10/- each fully paid up held in TTCL. Pending allotment of the aforesaid Shares at the year end these shares have been shown in Schedule 1 under 'Share Capital Suspense.'
- The aforesaid Scheme is in the nature of Merger and has been accounted for under pooling of interests method as set out in Accounting Standard - 14 notified under Section 211(3C) of the Companies Act, 1956. Accordingly, all assets and liabilities (including the reserves) of TTCL have been incorporated in the books of the Company at their respective book values as on 1st April, 2008 based on audited accounts of TTCL. A sum of Rs 78,12 thousands being the difference between the amount recorded as additional share capital to be issued by GACL on amalgamation and the amount of share capital of TTCL has been adjusted against the General Reserves in GACL. Further an amount of Rs. 9,89 thousands being the net debit balance of Profit & Loss Account of TTCL (after adjustment of General Reserve of Rs. 4,96,97 thousands in TTCL) has also been adjusted with the General Reserve of the GACL. The balance in Capital Reserve of TTCL of Rs 14,56 thousands has been added to the Capital Reserve of the GACL.
- Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Scheme of Amalgamation as mentioned above such assets and liabilities remain included in the books of the Company, under the name of TTCL.
- Consequent upon the implementation of the aforesaid Scheme with effect from 1st April, 2008 the figures of the current year are not comparable with those of the previous year.

3. Schemes of Amalgamation/Arrangement given effect to in earlier years:

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the schemes, such assets and liabilities remain included in the books of the Company under the names of the transferor companies amalgamated with the Company from time to time.

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 1,61,56 thousands (2008-Rs. 13,40,72 thousands) net of advances Rs. 60,07 thousands (2008-Rs. 6,70,87 thousands).

5. Contingent Liabilities:**Rs. '000**

		2009	2008
a)	Claims against the Company not acknowledged as debts.		
	i) ESI	17,75	17,75
	ii) Sales Tax	1,64,81	1,72,87
	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	35,80	44,02
	vi) Voltage Surcharge Electricity	1,87,51	-
b)	Corporate Guarantee given on behalf of Companies:		
	i) Amount of Guarantee given*	1,50,00	1,95,00
	ii) Amount outstanding as on 31st March	84,13	1,12,94

* Excluding Rs. 45,00 thousands being guarantee given on behalf of erstwhile TICTL which has now been amalgamated with the Company



Schedule 18 (Contd.)

Notes on Accounts (Contd.)

Note : In respect of item (a) future cash flows is determinable only on receipt of judgements pending at various forums/ authorities and in case of item (b) the maximum amount of cash flows would be the amount of guarantee given by the Company. There is no possibility of any reimbursement in case of item (a) above.

6. Secured Loans

- 6.1 The Term Loan from Vijaya Bank is secured by securitisation of future rentals by way of assignment of lease agreement with certain tenant of Company's premises known as Gillander House and also by 1st Charge by way of equitable mortgage of the Company's said premises on pari passu basis with the other Term Lenders viz, State Bank of India (SBI), State Bank of Patiala (SBP) and IDBI Bank Ltd. (IDBI) for their respective Term Loan under Technology Up-gradation Fund Scheme (TUFS) A/c 2 granted to the Company.
- 6.2 The Term Loan from IDBI under Project Finance Scheme is secured by first charge by way of Equitable Mortgage by deposit of Title Deeds of the Company's immovable properties situated at Akbarpur in Punjab and at Champdani in West Bengal and also secured by way of hypothecation of all the movable assets (except Book Debts) both present and future relating to North India Spinning Mill, GIS Cotton Mill and MICCO Divisions of the Company (except book debts) both present and future but subject to prior charge(s) created on Current Assets relating to North India Spinning Mill and GIS Cotton Mill and MICCO Divisions of the Company in favour of the Company's Bankers.
- 6.3 The Term loan from SBI is secured by exclusive First charge on the entire Plant and Machinery and other assets purchased under TUFS A/c 1 and also secured by first charge by way of Equitable Mortgage by deposit of Title Deed of the companies imovable properties situated at Akbarpur in Punjab and at Champdani in West Bengal on pari passu basis with IDBI and guaranteed by a Director.
- 6.4 The Term Loans from IDBI, SBP and SBI (under TUFS A/c 2) are secured by first charge by way of equitable mortgage by deposit of title deeds of the company's immovable properties situated at (a) Akbarpur in Punjab (b) Gillander House at Kolkata, (c) Sodepur, 24 Parganas (North) West Bengal and (d) Konnagar, West Bengal and also secured by way of hypothecation of all the movable assets (except book debts) both present and future of the Company except those pertaining to the Tea Division (including of erstwhile TTCL) but subject to prior charge(s) created/to be created on current assets in favour of the Company's Bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of IDBI, SBI, SBP and Vijaya Bank. The term loans are also secured by guarantee of a Director. The term loan from SBP is further secured by guarantee of a body corporate.
- 6.5 The Term Loan from Tea Board under Special Purpose Tea Fund Scheme (SPTF) is secured by second charge by way of equitable mortgage on Immovable properties situated at the Tea estates excluding Tea estates of TTCL and also further secured by second charge by way of hypothecation of Tea crop of the estates excluding the estate of TTCL.
- 6.6 The Term Loan from IndusInd Bank Ltd., Srei Equipment Finance Pvt. Ltd. (erstwhile Srei Infrastructure Ltd), HDFC Bank Ltd., are secured by hypothecation of the related Equipments/vehicles purchased and guaranteed by a director.
- 6.7 Working Capital Facilities from Banks (except those availed by Tea Division of the Company from United Bank of India including those availed by the erstwhile The Tengpani Tea Company Ltd. (TTCL) now amalgamated with the Company (Refer note 2 above) are secured by hypothecation of Company's (other than Tea Division) Stocks of Raw Materials, Finished goods, Stocks-in-Process, Book Debts, Stores and spares, Usance bills, Receipted Challans and Irrevocable Letter of Credit, Export Bills, Shipping Documents and Other movable assets, ranking pari passu inter-se tangible movables of MICCO Division of the Company, both present and future, and guaranteed by a Director and a body corporate and are further secured by way of second charge on the Fixed Assets of the Company (other than Tea Division) ranking pari passu inter-se.

In respect of Tea Division, the working capital facilities/term loan from United Bank of India and State Bank of India are secured/to be secured by Hypothecation of Tea Crop, Book Debts and all Movable Assets of the Tea Estates and are further secured/to be secured by way of Equitable Mortgage on Immovable Porperties situated at the Tea Estates including Tea Estate of erstwhile TTCL.

7. Advances recoverable in cash or in kind or for value to be received include Rs. 1,43 thousands (2008- Rs. 2,58 thousands) representing year-end balance of amounts paid to Financial Institution as upfront fees for loan restructuring, which is being amortised over the period through which benefit of lower interest arises.
8. An area of 501 Bighas of land in Jutlibari Tea Estate has been acquired by the Government of Assam under the provisions of Assam Fixation of Ceiling of Land Holding (Amendment) Ordinance 1976. Compensation, if any, will be accounted for as and when received.
9. The Company has made necessary application in respect of Chemical (Waldies) Division for exemption under the Urban Land (Ceiling & Regulation) Act, 1976 in respect of its landholding held in excess in terms of the said Act.



Schedule 18 (Contd.)

Notes on Accounts (Contd.)

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

a) Capacities and Production

Products	Unit	Licensed/Registered Capacity		Installed Capacity*		Production	
		2009	2008	2009	2008	2009	2008
Tea (Saleable)	M.T.	Not Applicable	Not Applicable	11,750**	10,900**	8,896	9,084
Bio Fertiliser	M.T.	Not Applicable	Not Applicable	4,000	4,000	356	690
Cotton and Man-made Fibre Yarn	Spindles	1,55,676	1,55,676	1,18,252***	92,044***	12,913#	13,889
Fabricated Steel, Structural/Winchies & other Conveying Equipments, Furnaces, Tanks, Gasholder, etc	M.T	19,200	19,200	19,200	19,200	10,890\$	15,293\$
Red Lead Litharge and Lead Sub Oxide	M.T.	8,128	8,128	9,956	9,956	3,075+	3,231+
White Lead and Lead Acetate	M.T.	840	840	3,292	3,292	5	25
Lead Pipe	M.T.	300	300	732	732	-	-
Lead Salts	M.T.	1,285	1,285	1,650	1,650	458	544
Zinc Oxide	M.T.	3,350	3,350	-	-	-	-
Zinc Dust	M.T.	203	203	-	-	-	-
Metallic Stearate	M.T.	600	600	2,025	2,025	81	94

* As Certified by the Management.

** Inclusive of 600 M.T. of a lease hold factory.

*** Including 168 Rotors (2008-168 Rotors).

Including 12 M.T. (2008 - Nil) transferred to Stock in Process.

\$ It relates to fabrication job at Sodepur.

+ Excludes internal consumption 322 M.T. (2008-190 M.T.)

b) Consumption of Raw Materials

Rs.'000

Particulars	Unit	2009		2008	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
I) Tea (Indigenous)					
Green Leaf					
a) Purchased	M.T.	12,159	17,24,88	15,498	16,09,92
b) Own	M.T.	27,841	(Note i below)	25,580	(Note i Below)
II) Bio Fertilizer (Biodegradable waste)	M.T.	1,080	3,18	2,090	5,36
III) Cotton and /or man made fibre	M.T.	13,144	1,11,43,46	14,130	1,11,83,49
IV) Mild Steel (Note ii below)	M.T.	5,960	23,02,38	3,316	10,12,31
V) Lead [Excluding Customer's Lead 39 M.T (2008-51 MT)]	M.T.	3,050	28,53,21	3,114	34,65,09
VI) Others			1,82,10		4,36,22
Total			1,82,09,21		1,77,12,39



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

Notes:

- (i) Green Leaf Plucked (being Raw material consumed) were harvested in the Company's own estates as agricultural produce involving integrated activities of nursery, cultivation, growth, etc, and utilised in the manufacture of tea and their values at the intermediate stage is not readily ascertainable.
- (ii) Excluding Parties Materials mild steel, etc 15,190 MT (2008 – 35,057 MT) pipes 17,172 Mtrs. (2008-10,643 Mtrs) Others Nil Nos (2008 – 5,939 Nos) Sheeting 6,269 SQM (2008 – 16,603 SQM) and 227 MT (2008-Nil), Equipment 5,869 MT (2008 – 2,194 MT).
- (iii) As none of the related items exceeded individually 10% of the total value of consumption quantitative information has not been provided.

c) Particulars in respect of Finished Goods

i) Stock

Rs. '000

Class of Goods	Unit	Opening Stock				Closing Stock			
		2009		2008		2009		2008	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Tea (Saleable)	M.T.	533#	4,10,45*	479	3,31,66	1,039	9,82,32	495	3,81,86
Paints	Kgs. Ltrs.	2,784 19,147	19,19	4,245 21,613	20,00	7,698 15,253	26,12	2,784 19,147	19,19
Supercem	Kgs. Ltrs.	33,775 2,673	12,85	58,220	18,00	33,618 2,142	11,21	33,775 2,673	12,85
Bio-Fertilizer	M.T.	1,273	30,02	1,417	30,88	975	30,76	1,273	30,02
Cotton and man made Fibre Yarn	M.T.	1,380	17,92,94	1,002	12,19,10	1,009	12,55,85	1,380	17,92,94
Job Execution, Fabrication and Construction:									
With Parties' Materials									
a) Fabrication and construction									
Steel Structural	M.T.	538	29,52	1,711	90,06	445	45,70	538	29,52
b) Erection									
Steel Structural	M.T. SQM	1,260 -	1,23,50 -	1,580 -	1,20,98 -	1,415 5,108	1,12,19 24,59	1,260 -	1,23,50 -
Civil		-	-	-	-	-	2,02,73	-	-
Dismantling		-	-	-	-	-	9,69	-	-
With Own Materials -									
Steel Structural	M.T.	1,000	6,09,89	256	2,25,13	411	2,60,96	1,000	6,09,89
Bought out Goods for Construction Jobs [See Note 11]	-	-	7,70	-	43,34	-	48,37	-	7,70
Red Lead Litharge and Lead Sub oxide	M.T.	80	99,53	81	75,22	10	3,25	80	99,53
White Lead and Lead Acetate	M.T.	4	5,87	1	34	1	9	4	5,87
Lead Salts	M.T.	29	38,88	12	10,87	7	6,30	29	38,88
Metallic Stearate	M.T.	10	8,12	14	11,48	6	3,97	10	8,12
Others	-		90,48		74,44		81,67		90,48
Total			32,78,94		22,71,50		31,05,77		32,50,35

Includes 38 M.T. valued at Rs. 28,59 thousands acquired pursuant to scheme of amalgamation (refer note 2).



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

ii) Purchases and Sales

Rs. '000

Class of Goods	Unit	Purchases				Sales			
		2009		2008		2009		2008	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Tea (Saleable)	MT	1,083	10,00,91	243	1,71,24	9,473*	1,01,16,56	9,311	76,99,73
Paints	Kgs Ltrs.	23,661 1,07,107	1,35,89	12,937 1,17,654	1,14,40	18,747 1,11,001	1,66,31	14,398 1,20,120	1,46,70
Supercem	Kgs. Ltrs.	19,20,140 19,849	4,54,49	24,22,646	5,92,60	19,20,297 20,380	5,46,91	2,44,418	7,07,45
Bio-Fertilizer	M.T	-	-	-	-	20	69	158	4,97
Cotton and man Made fibre yarn	M.T.	-	-	-	-	13,272	1,79,96,42	13,511	1,76,99,36
Job Execution Fabrication and Construction :									
i) With Parties' Materials									
a) Fabrication and construction:									
Steel Structural	M.T	-	-	-	-	5,792^(A)	5,90,48	13,386	11,51,64
Pipes	M.T.	-	-	-	-	503	54,11	-	-
b) Erection :									
Steel Structural	M.T	-	-	-	-	10,572^(B)	11,86,16	27,090	19,87,85
Civil Work		-	-	-	-	-	1,50,99	-	1,75,67
Pipes	MT	-	-	-	-	1,256	3,42,16	690	1,68,68
Pipes	Inch Dia	-	-	-	-	-	-	767	49
Pipes	Inch	-	-	-	-	10,464	1,44,73	9,010	13,78
Equipments	Nos.	-	-	-	-	-	-	5,939	12,62
Equipments	M.T.	-	-	-	-	5,648	6,01,20	2,027	1,27,44
Dismantling	Nos.	-	-	-	-	-	29,50	-	1,47,53
Sheeting	SQM	-	-	-	-	-	-	16,153	54,78
ii) With Own Materials									
Steel Structural	M.T.	-	-	-	-	5,516^(C)	60,13,27	2,225	17,49,62
Bought out goods for construction jobs [Note 11]			25,92,95	-	2,88,61	-	36,57,36	-	6,69,43



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

ii) Purchases and Sales (Contd.)

Rs. '000

Class of Goods	Unit	Purchases				Sales			
		2009		2008		2009		2008	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Red Lead Litharge [§] & Lead Sub Oxide	M.T.	-	-	-	-	3,145	38,06,28	3,232	44,58,84
White Lead & Lead Acetate	M.T.	-	-	-	-	8	16,37	22	27,42
Lead Salts	M.T.	-	-	-	-	480	6,40,51	527	8,03,61
Metallic Stearate	M.T.	-	-	-	-	85	1,03,54	98	1,23,92
Others			10,58,30		8,46,05		18,25,95		24,14,19
Total			52,42,54		20,12,90		4,79,89,50		4,03,45,72

(A) 108 M.T. (2008- 24 M.T.) short billed, being not realisable.

(B) 156 M.T. (2008- 87 M.T.) short billed being not realisable.

(C) Fabrication and Erection 80 M.T. (2008- 88 M.T.) short billed due to exceeding maximum ceiling of Billing Schedule, being not billable and includes transfer from Party's Materials 64 M.T. (2008 – Nil).

* Includes internal consumption, shortage/(excess), sample and transit loss 56.38 M.T. (2008- 68.33 M.T.).

§ Including conversion sales of Rs.4,53 thousands (2008 – Rs. 3,00 thousands)

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

	2009		2008	
	%	Rs.	%	Rs.
Raw Materials :				
Imported	13.80	25,13,56	1.90	3,34,06
Indigenous	86.20	1,56,95,60	98.10	1,73,72,86
Total	100	1,82,09,16	100	1,77,06,92
Spare Parts and Components				
Imported	1.23	33,79	0.86	16,38
Indigenous	98.77	27,02,49	99.14	18,96,90
Total	100	27,36,28	100	19,13,28



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

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

	Units	2009		2008	
		Qty	Value Rs.	Qty	Value Rs.
(A) OPENING STOCK					
Equipment and Fittings	Nos.	-	-	921	43,28
Electrical Parts/Motors	Nos.	14	4,75	-	-
Cable Wire	R. Mtrs.	900	2,95	-	-
Gratings, M. S. Steel	M.T.	-	-	0.12	6
Total			7,70		43,34
(B) PURCHASES					
Equipment and Fittings	Nos.	472	7,85,59	1,077	91,57
Valves	Nos./Lot	281	1,60,78	117	11,90
Pipes/Cable wire	R. Mtrs.	14,275	60,72	9,274	49,52
Pipes/Fittings	Lot	11	62,65	144	12,75
Grating, M.S. Steel	M.T.	413	3,30,19	45.3	17,48
Grating, M.S. Steel	Mtrs.	49	14,35	-	-
Electrical Parts, Motors	Nos./Set	466	11,56,35	507	66,83
Paints	Ltrs.	-	-	2,457	9,97
Coal Tar, Tape	SQM	6,141	19,70	5,362	14,95
Miscellaneous			2,62		13,64
Total			25,92,95		2,88,61
(C) SALES					
Equipments and Fittings	Nos.	195	13,95,39	944	3,63,24
Valves	Nos./Lot	104	2,05,85	48	14,56
Motors	Nos./Sets	146	15,95,51	174	1,66,86
Pipes/Cable Wire	R. Mtrs.	3,008	39,27	2,371	31,11
Pipes/Fittings	Lot	1	3,05	115	50,56
Grating, M.S. Steel	M.T.	313	3,57,49	-	-
Grating, M.S. Steel	Mtrs.	49	26,72	-	-
Coal Tar ,Tape	SQM	6,141	34,08	5,362	18,10
Paints	Ltrs.	-	-	2,457	19,67
Miscellaneous		-	-		5,33
Total			36,57,36		6,69,43
(D) CLOSING STOCK					
Equipments and Fittings	Nos.	57	48,37	-	-
Electrical Parts/Motors	Nos./Sets	-	-	14	4,75
Cable Wire	R. Mtrs.	-	-	900	2,95
Total			48,37		7,70

- Short billed and/or for job consumption 277 Nos., 120 Nos./Lot, 10 Lot, 334 Nos./Set 12,167 R.Mtrs. costing Rs. 5,01,11 thousands being excess supply as per contractual obligations but not covered by billing schedule price break-up.
- Short billed and/or for job consumption 1,054 Nos. 69 Nos./Lot, 29 Lot, 268 Nos./Sets, 5,353 R. Mtrs., 45.414 M.T. costing Rs. 69,25 thousands being excess supply as per contractual obligations but not covered by billing price break-up.



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

12. CIF Value of Imports made during the year

Rs. '000

	2009	2008
i) Bought Out Goods	79,83	-
ii) Capital Equipments	1,29,15	12,37,06
iii) Raw Materials	24,95,14	3,17,07
iv) Spare Parts	30,50	18,06
Total	27,34,62	15,72,19

13. Expenditure in Foreign Currency

	2009	2008
i) Pension to former Managing Directors	30	75
ii) Commission on Sales/Orders	57,44	8,74
iii) Travelling Expenses	39,20	29,14
iv) Interest on Working Capital Demand Loan	3,15	78,27
v) Exchange Fluctuations on Working Capital Demand Loan	2,25	15,20
vi) Hedging premium on Forward Exchange contracts	5,62	13,45
Total	1,07,96	1,45,55

14. Earnings in Foreign Exchange

	2009	2008
i) Claim Settling Commission	1,15	1,31
ii) Export of Goods on F.O.B. basis	18,29,15	9,46,97
iii) Commission and Other Services	1,95,29	6,97,22
Total	20,25,59	16,45,50

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

	2009	2008
(a) Contract revenue recognised for the year ended 31st March, 2009	1,31,69,93	75,65,10
(b) Aggregate amount of contracts costs incurred and recognised Profits (Less recognised losses) up to 31st March 2009 for all the Contracts-in-Progress.	1,46,74,11	43,80,93
(c) The amount of customer advances outstanding for Contracts-in-Progress as at 31st March, 2009	33,88,03	20,52,56
(d) The amount of retention money due from customers for Contracts-in-Progress as at 31st March, 2009	11,02,07	1,99,63
(e) Gross amount due from customers for Contract-in-Progress as at 31st March, 2009 (Included in work-in-progress Rs. 3,08,86 thousands, Sundry Debtors Rs. 34,03,04 thousands)	37,11,90	12,53,65
(f) Gross amount due to customer for contract work	1,56,46	1,20,78

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

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

	2009	2008
	Rs. '000	Rs. '000
Not later than one year	26,33	26,33
Later than one year and not later than five years	39,49	65,82
Later than five years	-	-

During the year the Company has charged related lease rental of Rs. 26,33 thousands (2008- Rs 26,33 thousands) in the Profit and Loss Account under the head Machinery Hire Charges (Schedule 17 to Accounts).

- (b) The Company has taken various Plant and Machinery for its Engineering (MICCO) Division under cancellable operating lease. Lease range for the period between 3 to 8 months. During the year the Company has charged related lease rental of Rs 1,60,41 thousands (2008 - Rs.2,40,79 thousands) in the Profit and Loss Account under the head Machinery Hire Charges (Schedule 17 to Accounts).
- (c) The Company has entered into a non- cancellable operating lease agreement during the year 2004-05 in respect of lease rental of a tea manufacturing facility for a period of four years and eleven months. The terms of the lease include restriction to sell, sub-let and or part with possession of the let-out premises without prior permission of the lessor. As per terms of the lease, an additional rent at a prescribed rate is payable from 1st March, 2007 onwards in case of production from the let-out premises exceeds a specified limit.

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

	2009	2008
	Rs. '000	Rs. '000
Not later than one year	-	7,50
Later than one year and not later than five years	-	-

During the year Company has charged related lease rental of Rs. 9,00 thousands (2008- Rs. 12,22 thousands) in the Profit & Loss Account under the head Lease Rental (Schedule 17 to Accounts). Contingent and Minimum Lease Rental element of the same are as follows :

	2009	2008
	Rs. '000	Rs. '000
Minimum Lease Rental	9,00	9,00
Contingent Rent	-	3,22

- (d) The Company has given office premises under cancellable operating leases. These leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial Direct costs for such leases are borne by the company and charged off to revenue. Lease rentals are recognised as income which was Rs.4,36,65 thousands during the year (2008 – Rs. 2,97,02 thousands). The gross value and accumulated depreciation of such asset as at 31st March, 2009 was Rs. 23,59 thousands (2008 – Rs. 23,59 thousands) and Rs 23,55 thousands (2008 – Rs. 23,55 thousands) respectively.
17. Advances recoverable in cash or kind or for value to be received include Rs 23,43 thousands (2008 - Rs. 26,08 thousands) adjustable against future lease rental of a manufacturing facility availed during the year as disclosed in Note 16(c) above.



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

18. Directors' Remuneration

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

	2009	2008
	Rs.'000	Rs.'000
I) Whole-time Directors		
Salaries	36,78	36,66
Contribution to Provident Fund, Gratuity and Superannuation Funds	4,41	6,70
Monetary Value of Perquisites	7,03	11,30
Leave encashment on retirement of the Managing Director of the company	-	25,17
	48,22	79,83
II) Non – Wholetime Directors		
Directors' Fees	4,13	3,98
	52,35	83,81

(b) The re-appointment and remuneration of the Ex-Managing Director, late S. B. Datta for the period 16th July 1984 to 15th July 1986 amounting to Rs. 3,65 thousand was subject to the condition imposed by the Government of India that the Company would recover the expenses incurred by the Managing Director's wife while accompanying him on his tour abroad. The appeal preferred by the Central Government against the writ petition filed by the Company at the Calcutta High Court regarding such conditional approval is pending.

19. Amount paid/payable to the Auditors

	2009	2008
	Rs.'000	Rs.'000
As Audit Fees (including Rs. 2,75 thousands in respect of earlier year)	18,90	12,00
In Other Capacity :		
For Tax Audit	1,25	20
For Various Certificates/Reports	4,45	2,65
Reimbursement of Expenses	68	2,07
Service Tax	2,30	11
Total \$	27,58	17,03

\$ Including Rs. 5,11 thousands (2008 - 1,55 thousand) to Other Branch Auditors.

20. Employee Benefits

(a) **With effect from 1st April, 2007 the Company has adopted The Revised Accounting Standard AS 15 for employee benefits.**

(b) **Gratuity Fund**

The Company's Gratuity Scheme, a defined benefit plan, is administered by Life Insurance Corporation of India (LIC). LIC 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 of Rs. 3,50 thousands. Vesting occurs upon completion of five years of service.

(c) **Leave Encashment**

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



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

d) Details in respect of Defined Benefits Plans

Rs. '000

	Description	2008-09		2007-08	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
A	Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation				
	Present value of Obligation as on 1st April	18,38,51*	1,74,30	17,15,68	1,66,95
	Current Service Cost	77,24	36,23	82,89	33,77
	Interest Cost	1,32,22	9,27	1,30,10	11,62
	Actuarial (Gain) / Losses	28,39	27,34	1,71,93	30,23
	Benefits Paid	(2,86,35)	(34,85)	(3,44,70)	(68,27)
	Present Value of Obligation as on 31st March	17,90,01	2,12,29	17,55,90	1,74,30
B	Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets				
	Fair Value of Plan Assets as on 1st April	11,58,76#	-	11,52,35	-
	Expected Return on Plan Assets	1,01,07	-	87,46	-
	Actuarial (Gain) / Losses	-	-	6,67	-
	Contribution	1,10,95	-	1,80,49	-
	Benefits Paid	(2,86,35)	-	(3,44,70)	-
	Fair Value of Plan Assets as on 31st March	10,84,43	-	10,82,27	-
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	17,90,01	2,12,29	17,55,90	1,74,30
	Fair Value of Plan Assets as on 31st March	10,84,43	-	10,82,27	-
	Assets/ (Liabilities) recognised in the Balance Sheet	(7,05,58)	(2,12,29)	(6,73,63)	(1,74,30)
D	Expenses recognised in the Profit & Loss Account				
	Current Service	77,24	36,23	82,89	33,77
	Interest Cost	1,32,22	9,27	1,30,10	11,62
	Expected return on Plan Assets	(1,01,07)	-	(87,46)	-
	Actuarial (Gain) / Losses	28,39	27,34	1,65,26	30,23
	Total Expense recognised	1,36,78	72,84	2,90,79	75,62
E	Category of Plan Assets				
	Fund with LIC	10,84,43	Not Applicable	10,82,27	Not Applicable
	Total	10,84,43	-	10,82,27	-
F	Actual return on Plan Assets	1,01,07		99,21	-
G	Principal Actuarial Assumptions				
	Discount Rate	8.00%	7.60%	8.00% - 8.25%	7.50% - 8.20%
	Salary Escalation	3% - 5%	5%	5%	5%
	Expected return on Assets	8.02%-9.02%	Not Applicable	8.00% - 9.28%	Not Applicable

* Includes Rs. 82,61 thousands added on Amalgamation (Note 2 on Schedule 18)

Includes Rs. 76,49 thousands added on Amalgamation (Note 2 on Schedule 18)

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

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

21. Information in accordance with requirements of Accounting Statdard-18 on Related Party disclosures prescribed under the Act :-**A) Enterprises Controlled by the Company**

- a) The Tengpani Tea Company Limited (TTCL)
- b) Satyam Financial Services Limited (SFSL)

Note : TTCL was amalgamated with the Company with effect from 1st April' 2008

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

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

C) Key Management Personnel of the Company

- a) Mr D. K. Sharda (DKS) - Joint Managing Director
- b) Mr A. Mallick (AM) - Executive Director
- c) Mr S. K. Lakhotia (SKL) - Executive Director & CEO

Transaction with related parties during the year and the status of outstanding balances as on 31st March 2009.

Rs. '000

Nature of Transaction	Enterprises controlled by the Company					
	2009			2008		
	TTCL	SFSL	TOTAL	TTCL	SFSL	TOTAL
Corporate Gurantee Commission Received	-	-	-	45	-	45
Rent / License Fee received	-	-	-	2,95	6	3,01
Interest Income	-	-	-	1,26	-	1,26
Sale of Bio Fertiliser	-	-	-	2,80	-	2,80
Purchase of Green Leaf	-	-	-	2,72,59	-	2,72,59
Purchase of Goods/ Services	-	-	-	8,47	-	8,47
Unsecured Loans given	-	-	-	50,00	-	50,00
Balances as on 31st March, 2009						
i) Unsecured Loans	-	-	-	50,00	-	50,00
ii) Debtors/ Advances Recoverable	-	-	-	2,36,21	5	2,36,26
iii) Outstanding balance of Corporate Gurantee utilised	-	-	-	9,57	-	9,57
iv) Outstanding balance of Corporate Gurantee given	-	-	-	45,00	-	45,00
v) Interest Receivable	-	-	-	7,02	-	7,02



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

Transactions with related parties during the year and the status of outstanding balances as on 31st March, 2009 **Rs. '000**

Nature of Transaction	Enterprises over which Key Management Personnel & Relatives of such Personnel are able to exercise significant influence																
	2009						2008										
	MDKCL	BIL	KCPL	KIIPL	CHPL	VIPL	KPIL	TOTAL	KFIL	MDKCL	BIL	KCPL	KIIPL	CHPL	VIPL	SIL	TOTAL
Rent Paid	-	-	-	600	-	-	-	600	-	-	-	891	600	-	-	-	1491
Rent Received	-	-	40	-	-	-	40	-	-	-	-	-	-	-	-	-	-
Purchase of Goods / Services	612	-	-	-	119	-	731	16	341	-	1200	-	-	103	-	-	1660
Loans Taken	19100	4500	7500	16100	-	5000	52200	500	500	3600	11000	11900	2000	-	4050	33550	
Loans Repaid	-	10300	32500	19000	-	1050	62850	7000	-	4100	14100	35200	2500	-	8200	71100	
Interest on Loans Taken	2178	380	3130	2586	1457	2237	13888	344	916	750	2903	2042	1360	1068	553	9936	
Sale of Investment	-	-	-	-	-	-	-	7000	2500	-	19000	24300	300	1200	7000	61300	
Balance as on 31st March, 2009																	
i) Loans taken	27000	-	5000	11500	12000	20000	75500	950	7900	5800	25000	11900	12000	8900	3700	76150	
ii) Guarantees given	-	-	15000	-	-	-	15000	-	-	-	15000	-	-	-	-	15000	
iii) Guarantees utilised	-	-	8413	-	-	-	8413	-	-	-	10337	-	-	-	-	10337	
iv) Interest payable	-	-	127	60	-	-	187	-	-	-	-	-	-	-	-	-	

Nature of Transaction	Key Management Personnel of the Company									
	2009					2008				
	DKS	AM	SKL	TOTAL	GDK	SSR	DKS	AM	TOTAL	
Remuneration Paid	1420	1328	2074	4822	-	5626	1212	1145	7983	
Directors' Fees Paid	-	-	-	-	60	-	-	-	60	

**Schedule 18** (Contd.)**Notes on Accounts** (Contd.)**22. Information given in accordance with requirements of AS-17 on Segment Reporting prescribed under the Act :-**

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

Information about Business Segment**Rs. '000**

	Trading Division	Tea Division	Property Division	Textile Division	Engineering (MICCO) Division	Chemical (Waldies) Division	Unallocable	Total
Segment Revenue (Net of Excise)	20,75,45 (18,76,98)	1,03,37,13 (78,19,24)	6,38,24 (4,96,13)	1,81,77,44 (1,78,21,33)	1,29,05,51 (74,17,81)	40,43,76 (46,85,50)	1,90,71 (2,91,16)	4,83,68,24 (4,04,08,15)
Total Revenue	20,75,45 (18,76,98)	1,03,37,13 (78,19,24)	6,38,24 (4,96,13)	1,81,77,44 (1,78,21,33)	1,29,05,51 (74,17,81)	40,43,76 (46,85,50)	1,90,71 (2,91,16)	4,83,68,24 (4,04,08,15)
Segment Result	1,87,28 (1,54,47)	9,87,35 (2,27,76)	4,41,22 (3,23,55)	1,06,69 (13,70,27)	14,48,82 (9,67,06)	2,58,32 (2,23,63)	(12,19,32) (-14,20,14)	22,10,36 (18,46,60)
Depreciation and Amortisation	2,35 (2,48)	2,31,34 (2,28,78)	1,73 (1,65)	6,44,22 (5,87,47)	2,95,79 (2,07,09)	10,63 (10,42)	23,99 (14,49)	12,10,05 (10,52,38)
Non Cash Expenses other than Depreciation and Amortisation	4,80 (2,64)	- -	5,12 -	- -	2,99,50 -	27,80 (25,42)	- (22,50)	3,37,22 (50,56)
Capital Expenditure	3 (2,61)	5,12,23 (1,78,90)	15,00 -	17,89,76 (92,08,36)	8,72,61 (11,20,51)	20,33 (44)	27,33 (2,45,29)	32,37,29 (1,07,56,11)
Segment Assets	7,07,09 (6,61,20)	81,66,09 (66,34,56)	1,14,36 (1,01,50)	2,40,26,44 (2,08,34,78)	1,09,32,59 (65,51,96)	9,14,45 (13,05,24)	27,52,74 (39,47,60)	4,76,13,76 (4,00,36,84)
Segment Liabilities (Excluding Shareholders' fund)	3,37,24 (3,53,13)	11,12,08 (8,55,51)	3,93,17 (3,97,78)	26,48,24 (21,16,18)	70,31,72 (36,10,64)	2,85,90 (5,27,51)	2,06,95,68 (1,79,70,04)	3,25,04,03 (2,58,30,79)

Figures in brackets are of previous year.

(b) Secondary Segment

The Company operates predominantly within geographical limits of India , accordingly Secondary Segment has not been considered.



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

23. Basic and Diluted Earnings per Share**Rs. '000**

	2009	2008
(i) Profit after tax available for ordinary shareholders (Rs.'000)	16,37,57*	14,65,35*
(ii) Weighted average of Equity Shares of Rs. 10/- each outstanding during the year (Numbers)**	1,42,28,231	1,40,71,981
(iii) Basic and Diluted Earnings per Share [(i) / (ii)] (in Rs.)	11.51	10.41

* After deducting Proposed Dividend on Preference Shares of Rs. 16,00 thousands (2008- Rs. 16,00 thousands) for the year 2008-09 and Dividend Distribution Tax thereon of Rs. 2,72 thousands (2008- Rs. 2,72 thousands).

** Includes 1,56,250 Ordinary Shares to be issued by the Company pursuant to the Scheme of Amalgamation referred to in Note 2 above.

24. Taxation

(i) Provision for Taxation is made up of :

	2008-09	2007-08
Current Tax		
Provision for Income Tax and Wealth Tax for the year	2,14,10	2,03,13
Less: Provision for Income Tax for earlier years no longer required written back (Net)	7,03	5,60
	2,07,07	1,97,53
Deferred Tax Liability	3,12,00	1,32,00
[Note 24 (ii) (b)]		
Total	5,19,07	3,29,53

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

- Deferred Tax Assets comprise those arising out of provision for doubtful debts, items under the Income Tax Act, which will be allowed on actual payment and unabsorbed losses. Of this, Deferred Tax Assets pertaining to Agricultural Income Tax losses have not been recognised in the absence of virtual certainty of availability of taxable income in the next few years.
- The major components of the net Deferred Tax Liability of the Company to the extent recognised and outstanding as at 31st March, 2009 is as under: -



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

Rs. '000

	2008-09	2007-08
Deferred Tax Asset		
i) Provision for Doubtful Debts and advances	1,07,50	29,97
ii) Items under the Income Tax Act which will be allowed on actual payment	3,53,03	3,17,90
iii) Brought forward unabsorbed losses	2,65,64	-
iv) Deferred Revenue Expenditure (VRS)	14,03	-
Total	7,40,20	3,47,87
Deferred Tax Liability		
Differences between net value of depreciable capital assets as per books vis-à-vis written down value as per Income Tax	13,97,20	6,92,87
Net deferred Tax Liabilities	6,57,00	3,45,00*

* Includes Rs. 41,00 thousands adjusted against opening balance of General Reserves in terms of the transitional provisions of AS 15.

25. Repairs include :

	2009	2008
a) Consumption of Stores and Spare Parts	6,18,80	5,39,55
b) Salary and Wages	48,48	36,12
Total	6,67,28	5,75,67

26. Interest includes Interest on :

	2009	2008
Fixed Deposits	1,65,49	1,48,52
Term loans	2,71,00	2,85,40
Total	4,36,49	4,33,92

27. As per information available with the Company no amount is due to Micro, small and Medium Enterprises.

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

Signatures to Schedules 1 to 18.

For and on behalf of the Board

D. K. Sharda
Joint Managing Director

A. K. Kothari
Chairman

Kolkata, 30th June, 2009.

D. Karmakar
Company Secretary

P. K. Jain
Joint President & CFO

**Balance Sheet Abstract and Company's General Business Profile****I Registration Details**

Registration No. State Code

CIN.

Balance Sheet Date

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue Bonus Issue Private Placement

III Position Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (Excluding Shareholders' Fund) Total Assets

Sources of Funds

Paid up Share Capital

Reserve & Surplus

Secured Loans

Unsecured Loans

Application of Fund

Net Fixed Assets

Net Current Assets

Investments

Misc. Expenditure

Accumulated Loss

IV Performance of the Company (Amount in Rs. Thousands)

Total Income Total Expenditure

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

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

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

For and on behalf of the Board

D. K. Sharda
Joint Managing Director

A. K. Kothari
Chairman

D. Karmakar
Company Secretary

P. K.Jain
Joint President & CFO

Kolkata, 30th June, 2009.



AUTOCONER AC5



B F STOVE FOR BHUSAN STEEL
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6.5 MW CO-GENERATION CAPTIVE POWER PLANT

