



GILLANDERS ARBUTHNOT AND COMPANY LIMITED



76th ANNUAL REPORT 2009-10



OERLIKON SCHLAFHORST
AUTOCONER



SIMPLEX MACHINE
& SLIVER CAN



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. A. K. Kothari, Chairman
 Smt. P. D. Kothari, Additional Director (w.e.f. March 31, 2010)
 Mr. P. K. Khaitan, Director
 Mr. J. N. Godbole, Director
 Mr. H. P. Kanoria, Director
 Mr. S. Lahiri, Director
 Mr. H. M. Parekh, Director
 Mr. D. K. Sharda, Managing Director (w.e.f. April 01, 2010)
 Mr. A. Mallick, Executive Director & CEO (w.e.f. April 01, 2010)

JOINT PRESIDENT & CFO

Mr. P. K. Jain

COMPANY SECRETARY

Mr. D. Karmakar

AUDITOR

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

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

Shareholders' / Investors' Grievance Committee

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

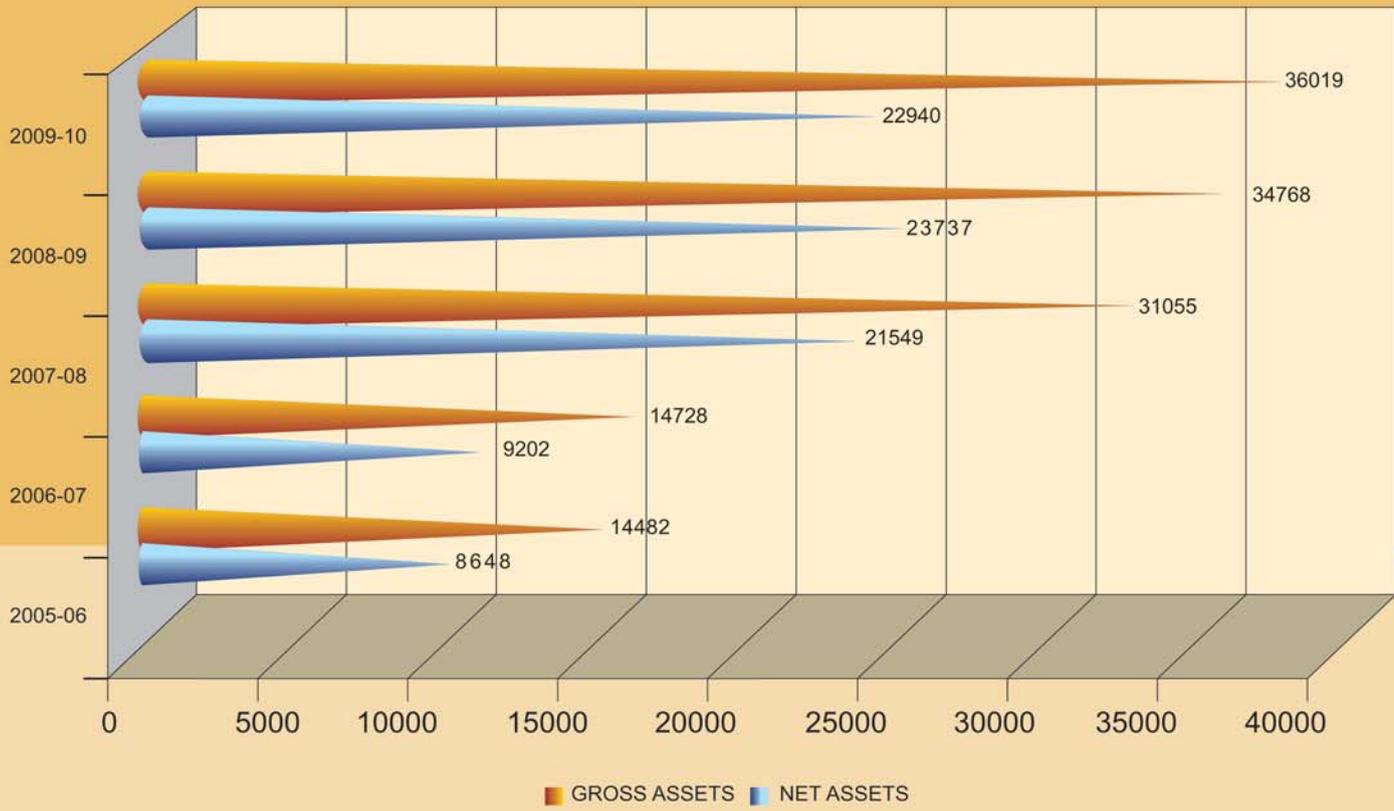
Remuneration Committee

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

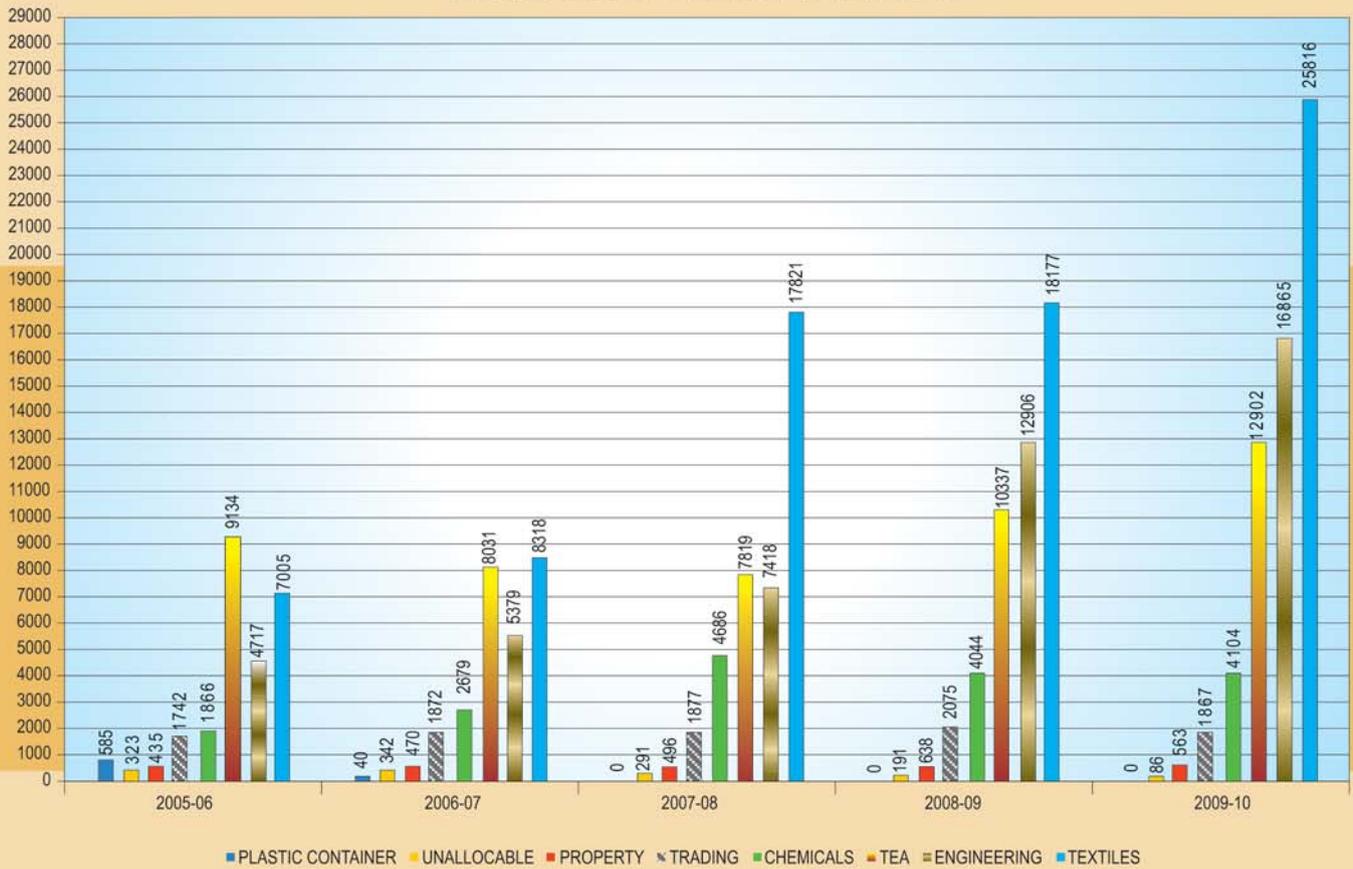
Branches/Offices

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

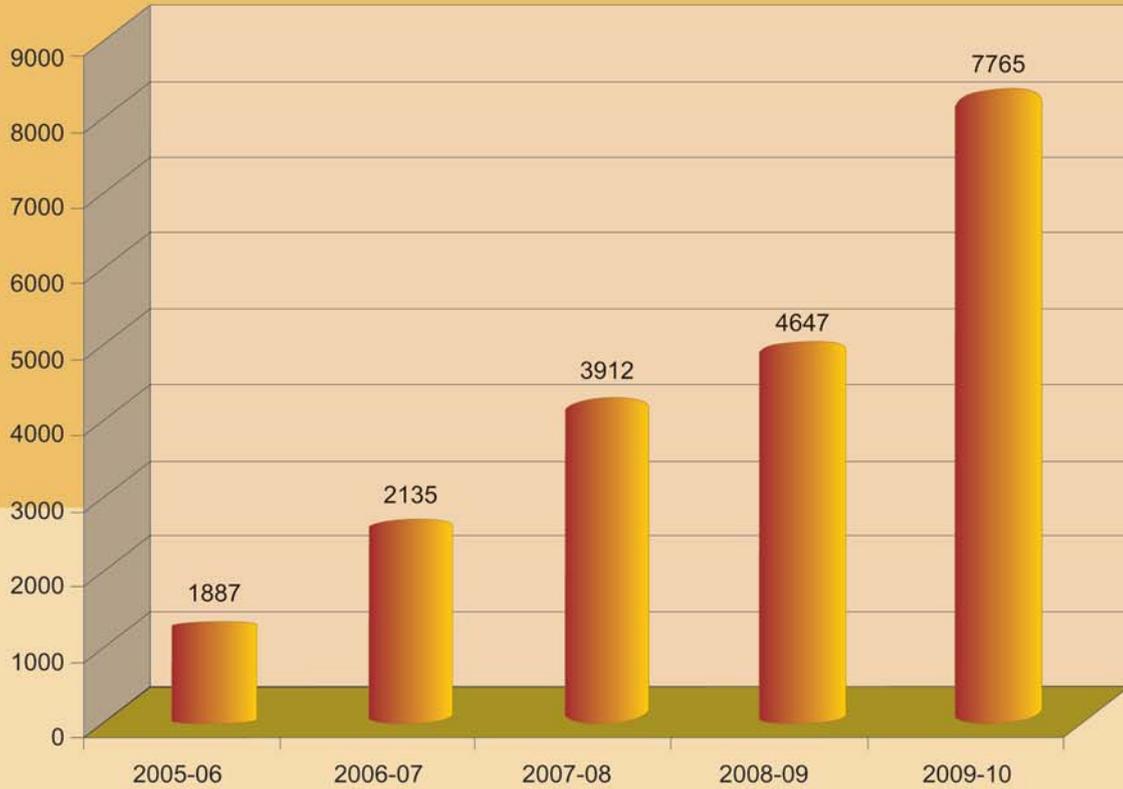
FIXED ASSETS (Rs. in Lakhs)



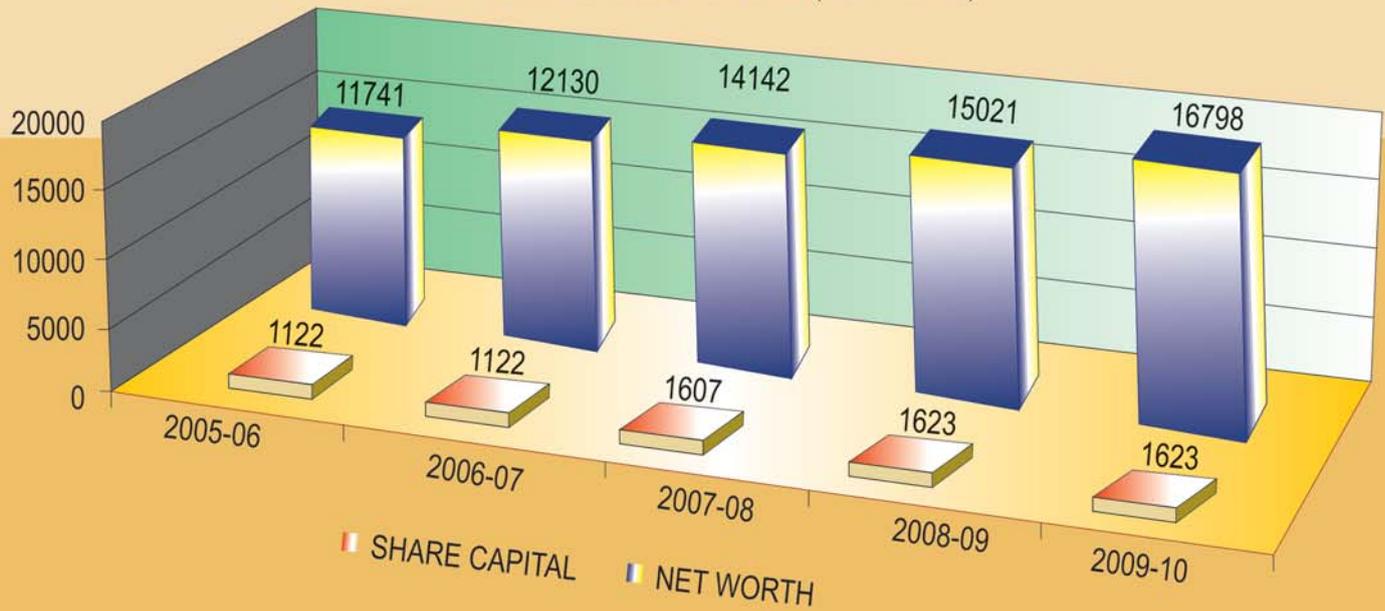
SEGMENTWISE REVENUE (Rs. in Lakhs)



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



SHAREHOLDERS' FUND (Rs. in Lakhs)





BLAST FURNACE
- TATA STEEL



GAS HOLDER SAIL - ROURKELA



FERO CHROME PLANT
- SOUTH AFRICA



EXPORT AWARD RECEIVED FROM SAIL CHAIRMAN
FOR EXPORT PERFORMANCE IN YEAR 2007-08



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NOTICE

NOTICE is hereby given that the **SEVENTY SIXTH** Annual General Meeting of the Members of the Company will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001 on **TUESDAY, the 7TH DAY OF SEPTEMBER, 2010 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, 2010 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 Shares of Rs.100/- each.
3. To declare dividend on Ordinary Shares.
4. To appoint a Director in place of Mr. P. K. Khaitan, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. H. P. Kanoria, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as **Ordinary Resolutions**:

- (a) Messrs. Price Waterhouse, Chartered Accountants, Kolkata, Statutory Auditor of the Company, who retires after the ensuing Annual General Meeting, have expressed their unwillingness to be re-appointed in writing. A Special Notice in terms of Section 190 of the Companies Act, 1956, has been received under Section 225(1) from a member, proposing the appointment of Messrs. Singhi & Co., Chartered Accountants, Kolkata, as Auditor of the Company. The Company hereby gives Notice of the said resolution to its members.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Singhi & Co., Chartered Accountants, Kolkata, (Firm Registration No. 302049E) being eligible, be appointed as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."

- (b) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Bagree & Co., Chartered Accountants, Kolkata, be and they are hereby re-appointed as Branch Auditor to audit the accounts in respect of Modern India Construction Co. (MICCO), Kolkata, 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."

- (c) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Dutta Ghosh & Associates, Chartered Accountants, Kolkata, be and they are hereby re-appointed as Branch Auditor to audit the accounts in respect of GIS Cotton Mill, Champdani, a division of the Company and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."

SPECIAL BUSINESS:

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

7. Appointment of Smt. P. D. Kothari as Director

"RESOLVED THAT Smt. P. D. Kothari, who was appointed by the Board of Directors as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 (Act) and Article 92 of the Articles of Association of the Company and whose term of office as Director expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Act and who has consented to such appointment, be and is hereby appointed as Director of the Company, whose period of office will be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords consent to the re-appointment & promotion of Mr. D. K. Sharda as 'Managing Director' of the Company for a period of one year with effect from April 01, 2010 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this Notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords consent to the re-appointment & promotion of Mr. A. Mallick as an 'Executive Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2010 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this Notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance



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

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

10. Payment of Commission to Non-Executive Directors

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any of the Companies Act, 1956 (the 'Act'), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members be and is hereby accorded to the payment of, in addition to the sitting fees paid for attending the meetings of the Board of Directors (The 'Board') or Committee(s) thereof and reimbursement of expenses, in accordance with the relevant provisions of the Articles of Association of the Company, commission to the Non-Executive Directors of the company, for a period of 5 (five) years commencing from the financial year ended March 31, 2010 at a rate not exceeding 1% (one percent) per annum of the net profits of the Company calculated in accordance with the relevant provisions of the Act, in each year, but subject to such ceiling, if any, per annum as the Board may from time to time fix in this behalf, such commission being divisible amongst the Directors in such proportion and in such manner as may be decided by the Board".

By Order of the Board

For GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Place : Kolkata
Date : July 02, 2010.

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. 7 to 10 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 July 30, 2010 to August 05, 2010 (both days inclusive) for the purpose of payment of dividend, if 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 September 07, 2010 to those Members or their mandates whose names are registered on the Company's Register of Members:
 - a) As Beneficial Owners as at the end of business on July 29, 2010 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and
 - b) As members in the Register of Members of the Company after giving effect to all valid share transfers

in physical form, which are lodged with the Company or its Registrar & Share Transfer Agent (RTA) viz, Maheshwari Datamatics Pvt. Ltd., having their registered office at 6, Mangoe Lane (S. M. Ghosh Sarani), 2nd Floor, Kolkata – 700 001 on or before July 29, 2010.

- 5) Pursuant to the provisions of the Companies Act, 1956, all unclaimed dividends till the financial year 2001-2002 have already been transferred to the Investor Education and Protection Fund (IEPF) and all subsequent unpaid dividends will be transferred to the said Fund from time to time. Shareholders who have not yet encashed the dividend warrants relating to the financial year 2002-2003 to 2008-2009 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 Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges for the year 2010-2011.
- 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 and Company Limited)
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
2nd floor, Kolkata – 700001.

Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.

- 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) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the nomination Form.
- 10) In terms with Circular no. MRD/DoP/Cir-05/2009 dated May 20, 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.
- 11) 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.
- 12) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days of the Company, between 10.00 A.M. to 1.00 P.M. till



September 6, 2010 and will also be available for inspection at the meeting.

ANNEXURE TO THE NOTICE

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

Item No. 7

At their meeting held on March 31, 2010, the Board of Directors of the Company had co-opted Smt. P. D. Kothari 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. Smt. P. D. Kothari 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 Smt. P. D. Kothari as Director has been received from a member of the Company. Smt. P. D. Kothari is not disqualified to be a Director of the Company.

Smt. P. D. Kothari is an industrialist having wide experience in the field of Textile, Engineering Industry, Pharmaceutical and Tea Plantations.

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

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

None of the Directors, except Smt. P. D. Kothari and Mr. A. K. Kothari, being a relative of Smt. P. D. Kothari, is concerned or interested in this resolution.

Item No. 8

Subject to the approval of the Members of the Company in General Meeting, the Board of Directors of the Company at its Meeting held on March 31, 2010 re-appointed & promoted Mr. D. K. Sharda, from 'Joint Managing Director' to 'Managing Director' of the Company for a period of one year with effect from April 01, 2010. The previous term of Mr. D. K. Sharda, as Joint Managing Director expired on March 31, 2010.

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

Subsequently, an Agreement dated April 01, 2010 was entered into between the Company and Mr. D. K. Sharda, Managing Director of the Company subject to the approval of the members of the Company. The terms and conditions of the said Agreement entered into by the Company with him are set out below:

1. DUTIES AND RESPONSIBILITIES :

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

2. REMUNERATION :

- I. SALARY: Rs. 1,50,000/- per month.
- II. PERQUISITES: Apart from Salary, Mr. D. K. Sharda will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

PART – A

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

PART – B

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

PART – C

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

3. MINIMUM REMUNERATION:

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

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

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

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

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

None of the Directors, except Mr. D. K. Sharda 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 March 31, 2010 re-appointed & promoted Mr. A. Mallick, from 'Executive Director' to 'Executive Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2010. The previous term of Mr. A. Mallick, as an Executive Director expired on March 31, 2010.



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

Subsequently, an Agreement dated April 01, 2010 was entered into between the Company and Mr. A. Mallick, Executive Director & CEO of the Company subject to the approval of the members of the Company. The terms and conditions of the said Agreement entered into by the Company with him are set out below:

1. DUTIES AND RESPONSIBILITIES :

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

2. REMUNERATION:

- I. SALARY: Rs. 1,20,000/- per month.
- II. PERQUISITES: Apart from Salary, Mr. A. Mallick will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

PART – A

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

PART – B

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

PART – C

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

3. MINIMUM REMUNERATION

In the event of absence or inadequacy of profits during the

period of service of Mr. A. Mallick, as an Executive Director & CEO of the Company, he shall be entitled to the same Salary and Perquisites as stated hereinbefore.

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

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

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

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

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

Item No. 10

At present, the Company pays only sitting fees to its non-executive Directors for attending meetings of the Board of Directors (the 'Board') and Committee(s) thereof.

The current competitive business environment and the recent developments/changes in the Statutes, applicable to a listed Company, have imposed more responsibilities on the non-executive Directors of the Company. The Directors are now required to devote more of their time and energy in the affairs of the Company. In view of the valuable services and contributions rendered by the non-executive Directors, it is recommended that Commission be paid to the non-executive Directors of the Company in addition to the sitting fees payable for attending Board / Committee Meetings and reimbursement of expenses in relation thereto.

The Board will determine each year, the specific amount to be paid as commission to the non-executive Directors, which shall not exceed 1% (one percent) of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Companies Act, 1956. The Commission will be paid in such proportion as the Board of Directors may determine from time to time. This resolution, if passed, would be effective for a period of 5 (five) years commencing from financial year ended March 31, 2010. The existing Articles of Association of the Company permits payment of commission to non-executive Directors.

The Board of Directors recommends this resolution, for your approval.

The non-executive Directors of your Company are concerned or interested in this resolution to the extent they will receive their respective commission.

By Order of the Board
For GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Place: Kolkata
Date: July 02, 2010.

D. Karmakar
Company Secretary

**Annexure**

Particulars of Directors proposed to be appointed/re-appointed at the 76th Annual General Meeting of the Company to be held on Tuesday, the 7th day of September, 2010 at 11.30 A.M.

Name of the Director	Brief resume and nature of expertise in functional area	Number of Ordinary Shares held in the Company	Other Directorship/Other Committee Membership held*
Mr. P. K. Khaitan	Mr. P. K. Khaitan aged about 69 years is an eminent Advocate having vast experience in Company Law, Finance & Corporate matters.	-	<p>Directorships:</p> <ol style="list-style-type: none"> 1. CESC Limited 2. Dalmia Cement (Bharat) Ltd. 3. Electrosteel Castings Ltd. 4. Emaar MGF Land Ltd. 5. Graphite India Ltd. 6. Hindustan Motors Ltd 7. India Glycols Ltd. 8. OCL India Ltd. 9. Pilani Investment & Industries Corporation Ltd. 10. South Asian Petrochem Ltd. 11. Suzlon Energy Ltd. 12. VISA Steel Ltd. 13. Woodlands Medical Centre Limited 14. TCPL Packaging Ltd. (Additional Director) <p>Committee Memberships</p> <p>Member of Audit Committee:</p> <ol style="list-style-type: none"> 1. Pilani Investment & Industries Corporation Ltd. 2. Suzlon Energy Ltd. <p>Member of Shareholders'/ Investors' Grievance Committee</p> <ol style="list-style-type: none"> 1. Emaar MGF Land Ltd. 2. Hindustan Motors Ltd. 3. Suzlon Energy Ltd.
Mr. H. P. Kanoria	Mr. H. P. Kanoria aged about 68 years is a well known industrialist who has been actively involved in the promotion and development of various corporate bodies. He is Editor in Chief of 'Business Economics' and is the past President of Calcutta Chamber of Commerce and a Committee Member of Bharat Chamber of Commerce.	-	<p>Directorships:</p> <ol style="list-style-type: none"> 1. Adisri Investment Ltd. 2. Adishakti Retail Ltd. 3. Asian Health Care Services Ltd. 4. TSCCF - Shristi Infrastructure Development Ltd. <p>Committee Memberships:</p> <p style="text-align: center;">-</p>



Name of the Director	Brief resume and nature of expertise in functional area	Number of Ordinary Shares held in the Company	Other Directorship/Other Committee Membership held*
Smt. P. D. Kothari	Smt. P. D. Kothari aged about 53 years is a well known Industrialist having wide experience in the field of Textile, Engineering Industry, Pharmaceutical and Tea Plantations.	45250	Directorships: <ol style="list-style-type: none"> 1. Bhaktwatsal Investments Ltd. 2. Vishnuhari Investments & Properties Ltd. 3. Bharat Fritz Werner Ltd. 4. M. D. Kothari & Co. Ltd. 5. Kothari Phytochemicals & Industries Ltd. Committee Memberships -
Mr. D. K. Sharda	Mr. D. K. Sharda aged about 63 years has rich experience & expertise in the field of Finance, Administration and Textile Industry for more than 37 years.	-	Directorships: <ol style="list-style-type: none"> 1. M.D.Kothari & Co.Ltd. 2. Bhaktwatsal Investments Ltd. Committee Memberships -
Mr. A. Mallick	Mr. A. Mallick aged about 63 years is a qualified Chartered Accountant & Company Secretary having experience & expertise in Finance, Corporate & Commercial matters. Expertise in functioning & monitoring of Chemical Industry.	41	Directorships: -

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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Report and the Audited Accounts for the financial year ended March 31, 2010.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	2010	2009
Profit before Depreciation and Taxation	6000.75	3420.41
Less : Depreciation	2164.68	1210.05
Profit before Taxation	3836.07	2210.36
Less : Provision for Taxation		
- Current Tax (Net)	(630.00)	(207.07)
- Deferred Tax	(670.00)	(312.00)
- Fringe Benefit Tax	-	(35.00)
Profit after Taxation	2536.07	1656.29
Add : Profit brought forward	895.30	590.04
Amount available for appropriation	3431.37	2246.33
Appropriations		
Transfer to General Reserve	500.00	500.00
Proposed Dividend :		
- On Preference Shares	16.00	16.00
- On Ordinary Shares	711.41	711.41
Tax on Dividend	120.81	123.62
Balance carried forward	2083.15	895.30
	3431.37	2246.33

REVIEW OF PERFORMANCE

During the year, your Company has scaled new heights and set new benchmarks in terms of sales, profits and net worth. Total Revenue has increased to Rs.62,203 lakhs during the year under review as compared to Rs.48,368 lakhs in the previous year. The profit before tax and profit after tax during the year have increased significantly by 73.55% and 53.12% 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.

DIVIDEND

Your Directors are pleased to recommend the following dividends:

- a) Dividend @ Rs. 8/- per Share on 2,00,000 8% Cumulative Redeemable Preference Shares of Rs. 100/- each of the Company, entailing an outflow of Rs. 16.00 lakhs.
- b) Dividend @ Rs.5/- per Share on 1,42,28,231 fully paid up Ordinary Shares of Rs. 10/- each of the Company, entailing an outflow of Rs. 711.41 lakhs.

INCREASE IN SHARE CAPITAL

Pursuant to the sanction of the scheme of Amalgamation of the erstwhile 'The Tengpani Tea Company Limited' (TTCL) with the Company by the Hon'ble High Court at Calcutta on May 21, 2009, the Board of Directors of the Company at their meeting held on August 27, 2009 have allotted 1,56,250 fully paid up Ordinary Shares of Rs.10/- each to the equity shareholders of the erstwhile TTCL. Accordingly, the paid up Ordinary Share capital of the Company has increased to Rs. 1,422 lakhs. The said shares have been listed and admitted to trading in Bombay Stock Exchange Limited and the Calcutta Stock Exchange Limited.

LISTING ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Your Directors are pleased to inform you that 1,42,28,231 fully paid up Ordinary Shares of Rs. 10/- each of the Company have been listed and admitted to dealings on the National Stock Exchange of India Limited with effect from December 14, 2009 under the symbol 'GILLANDERS'.



MANAGEMENT DISCUSSION AND ANALYSIS

Your Company is well diversified with 6 (six) major divisions viz. Tea, Engineering (MICCO), Textile, Chemical (Waldies), Property and Trading Divisions. 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

Tea, being an agricultural product, climatic condition plays a major role both in its productivity and quality. During the year under review, there was a worldwide shortage of tea due to initial drought and inclement weather in Sri Lanka and Kenya. However, there was increase in production in China. Due to lower production and steady growth in consumption, tea prices continued its upward trend worldwide. India's tea crop was also down by around 2 million kgs., whereas export was substantially down by around 12 million kgs., mainly due to strong domestic demand.

During the year under review, your Tea Division posted improvement both in production and realisation. Production was 9.28 million kgs. As reported last year, your Division is steadily increasing its presence in Packet tea Segment and hopeful of making further inroads in the current year. It has also entered in Export Market of Mid-East Asian countries & UK and is hopeful to expand its export market further.

Your Division has made investment in upgrading the facilities & energy saving equipment to sustain the adverse climatic condition and to reduce cost of production. In the current year, upto April, 2010 worldwide tea production has increased by around 100 million kgs., which is putting pressure on prices, more so in non-quality tea. As your Company has always laid emphasis on quality tea, the current pressure on price will have minimal impact and your Division is expected to remain stable in the current year. All Tea Estates of your Company are ISO 9001 2000 and HACCP certified.

Engineering (MICCO) Division

The gradual growth in the Indian economy, with Government's emphasis on development of infrastructure sector, has created a surge in domestic demand for steel which has resulted in major expansion in steel industry which is expected to continue.

With prestigious client base of SAIL, RINL, TISCO, BHEL, amongst others, your Division, which is engaged in the execution and implementation of turnkey projects predominantly in the steel industry, is set to benefit from the above. Your Division is also dealing with power and other metallurgical industries and is exploring the feasibility of increasing its existence in other related ancillary industries.

In the year under review, your Division has achieved higher revenue with healthy orders in hand of Rs.50,400 lakhs at the year end. Your Division is further upgrading its manufacturing facilities enhancing equipment strength and inducting human resources to achieve higher targets and for timely execution of

projects. This Division expects further good orders and better performance during the current year.

Textile Division

After the severe slowdown, world economy has recently started showing signs of recovery and demand for textile is picking up. The domestic market is also showing signs of improvement, which is leading to overall increase in textile activities in India. However, abnormal increase in input prices of cotton coupled with under utilization of capacities, due to non availability of power and skilled manpower, has resulted in increase in production cost, which is being reflected in the price of cotton yarn.

The Cotton crop for 2009-10 season is estimated at 300 lakhs bales, which is slightly higher as compared to 290 lakhs bales in 2008-09 season. However, improved exports of 70 lakhs bales during the season as against 35 lakhs bales in the previous year has created a shortage of raw cotton for the Spinning Industry, which resulted in steep increase in the prices of raw cotton.

The decision to ban export of raw cotton and withdrawal of export incentives on cotton yarn are two important developments, which will have a big impact on the growth prospects of this Industry. The need of the hour is to have an integrated approach and to draw up policy guidelines for the entire Industry instead of having a fragmented outlook.

The overall performance of your division in terms of production and sales is satisfactory. The captive power plant is also running satisfactorily. Looking at the recovery, although slow, in the global market and improvement in the domestic demand, your Directors are hopeful of improved performance of your division in the current financial year.

Chemical (Waldies) Division

Your Division is engaged mainly in the manufacture of Lead Oxides and PVC Stabilisers which are used in the manufacture of Battery, Paints, Cables and other products.

Your Division enjoys ISO 9001 certification for its Quality Management Systems and ISO 14001 certification for its Environmental Management Systems. It also enjoys OHSAS 18001 certification for its Occupational Health and Safety Management Systems.

During the year under review the overall performance of your Division has improved. The outlook of the current year is also promising. Efforts are being made to bring about sustainable improvements in the operation of your division. Barring unforeseen circumstances, your division is expected to perform well in the current year.

Property Division

Despite the recessionary trend, your Division has been able to earn revenue of Rs 563 lakhs, during the year under review. Your Division is continuously putting in efforts to improve the quality of services provided to the tenants. Lately, there has been revival in the real estate market, which is expected to



bring a positive impact to this Division. Your Directors have pleasure to inform you that there has been increase in tenants and new tenancy agreements have also been executed. This division is expected to perform better in the current year.

Trading Division

Your Division is engaged in trading of various types of Paints, Construction Chemicals, Abrasive Sheets and other related products. It also undertakes waterproofing contracts.

During the year under review, your Division has achieved growth in all its major products except Cement Paint, which has resulted in minor decline in the overall turnover. As reported last year, demand for Cement Paint is continuously declining due to market shifting towards emulsion paints and the situation has further aggravated due to erratic supply from our principals during the year.

Your Directors are exploring the means and avenues to enter the emulsion paint segment and are also looking for the possibility of taking agencies of synergic products. Your division has recently concluded an arrangement for distribution of Astral CPVC pipes and fittings in Chennai.

In view of the above steps, your Directors expect that the Division will yield better results in the coming years.

Internal Control System and their adequacy

Your Company has proper and adequate system of internal controls. Professional Chartered Accountants conduct the audit of your various divisions, units, factories, sites, branches and its Corporate Offices. The audit findings are reviewed by the Audit Committee of the Board of Directors and corrective action, as deemed necessary, are taken. Your Company also has laid down procedures and authority levels with suitable checks encompassing the entire operations of the Company.

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

Human Resources and Industrial Relations

Your Company attaches great importance to human resource. The processes for attracting, retaining and rewarding talent are well laid down and the systems are transparent to identify and reward performers. Congenial environment is being maintained and recreation activities are sponsored 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. S. K. Lakhotia, Executive Director & CEO of your Company resigned from the close of business on March 31, 2010. The Board wishes to place on record its deep sense of appreciation and gratitude for the valuable contribution, guidance and advice received from him.

Smt. P. D. Kothari was appointed as an Additional Director by the Board at its meeting held on March 31, 2010, to hold such office till the conclusion of the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member proposing her name for appointment as Director of your Company in the forthcoming Annual General Meeting.

Mr. D. K. Sharda and Mr. A. Mallick have been re-appointed and promoted as Managing Director and Executive Director & CEO of your Company respectively for a further period of one year with effect from April 01, 2010, subject to the approval of the members of the Company in the ensuing Annual General Meeting.

Mr. P. K. Khaitan and Mr. H. P. Kanoria retire by rotation under Articles 109 and 110 of the Articles of Association of the Company, and being eligible offer themselves, for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts for the year ended March 31, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- c) your Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities; and
- d) your Directors have prepared the Annual Accounts on a 'going concern' basis.

AUDITORS' REPORT

On the comment/observation of the Auditor in their Report on Financial Statements regarding non ascertainment of value of green leaf consumed, in the prescribed manner, as required by the Companies Act, 1956 it is clarified that the 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 utilized in the manufacture of tea and their values at the intermediate stage is not readily ascertainable. It has been also clarified in Note no. 8b(i) of Schedule 19 to the Account.

AUDITORS

Messrs. Price Waterhouse, Chartered Accountants, Kolkata, who retires after the conclusion of the forthcoming Annual General Meeting have sent a letter expressing their unwillingness to be re-appointed as Auditor of the Company. A Special Notice has been received from a member proposing the name of Messrs. Singhi & Co., Chartered Accountants, Kolkata, as Statutory Auditor of the Company in place of the retiring Auditor in the ensuing Annual General Meeting.

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, offers themselves, for re-appointment for the respective Divisions.

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

COST AUDIT

To conduct the cost audit for the following divisions of your Company for the financial year ended March 31, 2010, the following Cost Auditors have been re-appointed:

- i) For Tea Division – M/s DGM & Associates and M/s. B. Ray & Associates.
- ii) For Textile Division – M/s S. Gupta & Co.
- iii) For Chemical (Waldies) Division – M/s S. Gupta & Co.

CORPORATE GOVERNANCE

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

FIXED DEPOSIT

As on March 31, 2010 an amount of Rs.18,87 lakhs was outstanding as fixed deposits received from the public and shareholders of your Company. Matured amount of Rs.3 lakhs remains unclaimed as on the said date.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given

in the statement annexed (Annexure I) hereto forming part of the Report.

PARTICULARS OF EMPLOYEES

The statement under sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this Report is given in Annexure II. The said Annexure II shall, however, be provided to the Members on request made to the Company Secretary.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

A. K. Kothari
Chairman

Kolkata, 30th June, 2010.



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, 2010.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Your 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 to be the thrust area with continuous studies, discussions and analysis being undertaken regularly for further improvement. Some of the measures taken are as under:

- i) Replacement of existing reciprocating compressor by Screw compressor for saving power.
- ii) Replacement of conventional tube lights by energy efficient tube lights (T-28).
- iii) Conversion of 'V' grooved pulley to flat pulley in doubling machines, which consumes less power.
- iv) Installation of energy saving spindles and Spindle tapes in ring frame machines for saving power.
- v) Installation of inverter drive in pneumafil suction motor in Ring Frame and Autoconers and main motor of TFO Machines for reduction in Power consumption.
- vi) Replacement of Mechanical Antiribbon system with the Electronic Antiribbon system.
- vii) Conversion of single Jockey Pulley to Double Jockey Pulley in Ring Frame.

viii) Use of Jute caddies in place of coal in Boiler whenever available.

ix) Replacement of Old conventional fans by FRP fans in our Tea Gardens.

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

Besides efforts as mentioned above, the proposal of investments required to be made to implement the suggestions made by SITRA are under consideration. Your 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 your 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 measures have resulted in saving of energy with its consequential effect to decrease the cost of production. However, due to steep increase in the cost of rice husk, petroleum products and other inputs, the overall cost of production has increased.

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

FORM A

A. Power & Fuel Consumption

	2010	2009
1. Electricity		
a) Purchased		
Unit	3,43,89,348	4,90,97,703
Total Amount (Rs. '000)	1,60,382	2,11,041
Rate/Unit (Rs.)	4.66	4.30
b) Own Generation		
i) Through Diesel Generator (Unit)	27,98,626	39,08,472
Unit per litre of diesel oil	3.02	3.23
Cost/Unit (Rs.)	10.96	10.27
ii) Through Gas Gen Set (Unit)	13,31,597	10,98,606
Unit per (S.Cu.M.)	1.03	1.33
Cost/Unit (Rs.)	2.54	2.41
iii) Through Steam Turbine (Unit)	4,07,28,486	-
Unit per M.T.	806	-
Fuel Cost/Unit (Rs.)	3.84	-



	2010	2009
2. a) Coal (Grade B Coal used in Drier)		
Quantity (M.T.)	6,105	6,286
Total Cost (Rs. '000)	2,31,58	2,25,95
Average Rate (Rs./M.T.)	3,793.41	3,594.26
b) Coal (Grade B Coal used in Boiler)		
Quantity (M.T.)	2,260	2,633
Total Cost (Rs. '000)	95,62	1,19,37
Average Rate (Rs./M.T.)	4,230.23	4,533.74
3. Furnace Oil		
Quantity (K. Ltr.)	126	180
Total Cost (Rs. '000)	42,47	72,43
Average Rate (Rs./Ltr.)	33.70	40.29
4. Others/internal generation		
a) Natural Gas		
Quantity (S.Cu.M.)	21,96,292	21,11,884
Total Cost (Rs. '000)	54,75	52,49
Rate/Unit (Rs./S.Cu.M.)	2.49	2.49
b) Husk		
Quantity (M.T.)	50,538	1,409
Total Cost (Rs. '000)	15,65,32	43,42
Average Rate (Rs./M.T.)	3.10	3.08
c) Jute Caddiles		
Quantity (M.T.)	194	-
Total Cost (Rs. '000)	3,48	-
Average Rate (Rs./M.T.)	1.79	-
B. Consumption per unit of production (Standard, if any -)		
1. Tea		
Production (Gross) (M.T.)	9,278	9,060
Electricity Unit (Units per M.T.)	941	941
Coal (Kgs per M.T.)	658	694
Furnace Oil (Ltrs. Per M.T.)	14	20
Natural gas (C.M. per M.T.)	237	233
2. Cotton and Man-made Fibre Yarn		
Production (M.T.)	18,174	12,913
Electricity (units per M.T.)	3,810	3,441
Husk (MT per M.T.)	4,483	215
Coal (Kgs per M.T.)	148	241
Jute Caddies (Kgs per M.T.)	28	-
3. Steel Structural		
Production (M.T.)	2,304	1,701
Electricity (Units per M.T.)	90	112
4. Lead Oxides		
Production (M.T.)	3,826	3,397
Electricity (Units per M.T.)	182	170
Coal (Kgs per M.T.)	252	225
5. White lead, Lead Salts & Metallic Stearates		
Production (M.T.)	678	544
Electricity (Units per M.T.)	267	328
Coal (Kgs per M.T.)	404	592

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

- | | |
|--|---|
| 1. Specific areas in which R & D is carried out by the Company | Your Company subscribes to 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. |
| 2. Benefits derived as a result of the above R & D | R & D have resulted in resource conservation, efficiency and reduction in cost of production, beside, improvement in quality of the products. |
| 3. Future plan of action | Your Company is committed to strengthen R & D activities to improve its competitiveness in the global market by procuring and installing suitable latest machines/equipments as and when required. |
| 4. Expenditure on R & D | |
| a) Capital | Nil |
| b) Recurring | Rs. 7,88,211 |
| c) Total | Rs. 7,88,211 |
| d) Total R & D expenditure as a percentage of Total Turnover | 0.013% |

Technology absorption, adaptation & innovation

- | | |
|--|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | By keeping track of latest development in the field of technology, efforts are continuously made to procure and install the latest machines/equipments. The Company has installed :
a) Latest Rieter make Xorella Yarn Conditioning machine, Uster Evenness Tester UT-5, FUSTER Strength Tester, Tensorapid UTR, Automatic Wrap Reel, etc. at Akbarpur, Punjab.
b) Latest assembly winding machine (VERSA), Sapru make TFO machines, and Spectro photometer at Champdani, West Bengal.
c) Latest Irrigation System at your Tea Gardens. |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, Import substitution etc. : | The above efforts have helped in improving the productivity, conservation of power and energy and overall improvement in the quality of products. |
| 3. Details of Imported technology | No technology has been imported by the Company during the last five years. |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|--|---|
| f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: | The Exports during the year increased by 87% over previous year. Further efforts are made to produce quality products which are acceptable in overseas market by continuous R & D in all the stages of production and to identify and develop new export markets for the products of the Company and to increase its exports. |
|--|---|

g) Total foreign exchange used and earned.

	2010 (Rs. '000)	2009 (Rs. '000)
Foreign exchange earned	34,98,06	20,25,59
Foreign exchange used	23,83,97	28,42,58

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

Kolkata, 30th June, 2010.



REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

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

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

I. Board of Directors (Board)

A) Composition

Your Company's Board presently comprises of 9 (Nine) Directors, 5 (Five) of whom are Independent Directors, 2 (Two) are Non – Executive Directors and 2 (Two) 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 2009-10 are as under:

S. N.	Date of Board Meeting	City	No. of Directors present
1.	April 30, 2009	Kolkata	7
2.	June 30, 2009	Kolkata	7
3.	July 30, 2009	Kolkata	5
4.	August 27, 2009	Kolkata	8
5.	October 27, 2009	Kolkata	7
6.	January 30, 2010	Kolkata	5
7.	March 31, 2010	Kolkata	6

B) Non-Executive Directors' Compensation and Disclosures

All remuneration paid to the non-executive Directors and Independent Directors are approved by the Board of Directors and have the Shareholders' approval. At present, the sitting fees paid for attending a meeting of the Board of Directors or its Committees is Rs. 7,500/-. Details of sitting fees paid to them are given at respective places in this Report.

C) Other Provisions as to Board and Committees

Your Company's Board of Directors plays an 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.



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 2009-2010		No. of Outside Directorship#	No. of Membership(s)/ Chairmanship(s) in Outside Committee*
		Board Meetings	Last AGM held on 27.08.09		
Mr. A. K. Kothari	Promoter Non-Executive Chairman	7	Yes	8	2
Smt. P. D. Kothari (Appointed as an Additional Director w.e.f. March 31, 2010)	Promoter Non-executive	-	N.A.	5	-
Mr. P. K. Khaitan	Non-executive Independent	3	Yes	14	5
Mr. J. N. Godbole	Non-executive Independent	6	Yes	10	6 (1 as Jt. Chairman)
Mr. H. P. Kanoria	Non-executive Independent	3	No	4	-
Mr. S. Lahiri	Non-executive Independent	7	Yes	1	1
Mr. H. M. Parekh	Non-executive Independent	4	Yes	9	7 (2 as Chairman)
Mr. D. K. Sharda (w.e.f. April 01, 2010)	Managing Director	6	Yes	2	-
Mr. S. K. Lakhotia (Resigned from the close of business on March 31, 2010)	Executive Director & CEO	3	Yes	-	-
Mr. A. Mallick (w.e.f. April 01, 2010)	Executive Director & CEO	6	Yes	-	-

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 stakeholder's viz. shareholders, customers, creditors, employees, government, regulatory agencies, media and society at large. The Code is available on the Company's website.

Declaration as required under Clause 49 of the Listing Agreement

All the Directors and the Core Management of the Company have affirmed compliance with the Company's 'Code of Conduct' for the financial year ended March 31, 2010.

D. K. Sharda
Managing Director

A. Mallick
Executive Director & CEO

Kolkata, 30th June, 2010.



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), (D) and (E) 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 August 27, 2009.

B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 4 (four) times on June 30, 2009, July 30, 2009, October 27, 2009 and January 30, 2010 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	No. of Meetings attended	Sitting fees paid
Mr. S. Lahiri	4	Rs.30,000/-
Mr. A. K. Kothari	4	Rs.30,000/-
Mr. J. N. Godbole	3	Rs.22,500/-
Mr. H. M. Parekh	3	Rs.22,500/-

C) Powers of Audit Committee

The audit committee is endowed with the following powers:

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

D) Role of Audit Committee

The role of the audit committee includes the following:

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



9. Discussion with internal auditors on any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

E) Review of information by Audit Committee

The Audit Committee reviews the following information:

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

III. Subsidiary Companies

Your Company does not have any subsidiary Company.

IV. Disclosures

A) Basis of Related Party transactions

Your Company places all the details of related party transactions before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18, prescribed under the Companies Act, 1956, forms part of Note No. 19 of Schedule 19 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 constituted by the Company to discharge the role envisaged in Clause 49 of the Listing Agreement and to ensure compliance of the related provisions of the Companies, Act, 1956 with respect to determination of remuneration package for Managing Director/Executive Director.

Mr. H. P. Kanoria is the Chairman of the Remuneration Committee. The Remuneration Committee met once during the year on March 25, 2010. Details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	Attendance	Sitting fees paid
Mr. H. P. Kanoria	Yes	Rs.7,500/-
Mr. A. K. Kothari	Yes	Rs.7,500/-
Mr. P. K. Khaitan	Yes	Rs.7,500/-
Mr. H. M. Parekh	No	-

Remuneration of the Managing Director and Executive Director & CEO are recommended by the Remuneration Committee and are considered and thereafter 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 March 31, 2010 are as follows :

(in Rs. '000)

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.	1,13	1,13
Mr. P. K. Khaitan	N.A.	N.A.	N.A.	N.A.	30	30
Mr. J. N. Godbole	N.A.	N.A.	N.A.	N.A.	67	67
Mr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	30	30
Mr. S. Lahiri	N.A.	N.A.	N.A.	N.A.	90	90
Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	52	52
Mr. D. K. Sharda	14,82	1,78	N.A.	2,03	N.A.	18,63
Mr. S. K. Lakhota	19,20	2,30	6,87	3,87	N.A.	32,24
Mr. A. Mallick	12,00	1,44	N.A.	2,91	N.A.	16,35
Total	46,02	5,52	6,87	8,81	3,82	71,04

(N.A. indicates Not Applicable)

Mr. D. K. Sharda, Managing Director and Mr. A. Mallick, Executive Director & CEO of the Company have been re-appointed for a period of 1 (one) year w.e.f. April 01, 2010. The Notice period for the said Directors is 3 (three) months each.

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, 2010
Mr. A. K. Kothari	83525
Smt. P. D. Kothari (Appointed as an Additional Director w.e.f. March 31, 2010)	45250
Mr. P. K. Khaitan	-
Mr. J. N. Godbole	-
Mr. H. P. Kanoria	-
Mr. S. Lahiri	-
Mr. H. M. Parekh	-

F) Management

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

G) Shareholders

- i) The Company has provided the details of the Directors seeking appointment/re-appointment in the Notice convening the Annual General Meeting of the Company.

Mr. A. K. Kothari and Smt. P. D. Kothari are related to each other.

- ii) 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. A. K. Kothari, Mr. P. K. Khaitan 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 once during the year on January 30, 2010. Details of the composition, attendance and sitting fees paid are as follows:

Name of the Member	Attendance	Sitting fees paid
Mr. S. Lahiri	Yes	Rs. 7,500/-
Mr. A. K. Kothari	Yes	Rs. 7,500/-
Mr. P. K. Khaitan	No	-
Mr. D. K. Sharda	Yes	N.A.

During the year the Company received 18 complaints regarding non-receipt of Annual Report/Share Certificate/Dividend from the shareholders, all of which were attended satisfactorily.

iii) To expedite the process of transfer of shares in the physical segment, necessary authority has been delegated by your Board to a Committee of Directors. The said Committee is authorised to approve share transfers / transmission / rematerialisation / dematerialization of shares of the Company.

vi) Compliances by the Company

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

V. CEO/CFO Certification

CEO/CFO certificate, as required in terms of the Listing Agreements, 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

- Certificate from Mr. K. C. Dhanuka, Company Secretary, in wholetime practice, 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.
- The Company is compliant with all the mandatory requirements of Clause 49 of the Listing Agreement. As

far as the non-mandatory requirements are concerned, the Board has set up a Remuneration Committee, the details of which have been provided 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
2008-2009 (75th AGM)	27.08.2009	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	11.30 A.M.
2007-2008 (74th AGM)	11.09.2008	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata-700 001.	10.30 A.M.
2006-07 (73rd AGM)	05.09.2007	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry Kolkata - 700 001.	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 Agreements are approved by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the leading newspapers like Economic Times/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 being sent to each household of shareholders.



X. General Shareholder Information

i) Date, Time and Venue of the Annual General Meeting	September 07, 2010 at 11-30 A.M. at the Williamson Magor Hall of the Bengal Chamber of Commerce and Industry, Kolkata-700 001
ii) Financial Calendar 2010-2011 (tentative and subject to change)	<ul style="list-style-type: none"> • Financial Year: April to March • First Quarter Results: by second week of August, 2010 • Half Yearly Results: by second week of November 2010 • Third Quarter Results: by second week of February 2011 • Audited results for the year ending 31st March, 2011 : by last week of May, 2011
iii) Listing on Stock Exchanges	<ul style="list-style-type: none"> i) The Calcutta Stock Exchange Ltd., (CSE) 7 Lyons Range, Kolkata-700 001. ii) Bombay Stock Exchange Ltd., (BSE) P J Towers, Dalal Street, Mumbai- 400 001. iii) National Stock Exchange of India Ltd., (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai - 400 051 (Ordinary Shares of the Company were listed and admitted to dealings on the NSE w.e.f., December 14, 2009)
iv) Stock Code	CSE - 10017321 BSE – 532716 NSE - GILLANDERS
v) Book Closure Period*	July 30, 2010 to August 05, 2010 (both days inclusive)
vi) Dividend Payment Date	2nd week of September, 2010
vii) Outstanding ADRs/GDRs	Not applicable

* The Book Closure dates were preponed from August 31, 2010 to September 07, 2010 (both days inclusive) to July 30, 2010 to August 05, 2010 (both days inclusive) for the purpose of Annual General Meeting and declaration of dividend by a resolution passed by Circulation by the Board of Directors on July 02, 2010. The same was intimated to the Stock Exchanges and published in the newspapers.

viii) Distribution of Shareholding as on March 31, 2010

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	13,542	92.8999	9,62,662	6.7659
501-1000	541	3.7113	4,07,559	2.8644
1001-2000	240	1.6464	3,60,207	2.5316
2001-3000	79	0.5419	2,04,402	1.4366
3001-4000	38	0.2607	1,34,005	0.9418
4001-5000	29	0.1989	1,37,805	0.9685
5001-10000	51	0.3499	3,88,281	2.7289
10001 and above	57	0.3910	1,16,33,310	81.7623
Total	14,577	100.00	1,42,28,231	100.00

ix) Categories of Shareholders as on March 31, 2010

Category	Number of Shares	Percentage of Shareholdings
Indian Promoters	97,60,960	68.6027
Mutual Funds	200	0.0014
Banks, Financial Institutions, Insurance Companies	8,87,553	6.2380
Central Government/State Government(s)	4,919	0.0346
Other Private Corporate Bodies	8,99,481	6.3218
Indian Public	26,30,938	18.4910
NRI/OCB-s	44,180	0.3105
Total	1,42,28,231	100.00

**X) Stock Market Price for the year#**

Months	Stock Price at BSE		Stock Price at NSE*		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High	Low
April 2009	63.00	51.05	NA	NA	11,492.10	9,546.29
May 2009	87.40	57.60	NA	NA	14,930.54	11,621.30
June 2009	108.95	80.00	NA	NA	15,600.30	14,016.95
July 2009	104.40	85.00	NA	NA	15,732.81	13,219.99
August 2009	118.80	95.05	NA	NA	16,002.46	14,684.45
September 2009	116.75	100.00	NA	NA	17,142.52	15,356.72
October 2009	114.40	100.00	NA	NA	17,493.17	15,805.20
November 2009	124.90	100.00	NA	NA	17,290.48	15,330.56
December 2009	157.70	124.00	157.50	135.10	17,530.94	16,577.78
January 2010	175.50	129.15	176.90	130.00	17,790.33	15,982.08
February 2010	167.00	138.10	168.90	138.10	16,669.25	15,651.99
March 2010	159.00	141.00	164.00	140.00	17,793.01	16,438.45

Sources BSE & NSE websites.

* Ordinary Shares of the Company were listed and admitted to dealings on the NSE w.e.f. December 14, 2009.

xi) Registrars & Share Transfer Agent (Both Physical & Demat Segments)	Maheshwari Datamatics Pvt. Ltd., (Unit : Gillanders Arbuthnot and Company Limited) 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2nd floor, Kolkata - 700 001.
xii) Share Transfer System	Requests for transfer of shares in physical form received either at the office of the Company or at the Office of the Registrars are generally approved by the Committee of Directors within a maximum period of 3 weeks from the date of receipt provided the documents are complete in all respects. Dematerialization requests are also normally disposed off within an average period of 3 weeks.
xiii) Dematerialisation of Shares and Liquidity	The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i.e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialized form in accordance with the provisions of the Depositories Act, 1996. As per SEBI Guidelines, Ordinary Shares of the Company are compulsorily traded in dematerialized form for all the investors with effect from August 28, 2000. As on March 31, 2010, 13491351 Shares representing 94.82% 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



<p>xiv) Address for Communication</p>	<p>Gillanders Arbuthnot and Company Limited, 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 and Company Limited) 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd floor, Kolkata – 700 001. Phone : (033) 2248 2248, 2243 5029 Fax : 033-22484787 E-mail : mdpl@cal.vsnl.net.in</p>														
<p>xv) Plant Locations</p>	<p>1. Tea Divisions :</p> <table border="0"> <tr> <td>a) Betjan Tea Estate, Post Office : Makum Junction, District : Tinsukia, Assam. Pin - 786170</td> <td>g) Borkatonee Tea Estate, P.O. Golaghat, District : Golaghat, Assam. Pin - 785621</td> </tr> <tr> <td>b) Jutlibari Tea Estate, Post Office : Hoogrijan, District : Dibrugarh, Assam. Pin - 786601</td> <td>h) Dherai Tea Estate, P.O. Dhekiajuli, District : Sonitpur, Assam. Pin - 784110</td> </tr> <tr> <td>c) Gorunga Tea Estate, Post Office : Golaghat, District : Golaghat, Assam. Pin - 785621</td> <td>i) Banwaripur Tea Factory, (Tea Processing Factory taken on lease), P.O. Golaghat, District : Golaghat, Assam. Pin - 785621</td> </tr> <tr> <td>d) Arun Tea Estate, Post Office : Dhekiajuli, District : Sonitpur, Assam. Pin - 784110</td> <td>j) Gairkhata Tea Estate, Post Office : Gairkhata, District : Jalpaiguri, W.B. Pin - 735212</td> </tr> <tr> <td>e) Dooria Tea Estate, Post Office : Golaghat, District : Golaghat, Assam. Pin - 785621</td> <td>k) Taipoo Tea Estate, Post Office : Bagdogra, District : Darjeeling, W. B. Pin - 734 422</td> </tr> <tr> <td>f) Tengpani Tea Estate, P.O. - Makum JN., Dist. - Tinsukia, Assam. Pin - 786170</td> <td></td> </tr> </table> <p>2. Textile Division :</p> <table border="0"> <tr> <td>(i) North India Spinning Mill, Vill. - Akbarpur, Ahmedgarh - 148021 District - Sangrur, Punjab.</td> <td>(ii) GIS Cotton Mill, 47, G. T. Road, Champdany, P.O. Baidyabati Dist.: Hooghly, W.B. Pin - 712222</td> </tr> </table> <p>3. Engineering (MICCO) Division : Sodepur, Ekford Road, 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>	a) Betjan Tea Estate, Post Office : Makum Junction, District : Tinsukia, Assam. Pin - 786170	g) Borkatonee Tea Estate, P.O. Golaghat, District : Golaghat, Assam. Pin - 785621	b) Jutlibari Tea Estate, Post Office : Hoogrijan, District : Dibrugarh, Assam. Pin - 786601	h) Dherai Tea Estate, P.O. Dhekiajuli, District : Sonitpur, Assam. Pin - 784110	c) Gorunga Tea Estate, Post Office : Golaghat, District : Golaghat, Assam. Pin - 785621	i) Banwaripur Tea Factory, (Tea Processing Factory taken on lease), P.O. Golaghat, District : Golaghat, Assam. Pin - 785621	d) Arun Tea Estate, Post Office : Dhekiajuli, District : Sonitpur, Assam. Pin - 784110	j) Gairkhata Tea Estate, Post Office : Gairkhata, District : Jalpaiguri, W.B. Pin - 735212	e) Dooria Tea Estate, Post Office : Golaghat, District : Golaghat, Assam. Pin - 785621	k) Taipoo Tea Estate, Post Office : Bagdogra, District : Darjeeling, W. B. Pin - 734 422	f) Tengpani Tea Estate, P.O. - Makum JN., Dist. - Tinsukia, Assam. Pin - 786170		(i) North India Spinning Mill, Vill. - Akbarpur, Ahmedgarh - 148021 District - Sangrur, Punjab.	(ii) GIS Cotton Mill, 47, G. T. Road, Champdany, P.O. Baidyabati Dist.: Hooghly, W.B. Pin - 712222
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XI. Other Board Committees

- i) The Board of Directors of the Company have constituted a Committee of Directors under Section 292 of the Companies Act, 1956 (Act) and have delegated powers/authorities to the said Committee under Section 292(1)(c), (d) and (e) of the Act, subject to certain limits. Mr. A. K. Kothari is the Chairman of the Committee and Mr. D. K. Sharda, Managing Director and Mr. A. Mallick, Executive Director and CEO of the Company are the other members of the said Committee. The Committee meets as and when required.
- ii) The Company has a Quarterly Result Approval Committee, which meets as and when required.

XII. Other

i) Unpaid/Unclaimed Dividends

Shareholders who have not yet encashed their dividend warrants for the years 2002-2003 to 2008-2009 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 2002-2003 is due for transfer to IEPF later during the year.

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

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

For and on behalf of the Board

A. K. Kothari
Chairman

Kolkata, June 30, 2010.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Gillanders Arbuthnot and Company Limited

We have reviewed the compliance of conditions of Corporate Governance by Gillanders Arbuthnot and Company Limited for the year ended March 31, 2010, 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 explanations 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, 30th June, 2010



TEN YEAR FINANCIAL HIGHLIGHTS

Rs. '000

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Share Capital	16,22,82	16,22,82	16,07,19	11,22,31	11,22,31	10,87,93	4,84,76	4,75,65	4,75,65	4,75,65
Reserves & Surplus	1,51,74,76	1,34,86,91	1,25,98,86	1,10,74,06	1,06,19,37	1,00,05,83	48,50,67	46,54,52	45,31,67	43,00,39
Net Worth*	1,67,97,58	1,50,20,84	1,41,42,46	1,21,29,98	1,17,40,90	1,10,88,89	53,08,29	50,84,40	49,39,66	46,96,50
Fixed Assets (Net)	2,29,40,06	2,37,36,56	2,15,49,20	92,01,84	86,47,89	92,80,73	23,46,02	20,49,42	21,25,73	22,78,88
Investments	17,07,78	13,36,49	14,35,05	25,56,31	37,24,70	22,09,54	20,14,77	20,13,69	24,43,04	16,42,37
Net Current Assets	1,45,78,83	89,09,60	76,25,47	65,40,81	50,39,30	62,94,18	12,07,71	12,80,80	6,39,14	8,28,98
Total Capital Employed	3,92,26,67	3,40,71,54	3,06,73,31	1,83,65,35	1,74,12,67	1,77,89,32	55,95,64	53,89,68	52,75,57	48,29,77
Sales (Net)	6,07,11,66	4,71,10,91	3,94,15,13	2,59,23,35	2,46,13,77	2,28,89,84	47,63,14	39,24,57	39,18,42	43,38,07
Profit Before Tax	38,36,07	22,10,36	18,46,60	10,70,14	5,39,30	2,49,38	(1,64,35)	2,62,78	8,64,01	4,07,07
Profit After Tax	25,36,07	16,56,29	14,84,07	7,74,62	5,03,48	3,90,09	(1,08,14)	2,57,00	8,01,60	2,97,00
Dividend Distributed	7,27,41[@]	7,27,41	5,78,87	2,80,58	2,52,52	2,17,59	72,71	1,18,91	3,56,74	1,42,70
Retained earnings for the year ^{\$}	16,87,85	8,05,26	8,01,38	4,54,69	2,15,54	1,41,98	(1,90,35)	1,22,85	4,44,86	1,39,75
Dividend (%)										
Equity	50	50	40	25	22.50	20	15	25	75	30
Preference	8	8	8	-	-	-	-	-	-	-
Earnings per Ordinary Share (Rs.)	17.69	11.51	10.41	6.90	4.49	3.59	(2.23)	5.40	16.85	6.24
Net Worth per Ordinary Shares (Rs.)	118.06	105.57	100.50	108.08	104.61	101.93	109.50	106.89	103.86	98.74

* 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 AND COMPANY LIMITED

1. We have audited the attached Balance Sheet of Gillanders Arbuthnot and Company Limited, as at 31st March 2010, 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.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
 - 5.1 We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - 5.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 5.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 5.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - 5.5 On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2010 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 together with the notes thereon and attached thereto give, subject to Note 8b(i) of schedule 19 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 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

P. Law
Partner

Kolkata, 30th June 2010.

Membership Number 51790



ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 4 of the Auditors' Report of even date to the members of Gillanders Arbuthnot and Company Limited on the financial statements for the year ended 31st March 2010]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified 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. In respect of stock lying with third parties, those have substantially been confirmed by them and/or have been verified with reference to subsequent sale. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) 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. (a) The Company has taken unsecured demand loans, from five 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. 1000.00 lacs and Rs. Nil 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 of the aforesaid loans and the Company has during the year, repaid the principal amounts and paid the interest.
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 and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
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 the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. As at 31st March 2010, there were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable, except in respect of service tax as stated below :

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

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

- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as applicable as at 31st March 2010 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	8.21	31st March, 2005	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		7.40	2003-04	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		66.40	31st March, 2006	Sr. Joint Commissioner Sales Tax, Kolkata
The West Bengal Sales Tax Act, 1944	Sales Tax	1.44	4 quarters ended 31st March, 1997	The Deputy Commissioner of Commercial Taxes - Corporate Division, Kolkata
		0.82	31st March, 2002	Additional Commissioner of Commercial Taxes - Corporate Division, Kolkata
		0.10	31st March, 2005	The Deputy Commissioner of Commercial Taxes - Corporate Division, Kolkata
		28.81	Year ended 31st March, 1999	Deputy Commissioner, Kolkata
		9.68	Year ended 31st March, 2004	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2005	Sales Tax	15.56	31st March, 2006	Sr. Joint Commissioner Sales Tax, Kolkata
Bengal Finance (Sales Tax Act, 1941)	Sales Tax	15.66	Year ended, 31st March, 1986	West Bengal Commercial Taxes, Appellate and Revisional Board, Kolkata
Central Excise Act, 1944	Excise Duty	13.21	Year ended 31st March, 1988	Commissioner, Central Excise and Customs, Bhubneshwar - I
		21.11	Upto 21.08.1985	Commissioner of Central Excise (Appeal)
		8.11	2000-01 and 2001-02	Office of the Commissioner-Central Excise, Kolkata



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, 1944	Excise Duty	5.34	2007-08	Office of the Commissioner- Central Excise, Kolkata.
	On Manufacture and sale of various goods	16.01	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	Office of the Additional / Deputy Commissioner of Central Excise, Kolkata.
	Cenvat, Cess and Penalty	27.33	July 2007	Office of the Commissioner of Central Excise, Kolkata
	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 (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 2010 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 at the Balance Sheet date. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
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 issue 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.

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

P. Law
Partner

Kolkata, 30th June, 2010.

Membership Number 51790

**BALANCE SHEET** as at 31st March, 2010

Rs. '000

SOURCES OF FUNDS	Schedule No.	2010		2009	
1. SHAREHOLDERS' FUNDS					
a) Share Capital	1	16,22,82		16,22,82	
b) Reserves and Surplus	2	1,51,74,76	1,67,97,58	1,34,86,91	1,51,09,73
2. LOAN FUNDS	3				
Secured		1,61,71,95		1,32,37,95	
Unsecured		49,30,14	2,11,02,09	50,66,86	1,83,04,81
3. Deferred Tax Liability - Net (Note 22 on Schedule 19)			13,27,00		6,57,00
Total			3,92,26,67		3,40,71,54
APPLICATION OF FUNDS					
1. FIXED ASSETS	4				
Gross Block		3,59,40,11		3,43,64,52	
Less : Depreciation		1,30,79,39		1,10,31,68	
Net Block		2,28,60,72		2,33,32,84	
Capital Work in Progress		79,34	2,29,40,06	4,03,72	2,37,36,56
2. INVESTMENTS	5		17,07,78		13,36,49
3. CURRENT ASSETS, LOANS AND ADVANCES					
a) Inventories	6	1,27,57,31		88,22,90	
b) Sundry Debtors	7	83,60,43		60,05,63	
c) Cash and Bank Balances	8	5,12,43		4,73,20	
d) Other Current Assets	9	4,18,65		6,44,39	
e) Loans and Advances	10	75,93,22		65,05,70	
		2,96,42,04		2,24,51,82	
Less : -					
4. CURRENT LIABILITIES AND PROVISIONS					
a) Current Liabilities	11	1,22,49,02		1,11,82,59	
b) Provisions	12	28,14,19		23,59,63	
		1,50,63,21		1,35,42,22	
NET CURRENT ASSETS			1,45,78,83		89,09,60
5. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	13				
Deferred Revenue Expenditure			-		88,89
Total			3,92,26,67		3,40,71,54
Notes on Accounts	19				

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

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law
Partner

Membership No. 51790
Kolkata, 30th June, 2010.

D. K. Sharda
Managing Director

D. Karmakar
Company Secretary

For and on behalf of the Board

A. K. Kothari
Chairman

P. K. Jain
Joint President & CFO



PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2010

Rs. '000

	Schedule No.	2009-10		2008-09	
INCOME					
Gross Sales (other than construction)	14A	4,44,50,99		3,48,19,57	
Income from Construction Contracts	14B	1,69,67,52		1,31,69,93	
		<u>6,14,18,51</u>		<u>4,79,89,50</u>	
Less: Excise Duty		7,06,85		8,78,59	
Net Sales			6,07,11,66		4,71,10,91
Rental Income			5,76,51		6,53,35
Other Income	15		9,15,11		6,03,98
			<u>6,22,03,28</u>		<u>4,83,68,24</u>
EXPENDITURE					
Cost of Materials Consumed and Inventory Adjustment	16	3,03,22,29		2,34,94,53	
Manufacturing and Other Expenses	17	2,41,15,86	5,44,38,15	2,02,26,64	4,37,21,17
Profit before Depreciation and Interest			77,65,13		46,47,07
Less : Depreciation /Amortisation	4		21,64,68		12,10,05
Interest/ Finance Charges	18		17,64,38		12,26,66
Profit before Taxation			38,36,07		22,10,36
Taxation Charge :					
- Current Tax			6,30,00		2,14,10
- Deferred Tax (Note 22 on Schedule 19)			6,70,00		3,12,00
- Fringe Benefit Tax			-		35,00
- Excess Provision for Income Tax Written Back			-		(7,03)
Profit after Tax			25,36,07		16,56,29
Profit Brought Forward			8,95,30		5,90,04
PROFIT AVAILABLE FOR APPROPRIATION			34,31,37		22,46,33
APPROPRIATIONS					
Proposed Dividend :					
- Ordinary Shares			7,11,41		7,11,41
- Preference Shares			16,00		16,00
Tax on Dividend			1,20,81		1,23,62
Transfer to General Reserve			5,00,00		5,00,00
Balance Carried Forward			20,83,15		8,95,30
			<u>34,31,37</u>		<u>22,46,33</u>
Earnings basic and diluted per share (of Rs. 10 each) - Rupees (Note 21 on Schedule 19)			17.69		11.51
Notes on Accounts	19				

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

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law
Partner

Membership No. 51790
Kolkata, 30th June, 2010.

D. K. Sharda
Managing Director

D. Karmakar
Company Secretary

For and on behalf of the Board

A. K. Kothari
Chairman

P. K. Jain
Joint President & CFO

**CASH FLOW STATEMENT** for the year ended 31st March, 2010

Rs. '000

	2010	2009	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items	38,36,07		22,10,36
Adjustments for :			
Depreciation	21,64,68		12,10,05
(Profit)/Loss on Sale of Investments (Net)	11,56		(33,58)
Profit on Sale/discard of Fixed Assets (Net)	(8,46)		(6,56)
Deferred Revenue Expenditure written off	88,89		88,89
Bad Debts written off	1,12,58		23,29
Bad Advances written off	10,93		27
Provision for Doubtful Debts and advances (Net of write back)	(2,14,62)		2,82,28
Provision for diminution in value of investment	-		27,80
Provision for diminution in value of investment no longer required written back	(27,80)		-
Interest /Finance Charges (Net of incentive income)	17,64,38		12,26,66
Interest Income	(75,18)		(78,11)
Dividend Income	(33,67)		(81,25)
Liability no longer required written back	(42,20)		(40,93)
Operating profit before Working Capital Changes	75,87,16		48,29,17
Adjustments for :			
Trade and Other Receivables	(30,20,24)		(42,19,91)
Inventories	(39,34,41)		(15,86,10)
Trade Payables	11,69,51	(57,85,14)	34,76,14
Cash Generated from Operations	18,02,02		24,99,30
Direct Taxes Paid (Net)	(4,73,31)		(2,51,49)
Fringe Benefit Tax Paid	(8,23)		(29,97)
Interest received on Income Tax Refund	19,32		5,05
	13,39,80		22,22,89
Payment under Voluntary Retirement Scheme	-		(1,14,19)
Net Cash from Operating Activities	13,39,80		21,08,70
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including capital work-in-progress	(15,85,91)		(18,37,79)
Proceeds from Sale of Fixed Assets	45,43		23,98
Capital Subsidy Received	7,90		1,36,82
Purchase of Investments	(60,40,07)		(44,29,96)
Proceeds from Sale of Investments	56,85,02		45,34,43
Interest Received	69,57		67,28
Dividend Received	33,67		81,25
Net Cash used in Investing Activities	(17,84,39)		(14,23,99)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short Term Borrowings (Net)	31,31,31		13,20,76
Proceeds from Long Term Borrowings	5,37		14,95,83
Repayment of Long Term Borrowings	(5,28,73)		(5,48,92)
Proceeds from Fixed Deposits	5,22,09		3,05,70
Repayment of Fixed Deposits	(2,74,46)		(1,84,36)
Dividend Paid	(7,24,58)		(6,07,11)
Tax on Dividend	(1,23,62)		(1,03,82)
Interest/Finance Charges Paid	(15,23,56)		(23,63,81)
Net Cash from / (used) in Financing Activities	4,83,82		(6,85,73)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	39,23		(1,02)



CASH FLOW STATEMENT (Contd.)

Rs. '000

	2010	2009
Cash and Cash Equivalents on Opening date (Schedule 8)	4,73,20	4,35,47
Cash and Cash Equivalents taken over pursuant to Scheme of Amalgamation	-	38,75
Cash and Cash Equivalents on Closing date (Schedule 8)	5,12,43	4,73,20
	<u>(39,23)</u>	<u>1,02</u>

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements prescribed under the Companies Act, 1956.
2. Previous year's figures have been rearranged and regrouped wherever necessary.

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

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law

Partner

Membership No. 51790
Kolkata, 30th June, 2010.

D. K. Sharda
Managing Director

D. Karmakar
Company Secretary

For and on behalf of the Board

A. K. Kothari
Chairman

P. K. Jain
Joint President & CFO

**SCHEDULES TO ACCOUNTS**

	Rs. '000	
	2010	2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
4,20,00,000 (2009 - 4,20,00,000) Ordinary Shares of Rs. 10/- each	42,00,00	42,00,00
2,00,000 (2009 - 2,00,000) Preference Shares of Rs. 100/- each	2,00,00	2,00,00
	44,00,00	44,00,00
Issued and Subscribed		
1,42,28,231 (2009 - 1,40,71,981) Ordinary Shares of Rs.10/- each	14,22,82	14,07,19
Of the Above -		
(i) 10,31,62,93 (2009 - 1,01,60,043) 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 (2009 - 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 (2009 - 2,00,000) 8% Redeemable Cumulative Preference Share of Rs. 100/- each issued as fully paid up pursuant to a contract (Scheme of Amalgamation / Arrangement) without payment being received in cash (See note below).	2,00,00	2,00,00
Share Capital Suspense		
Nil (2009 - 1,56,250) Ordinary Shares of Rs. 10/- each	-	15,63
	16,22,82	16,22,82

Note:- The 8% Redeemable Cumulative Preference Share are redeemable at par in 15 (Fifteen) years from the date of allotment i.e. 31.03.2005 with the option to the Company to redeem the same at anytime after the expiry of 60 (Sixty) months from the date of allotment at the discretion of the Board of Directors of the Company.

SCHEDULE 2**RESERVES AND SURPLUS**

RS. '000

	As at 31st March, 2009	Additions	As at 31st March, 2010
Capital Reserve	33,94,87	-	33,94,87
Amalgamation Reserve	61,93	-	61,93
Export Profit Reserve	85	-	85
Preference Shares Redemption Reserve	62,47	-	62,47
General Reserve	90,71,49	5,00,00 *	95,71,49
	1,25,91,61	5,00,00	1,30,91,61
Profit and Loss Account	8,95,30	-	20,83,15
	1,34,86,91	-	1,51,74,76

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



SCHEDULES TO ACCOUNTS

Rs. '000

SCHEDULE 3

LOAN FUNDS

Secured Loans

(Note 5 on Schedule 19)

Term Loans

From Banks:

IDBI Bank Ltd.

28,24,90

31,59,87

State Bank of India

33,34,95

34,33,11

State Bank of Patiala

24,10,00

24,10,00

Vijaya Bank

2,18,19

3,13,43

United Bank of India

-

36

IndusInd Bank Ltd. (For Equipments)

1,36,98

1,22,60

HDFC Bank Ltd. (For Vehicles)

29,13

10,80

89,54,15

94,50,17

From Others:

Srei Equipment Finance Pvt. Ltd. (For Equipments)

47,51

1,79,19

Tea Board of India

2,01,20

1,95,83

Working Capital Facility from Banks

Cash Credit Accounts

69,69,09

34,12,76

Total

1,61,71,95

1,32,37,95

Unsecured Loans

Fixed Deposits (From Public)

18,84,16

15,95,86

[Repayable within one year Rs. 1,40,960 thousands

(2009 - Rs. 13,45,26 thousands)]

Short Term Loans from:

ICICI Bank Ltd.

5,00,00

5,00,00

Axis Bank Ltd.

24,99,98

20,00,00

From bodies corporate

46,00

9,71,00

Total

49,30,14

50,66,86



SCHEDULES TO ACCOUNTS

SCHEDULE 5 (Contd.)

INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, units, etc	Book Value as at 31st March, 2010	Book Value as at 31st March, 2009
ii) UTI Fixed Income Interval Fund-Monthly Interval Fund Series-1 Institutional Dividend Plan - Reinvestment	Nil (2009-50,00,000.00 Units)	10	-	5,00,00
Movements during the year :				
	Units		Book Value (Rs. '000)	
Dividend Reinvested	29,064.10		2,91	
Sold/Lateral Out	50,29,064.10		5,02,91	
iii) UTI GILT Advantage Fund - Long Term Plan - Dividend Plan - Reinvestment	Nil (2009-18,67,717.324 Units)	10	-	2,43,59
Movements during the year :				
	Units		Book Value (Rs. '000)	
Dividend Reinvested	13,069.404		1,52	
Sold/Lateral Out	18,80,786.728		2,45,11	
iv) UTI Fixed Maturity Plan - Yearly Series (YFMP 09/09) Institutional Growth Plan (Lateral In during the year)	30,00,000.00 Units (2009 - Nil)	10	3,00,00	-
v) Birla Sunlife Capital Protection Oriented Fund Series - I (Purchased during the year)	20,00,000.00 Units (2009 - Nil)	10	2,00,00	
vi) UTI Fixed Maturity Plan - Yearly FMP Series (YFMP 03/10) Institutional Growth Plan (Purchased during the year)	21,55,089.549 Units (2009 - Nil)	10	2,15,51	
			7,15,51	10,08,36
Less : Provision of Diminution in value of Investment			-	27,80
			7,15,51	9,80,56



SCHEDULES TO ACCOUNTS

SCHEDULE 5 (Contd.)

INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, Units, etc.	Book Value as at 31st March, 2010	Book Value as at 31st March, 2009
IV. Fully Paid Debentures-				
i) 1/2% Debentures in Woodlands Hospital and Medical Research Centre Ltd.	159 (2009- 159)	100	16	16
ii) 5% Non Redeemable Mortgage Debenture Stock in Woodlands Hospital and Medical Research Centre Ltd.			54	54
iii) 5% 10 years Redeemable Debenture in Shillong Club Ltd.	13 (2009- 13)	100	1	1
			71	71
V. Fully Paid Equity Shares -				
i) ABC Tea Workers Welfare Services Ltd.	7,502 (2009- 7,502)	10	75	75
ii) Kothari HI Tech Consultants Pvt. Ltd.	95,000 (2009- 95,000)	10	9,50	9,50
iii) Satyam Financial Services Ltd.	1,49,669 (2009- 1,49,669)	10	18,00	18,00
			28,25	28,25
Less : Provision of Diminution in value of Investment			5,00	5,00
			23,25	23,25
			7,39,58	13,36,49
Total - (A)				
B. CURRENT INVESTMENTS UNQUOTED				
OTHER THAN TRADE				
Units in Mutual Funds -				
i) UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Dividend Plan - Reinvestment	20,11,429.617 Units (2009 - Nil)	10	2,01,14	-
Movements during the year :				
	Units	Book Value (Rs. '000)		
Purchased/ Lateral In	20,00,000.000	2,00,00		
Dividend Reinvested	11,429.617	1,14		



SCHEDULES TO ACCOUNTS

SCHEDULE 5 (Contd.)

INVESTMENTS (Contd.)

Rs. '000

	Number	Face Value of Each Bond, Share, Units, etc	Book Value as at 31st March, 2010	Book Value as at 31st March, 2009
ii) KOTAK Quarterly Interval Plan Series 3 - Dividend	4,01,631.07 Units (2009 - Nil)	10	40,16	-
Movements during the year :				
	Units		Book Value (Rs. '000)	
Purchase/ Lateral In	4,00,000.00		40,00	
Dividend Reinvested	1,631.07		16	
iii) UTI Fixed Income Interval Fund - Quartely Plan Series III Institutional Dividend Plan - Re-investment (Purchased during the year)	20,00,000.00 Units (2009 - Nil)	10	2,00,00	-
iv) UTI Floating Rate Fund - Short Term Plan - Institutional Daily Dividend Plan - Re-investment (Purchased during the year)	52,648.981 Units (2009 - Nil)	1000	5,26,90	-
	Total - (B)		9,68,20	-
	Total (A + B)		17,07,78	13,36,49

Notes :

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

	As at 31st March, 2010	As at 31st March, 2009
	-	-
	17,07,78	13,36,49
	17,07,78	13,36,49

2. Aggregate market Value of Quoted Investments
Repurchase Price / NAV of units in Mutual Funds
3. Units in Mutual Funds purchased and sold during the year :-
UTI Liquid Cash Plan institutional -
Daily Income Option-Reinvestment

	As at 31st March, 2010	As at 31st March, 2009
	-	-
	16,97,35	9,81,18

UTI Floating Rate Fund Short Term Plan-Institutional
Growth Option

	Units	Rs. '000
Purchased	93,678	9,55,00
Dividend Reinvestment	8	8
Sold	93,686	9,55,08

UTI Liquid Cash Plan institutional -
Growth Option - Reinvestment

	Units	Rs. '000
Purchased	130,044	13,29,41
Sold	130,044	13,29,41
Purchased	16,644	2,50,00
Sold	16,644	2,50,00



SCHEDULES TO ACCOUNTS

Rs. '000

SCHEDULE 6

INVENTORIES

(Refer note 1(f) of Schedule 19)

Stores and Spare Parts, at cost	
Raw Materials	
Stock-in-Process	
Stock in Trade / Contract in Progress	
Waste	
Scrap	

2010	2009
16,31,49	17,93,66
71,27,73	31,62,43
7,66,67	6,37,01
31,07,47	31,05,77
54,30	88,87
69,65	35,16
1,27,57,31	88,22,90

SCHEDULE 7

SUNDRY DEBTORS

Unsecured

a) Debts outstanding for more than Six Months	
Considered good	
Considered doubtful	

b) Other Debts :	
Considered good	
Considered doubtful	

Total

Less : Provision for Doubtful Debts

2010	2009
2,00,81	1,80,96
1,57,22	3,15,61
3,58,03	4,96,57
81,59,62	58,24,67
-	1,07
81,59,62	58,25,74
85,17,65	63,22,31
1,57,22	3,16,68
83,60,43	60,05,63

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 41,35 thousands	
(2009 - Rs. 38,52 thousands)]	
On Fixed Deposit Account	

2010	2009
32,03	5,98
27,72	1,15
3,16,44	3,80,88
1,36,24	85,19
5,12,43	4,73,20

SCHEDULE 9

OTHER CURRENT ASSETS

(Unsecured - Considered good)	
Interest accrued on Investments	
Interest accrued on Loans and Deposits	
Subsidy / Incentive Receivable	
Claim Receivable	
Others	

2010	2009
1,51	11,93
11,61	14,90
3,85,91	6,17,26
30	30
19,32	-
4,18,65	6,44,39

**SCHEDULES TO ACCOUNTS**

Rs. '000

SCHEDULE 10**LOANS AND ADVANCES**

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

Considered good

23,54,69

24,01,03

Considered doubtful

43,86

47,69

Advance payment of Income Tax

11,77,70

8,24,13

Balances with Port Trust, Customs, Chamber of Commerce. etc.

Considered good

3,39,28

10,76,06

Considered doubtful

12,44

12,44

Deposits

Considered good (Note below)

37,21,55

22,04,48

Considered doubtful

18

51,51

76,49,70

66,17,34

Less : Provision for Doubtful Advances and Deposits

56,48

1,11,64

75,93,22

65,05,70

Note: Includes Rs. 1,52,25 thousands (2009 - Rs. 1,52,25 thousands) deposited in NABARD

SCHEDULE 11**CURRENT LIABILITIES**

Acceptances

4,69,12

8,88,94

Sundry Creditors

68,69,20

57,83,04

Deposits from Contractors / Tenants (Net of Advances)

8,78,26

5,93,10

Advance from Selling Agents

4,87

30,72

Unclaimed Dividends

41,35

38,52

Unclaimed Matured Fixed Deposit

3,30

30

Unclaimed Interest on Matured Fixed Deposit

61

3

Advances and Deposits

38,78,60

37,59,40

Interest Accrued but not Due

1,03,71

88,54

1,22,49,02

1,11,82,59



SCHEDULES TO ACCOUNTS

Rs. '000

SCHEDULE 12

PROVISIONS

Provision for Taxation	10,79,90	5,69,64
Provision for Fringe Benefit Tax [Net of Advance Rs. 68,99 thousands (2009 - Rs. 83,40 thousands)]	12,86	21,09
Proposed Dividend	7,11,41	7,11,41
Preference Dividend	16,00	16,00
Tax on Dividend	1,20,81	1,23,62
Provision for Gratuity	6,46,53	7,05,58
Leave Encashment Benefits	2,26,68	2,12,29
	28,14,19	23,59,63

2010	2009
10,79,90	5,69,64
12,86	21,09
7,11,41	7,11,41
16,00	16,00
1,20,81	1,23,62
6,46,53	7,05,58
2,26,68	2,12,29
28,14,19	23,59,63

SCHEDULE 13

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferred Revenue Expenditure- Payments under Voluntary Retirement Scheme	-	88,89
	-	88,89

2010	2009
-	88,89
-	88,89

SCHEDULE 14

SALES (GROSS)

(A) SALES

Paints and Allied Products	18,56,98	20,52,77
Tea	1,27,53,83	1,01,17,25
Yarn, Acrylic Polyester etc.	2,49,76,87	1,79,96,42
Lead Oxide, White Lead, Metallic Stearates	43,84,01	45,66,70
Waste	4,79,30	86,43
	4,44,50,99	3,48,19,57

(B) INCOME FROM CONSTRUCTION CONTRACTS

(i) Sales	95,98,10	91,17,78
Add : closing contract-in-progress	7,60,82	6,55,85
	1,03,58,92	97,73,63
Less : opening contract-in-progress	6,55,85	7,62,91
	97,03,07	90,10,72
(ii) Design, Engineering and Services	2,35,82	4,60,39
(iii) Sale of Bought out goods for construction jobs	69,79,67	36,57,36
(iv) Scrap Sale	48,96	41,46
	1,69,67,52	1,31,69,93

Total (A + B)

2009-10	2008-09
18,56,98	20,52,77
1,27,53,83	1,01,17,25
2,49,76,87	1,79,96,42
43,84,01	45,66,70
4,79,30	86,43
4,44,50,99	3,48,19,57
95,98,10	91,17,78
7,60,82	6,55,85
1,03,58,92	97,73,63
6,55,85	7,62,91
97,03,07	90,10,72
2,35,82	4,60,39
69,79,67	36,57,36
48,96	41,46
1,69,67,52	1,31,69,93
6,14,18,51	4,79,89,50

**SCHEDULES TO ACCOUNTS**

Rs. '000

SCHEDULE 15**OTHER INCOME**

	2009-10	2008-09
Dividends from Long Term other than Trade Investments (Gross)	32,29	81,25
Dividends from Current other than Trade Investments (Gross)	1,38	-
Profit on Sale of Current other than Trade Investments (Net)	12,99	-
Profit on Sale of Long term other than Trade Investments (Net)	-	33,58
Claims	22,13	69,62
Interest Received on Income Tax Refund	19,32	5,05
Interest earned on Bank and other Deposits [Tax deducted at source Rs. 880 thousands (2009 - Rs.14,65 thousands)]	55,86	73,06
Subsidy	63,22	1,07,02
Commission and Allowances, etc.	4,33	13,69
Duty Entitlement on Exports and sale of License	3,08,32	54,05
Profit on Sale and discarding of Fixed Assets (Net)	8,46	6,56
Liabilities no longer required Written back	42,20	40,93
Provision for Doubtful Debts and Advances written back	2,19,96	3,31
Provision for Diminution in Value of Long Term other than Trade Investment no longer required written back	27,80	-
Machinery Hire Charges	8,47	5,96
Miscellaneous Income	88,38	1,09,90
	9,15,11	6,03,98

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

	2009-10		2008-09	
Raw Materials	31,62,43		24,89,29	
Stock-in-Process	6,37,01		4,69,59	
Finished Goods / Trading Goods	24,49,92		25,16,03	
Waste	88,87		66,66	
Scrap	35,16	63,73,39	18,79	55,60,36
Add : Purchases				
Raw Materials	2,71,27,08		1,90,65,02	
Finished Goods / Trading Goods	71,86,82	3,43,13,90	52,42,54	2,43,07,56
Less : Closing Stock				
Raw Materials	71,27,73		31,62,43	
Stock-in-Process	7,66,67		6,37,01	
Finished Goods / Trading Goods	23,46,65		24,49,92	
Waste	54,30		88,87	
Scrap	69,65	1,03,65,00	35,16	63,73,39
		3,03,22,29		2,34,94,53



SCHEDULES TO ACCOUNTS

Rs. '000

SCHEDULE 17

MANUFACTURING AND OTHER EXPENSES

Salaries and Wages including Benefits to Staff

	2009-10	2008-09
Salaries, Wages and Bonus	60,43,74	50,83,44
Pension to Former Managing Directors	-	30
Contribution to Gratuity Fund	5,44,31	1,36,78
Contribution to Provident Fund	4,44,82	4,26,74
Staff Welfare Expenses	6,88,26	6,40,05
Leave Encashment	57,50	72,84
Deferred Revenue Expenditure written off [in respect of Voluntary Retirement Payments]	88,89	88,89
	78,67,52	64,49,04

Other Expenses

Directors Fees	3,83	4,44
Rent	69,93	66,06
Lease Rent	13,00	9,00
Rates and Taxes	2,49,04	2,38,68
Power and Fuel	40,10,74	31,12,54
Insurance	1,37,47	1,04,97
Consumption of Stores and Spare Parts	22,86,75	18,97,47
Repairs to Buildings	2,70,63	2,16,68
Repairs to Plant and Machinery	7,84,48	6,43,91
Repairs - Others	86,98	63,75
Travelling Expenses	3,48,50	3,22,32
Machinery Hire Charges	2,61,33	1,86,74
Jobs on Contracts	36,27,51	27,97,48
Excise duty on Closing Stock (Net Charge)	21,63	(22,91)
Cess on Green Leaf and on Made Tea	96,43	93,72
Consultancy and Advisory charges	1,80,95	1,71,52
Law charges	40,68	37,59
Motor Vehicle Expenses	1,64,79	1,94,05
Bad Debts written off	1,12,58	23,29
Bad Advances written off	10,93	27
Provision for Doubtful Debts and Advances	5,34	2,85,59
Selling Agents' Commission (other than Sole Selling Agents)	1,68,49	42,81
Brokerage and Discount on Sales	9,13,88	11,35,75
Freight, Shipping, Delivery and Selling Expenses	11,88,25	11,71,52
Fixed Assets written off	-	27
Foreign Exchange Loss (Net)	16,49	8,40
Loss on Sale of Long Term other than Trade Investment	24,55	-
Provision for Diminution of Value of Investment	-	27,80
Miscellaneous Expenses	11,53,16	9,43,89
	1,62,48,34	1,37,77,60
Total	2,41,15,86	2,02,26,64

**SCHEDULES TO ACCOUNTS**

Rs. '000

SCHEDULE 18**INTEREST / FINANCE CHARGES**

Term Loan (Note below)
Interest on Fixed Deposit
Interest on Others
Less : Late Payment Interest Received

2009-10	2008-09
7,58,34	2,71,00
1,92,72	1,65,49
8,63,85	8,00,76
(50,53)	(10,59)
17,64,38	12,26,66

Note : Net of incentive income of Rs. 4,21,31 thousands (2009 - Rs. 26,48 thousands)

Schedule 19**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010****1. Significant Accounting Policies**

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

(b) Fixed Assets

Fixed Assets are 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:

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

Lease hold land is amortised over the lease period.

Computer software is amortised over a period of five years.

(d) Investments

Long Term Investments are stated at cost with an appropriate provision for diminution in value, Other than temporary in nature, in the valuation of Long Term Investments, Current Investment are stated at lower of cost and fair 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.



Schedule 19 (Contd.)

Notes on Accounts (Contd.)

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

(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 recognised immediately in the Profit and Loss Account as income/expense for the year in which they occur.

(h) Provisions, Contingent Liabilities and Contingent Assets

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

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

(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.

**Schedule 19 (Contd.)****Notes on Accounts (Contd.)****(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.

(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.

(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. 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.

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 1,60,75 thousands (2009-Rs. 1,61,56 thousands) net of advances Rs. 33,54 thousands (2009-Rs. 60,07 thousands).**4. Contingent Liabilities:****Rs. '000**

		2010	2009
a)	Claims against the Company not acknowledged as debts :		
	i) ESI	17,75	17,75
	ii) Sales Tax	1,63,15	1,64,81
	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	36,53	35,80
	vi) Voltage Surcharge on Electricity Consumed	1,87,51	1,87,51
b)	Corporate Guarantee given on behalf of Company:		
	i) Amount of Guarantee given*	1,50,00	1,50,00
	ii) Amount outstanding as on 31st March	61,60	84,13

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

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.



Schedule 19 (Contd.)

Notes on Accounts (Contd.)

5. Secured Loans

- 5.1 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.
- 5.2 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, GIS Cotton Mill and MICCO Divisions of the Company in favour of the Company's Bankers.
- 5.3 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 immovable properties situated at Akbarpur in Punjab and at Champdani in West Bengal on pari passu basis with IDBI and guaranteed by a Director.
- 5.4 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, Punjab (b) Champdany, West Bengal (c) Gillander House, Kolkata (d) Sodepur, 24 Parganas (North) West Bengal and (e) 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 but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of the Company's Bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/to be created in favour of IDBI, SBI, SBP and Vijaya Bank. The term loans are also secured by guarantee of a Director. The term loan from SBP is further secured by guarantee of a body corporate.
- 5.5 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 estate of Tengapani and also further secured by second charge by way of hypothecation of Tea crop of the estates excluding the Tea estate of Tengapani.
- 5.6 The Term Loan from Indusind Bank Ltd., Srei Equipment Finance Pvt Ltd., and HDFC Bank Ltd., are secured by hypothecation of the related Equipments / Vehicles purchased and guaranteed by a Director.
- 5.7 Working Capital Facilities from Banks (except those availed by Tea Division of the Company from United Bank of India and State Bank of India) are secured/ to be 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/ to be secured by way of second charge on the Fixed Assets of the Company (other than Tea Division) ranking pari passu inter-se.
- 5.8 In respect of Tea Division, the working capital facilities 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 Properties situated at the Tea estates.
6. Advances recoverable in cash or in kind or for value to be received include Rs. Nil thousands (2009- Rs. 1,43 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.
7. 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 19 (Contd.)

Notes on Accounts (Contd.)

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

a) Capacities and Production

Products	Unit	Licensed/Registered Capacity		Installed Capacity*		Production	
		2010	2009	2010	2009	2010	2009
Tea (Saleable)	M.T.	Not Applicable	Not Applicable	11,850**	11,750**	9,108	8,896
Bio Fertiliser	M.T.	Not Applicable	Not Applicable	4,000	4,000	558	356
Cotton and Man-made Fibre Yarn	Spindles	1,55,676	1,55,676	1,18,252***	1,18,252***	18,174 M.T.#	12,913 M.T.#
Fabricated Steel, Structural/Winches & other Conveying Equipments, Furnaces, Tanks, Gasholder, etc.	M.T.	19,200	19,200	19,200	19,200	11,310\$	10,890\$
Red Lead Litharge and Lead Sub Oxide	M.T.	8,128	8,128	9,956	9,956	3,264+	3,075+
White Lead and Lead Acetate	M.T.	840	840	3,292	3,292	4	5
Lead Pipe	M.T.	300	300	732	732	-	-
Lead Salts	M.T.	1,285	1,285	1,650	1,650	575	458
Zinc Oxide	M.T.	3,350	3,350	-	-	-	-
Zinc Dust	M.T.	203	203	-	-	-	-
Metallic Stearate	M.T.	600	600	2,025	2,025	99	81

* As Certified by the Management.

Including 6 M.T. (2009 - 12 M.T.) transferred to Stock in Process.

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

\$ It relates to fabrication job at Sodepur.

*** Including 168 Rotors (2009-168 Rotors).

+ Excludes internal consumption 562 M.T. (2009 - 322 M.T.)

b) Consumption of Raw Materials

Rs.'000

Particulars	Unit	2010		2009	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
I) Tea (Indigenous)					
Green Leaf					
a) Purchased	M.T.	12,700	21,30,75	12,159	17,10,84
b) Own	M.T.	28,416	[Note (i) below]	27,841	[Note (i) Below]
II) Bio Fertilizer (Biodegradable waste)	M.T.	-	-	1,080	3,18
III) Cotton and /or man made fibre	M.T.	2,03,54	1,56,59,68	13,843	1,13,40,17
IV) Mild Steel [Note (ii) below]	M.T.	58,47	21,43,65	5,960	23,02,38
V) Lead [Excluding Customer's Lead 26 M.T. (2009-39 M.T.)]	M.T.	35,03	31,83,08	3,050	28,53,21
VI) Others [Note (iii) below]			44,62		1,82,10
Total			2,31,61,78		1,83,91,88

**Schedule 19 (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 14,470 M.T. (2009 – 15,190 M.T.) pipes 52,893 Mtrs. (2009-17,172 Mtrs) Sheetting Nil (2009 – 6,269 SQM) and 18 M.T. (2009-227 M.T.), Equipment 5,826 M.T. (2009-5,869 M.T.)
- (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			
		2010		2009		2010		2009	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Tea (Saleable)	M.T.	1039	9,82,32	533	4,10,45	671	7,07,81	1039	9,82,32
Paints	Kgs. Ltrs.	7,698 15,253	26,12	2,784 19,147	19,19	9,448 17,830	26,46	7,698 15,253	26,12
Supercem	Kgs. Ltrs.	33,618 2,142	11,21	33,775 2,673	12,85	48,055 1,761	13,78	33,618 2,142	11,21
Bio-Fertilizer	M.T.	975	30,76	1,273	30,02	816 ^(A)	28,39	975	30,76
Cotton and Man-made Fibre Yarn	M.T.	1,009	12,55,85	1,380	17,92,94	883	12,28,06	1,009	12,55,85
Job Execution, Fabrication and Construction:									
With Parties' Materials									
a) Fabrication and Construction Steel Structural	M.T.	445	45,70	538	29,52	739	52,81	445	45,70
b) Erection Steel Structural	M.T.	710	56,09	776	96,55	6,43	46,22	710	56,09
Pipes	SQM.	5,108	24,59	-	-	18,048	93,45	5,108	24,59
Civil	M.T.	705	56,10	484	26,95	1,054	37,75	705	56,10
Dismantling		-	2,02,73	-	-	-	-	-	2,02,73
		-	9,69	-	-	-	-	-	9,69
With Own Materials -									
Steel Structural	M.T.	411	2,60,96	1,000	6,09,89	965	5,30,59	411	2,60,96
Bought out Goods for Construction Jobs [See Note 9]		-	48,37	-	7,70	-	91,27	-	48,37
Red Lead Litharge and Lead Sub oxide	M.T.	10	3,25	80	99,53	85 ^(B)	98,81	10	3,25
White Lead and Lead Acetate	M.T.	1	9	4	5,87	- ^(C)	-	1	9
Lead Salts	M.T.	7	6,30	29	38,88	37 ^(D)	41,07	7	6,30
Metallic Stearate	M.T.	6	3,97	10	8,12	12 ^(E)	10,25	6	3,97
Others			81,67		90,48		1,00,75		81,67
Total			31,05,77		32,78,94		31,07,47		31,05,77



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

ii) Purchases and Sales

Rs. '000

Class of Goods	Unit	Purchases				Sales			
		2010		2009		2010		2009	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Tea (Saleable)	M.T.	355	4,28,62	1,083	10,00,91	9,831 ^(F)	1,27,53,83	9,473	1,01,16,56
Paints	Kgs. Ltrs.	39,233 1,31,331	1,48,64	23,661 1,07,107	1,35,89	37,483 1,28,754	1,91,28	18,747 1,11,001	1,66,31
Supercem	Kgs. Ltrs.	16,05,696 15,518	3,61,28	19,20,140 19,849	4,54,49	15,91,259 15,899	4,32,48	19,20,297 20,380	5,46,91
Bio-Fertilizer	M.T.	-	-	-	-	-	-	20	69
Cotton and man made fibre yarn	M.T.	-	-	-	-	18,294	2,49,76,87	13,272	1,79,96,42
Job Execution Fabrication and Construction :									
With Parties' Materials									
a) Fabrication and construction:									
Steel Structural	M.T.	-	-	-	-	6,100 ^(G)	8,34,94	5,792	5,90,48
Pipes	M.T.	-	-	-	-	-	-	503	54,11
b) Erection :									
Steel Structural	M.T.	-	-	-	-	8,599 ^(H)	10,45,95	10,572	11,86,16
Civil Work		-	-	-	-	-	4,43,09	-	1,50,99
Pipes	M.T.	-	-	-	-	1,605	4,56,52	1,256	3,42,16
Pipes	Inch	-	-	-	-	37,889	57,32	10,464	1,44,73
Equipments	M.T.	-	-	-	-	5,477	7,40,19	5,648	6,01,20
Dismantling	Nos.	-	-	-	-	-	29,26	-	29,50
With Own Materials									
Steel Structural	M.T.	-	-	-	-	4,060 ^(I)	59,90,83	5,516	60,13,27
Bought out goods for construction jobs [See Note 9]		-	52,62,52	-	25,92,95	-	69,79,67	-	36,57,36



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

ii) Purchases and Sales (Contd.)

Rs. '000

Class of Goods	Unit	Purchases				Sales			
		2010		2009		2010		2009	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Red Lead Litharge [§] & Lead Sub Oxide	M.T.	-	-	-	-	3,175	36,19,21	3,145	38,06,28
White Lead & Lead									
Acetate	M.T.	-	-	-	-	4	6,90	8	16,37
Lead Salts	M.T.	-	-	-	-	539	6,40,10	480	6,40,51
Metallic Stearate	M.T.	-	-	-	-	90	99,23	85	1,03,54
Others			9,85,76		10,58,30		21,20,84 ^(j)		18,25,95 ^(j)
Total			71,86,82		52,42,54		6,14,18,51		4,79,89,50

(A) Net of internal consumption of 717 M.T. (2009 – 634 M.T.).

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

(C) Net of Stock written off 1 M.T.

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

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

(F) Excludes internal consumption, shortage/(excess), sample and transit loss 65.52 M.T. (2009- 56.38 M.T.).

(G) Nil M.T. (2009 - 108 M.T.) short billed, being not realisable.

(H) 349 M.T. (2009 - 156 M.T.) short billed, being not realisable.

(I) Fabrication and Erection 369 M.T. (2009 - 80 M.T.) short billed due to exceeding maximum ceiling of Billing Schedule, being not billable.

(§) Including conversion sales of 28 M.T. of Rs. 2,50 thousands (2009 - 53 M.T. of Rs. 4,53 thousands).

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

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

	%	2010 (Rs.)	%	2009 (Rs.)
Raw Materials :				
Imported	9.27	21,46,54	13.67	25,13,56
Indigenous	90.73	2,10,15,24	86.33	1,58,78,32
Total	100.00	2,31,61,78	100.00	1,83,91,88
Spare Parts and Components :				
Imported	0.76	23,52	1.23	33,79
Indigenous	99.24	30,65,95	98.77	27,02,49
Total	100.00	30,89,47	100.00	27,36,28



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

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

	Units	2010		2009	
		Qty	Value (Rs.)	Qty	Value (Rs.)
(A) OPENING STOCK					
Valves	Nos./Lot	57	48,37	-	-
Electrical Parts/Motors	Nos.	-	-	14	4,75
Cable Wire	R. Mtrs.	-	-	900	2,95
Total			48,37		7,70
(B) PURCHASES					
Valves	Nos./Lot	632	3,27,75	281	1,60,78
Equipment and Fittings	Nos.	1,569	5,80,21	472	7,85,59
Pipes/Cable wire	R. Mtrs.	50,593	3,81,67	14,275	60,72
Pipes/Fittings	Lot	32	1,90,29	11	62,65
Grating, M.S. Steel	M.T.	564	4,46,98	413	3,30,19
Grating, M.S. Steel	Mtrs.	1,057	2,00	49	14,35
Electrical Parts, Motors	Nos./Set	745	27,14,09	466	11,56,35
Pipes/Fittings	M.T.	938	4,15,42	-	-
Coal Tar, Tape	SQM	3,305	25,33	6,141	19,70
Miscellaneous			1,78,78		2,62
Total			52,62,52		25,92,95
(C) SALES					
Valves	Nos./Lot	217 ^a	5,30,64	104	2,05,85
Equipments and Fittings	Nos.	320 ^b	10,02,95	195	13,95,39
Pipes/Cable Wire	R. Mtrs.	4,541 ^c	53,13	3,008	39,27
Pipes/Fittings	Lot	27 ^d	5,62,10	1	3,05
Grating, M.S. Steel	M.T.	460 ^e	4,99,62	313	3,57,49
Grating, M.S. Steel	Mtrs.	1,057	53	49	26,72
Electrical Parts, Motors	Nos./Sets	419 ^f	37,24,12	146	15,95,51
Pipes/Fittings	M.T.	265 ^g	3,28,35	-	-
Coal Tar ,Tape	SQM	2,627 ^h	54,24	6,141	34,08
Miscellaneous		-	2,23,99	-	-
Total			69,79,67		36,57,36
(D) CLOSING STOCK					
Valves	Nos./ Lot	-	-	57	48,37
Equipments and Fittings	Nos.	4	1,49	-	-
Grating, M.S. Steel	M.T.	15	20,82	-	-
Pipes/Fittings	M.T.	124	68,96	-	-
Total			91,27		48,37

Note: Materials Short billed and/or for job consumption a) Valves 472 Nos. (2009 – 120 Nos.), b) Equipments and Fittings 1,245 Nos. (2009 – 277 Nos.) , c) Pipe/Cable Wire 46,052 Mtrs (2009 – 11,267 Mtrs.), d) Pipes/Fittings 5 Lot (2009 – 10 Lot), e) Grating, M.S. Steel 89 M.T. (2009 – 100 M.T.), f) Electrical Parts/Motors 326 Nos/Set (2009 – 334 Nos/Set), g) Pipe/Fittings 549 M.T. (2009 – Nil), h) Coal Tar 678 SQM (2009 – Nil), costing Rs. 13,57,23 thousands (2009 - 5,01,11 thousands) being excess supply as per contractual obligations but not covered by billing schedule price break-up.



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

10. CIF Value of Imports made during the year

Rs. '000

	2010	2009
i) Bought Out Goods	50,38	79,83
ii) Capital Equipments	1,02,17	1,29,15
iii) Raw Materials	21,80,12	24,95,14
iv) Spare Parts	12,21	30,50
Total	23,44,88	27,34,62

11. Expenditure in Foreign Currency

	2010	2009
i) Pension to former Managing Directors	-	30
ii) Commission on Sales/Orders	13,13	57,44
iii) Travelling Expenses	9,67	39,20
iv) Interest on Working Capital Demand Loan	-	3,15
v) Exchange Fluctuations on Working Capital Demand Loan	-	2,25
vi) Hedging premium on Forward Exchange contracts	16,29	5,62
Total	39,09	1,07,96

12. Earnings in Foreign Exchange

	2010	2009
i) Claim Settling Commission	18	1,15
ii) Export of Goods on F.O.B. basis	34,21,38	18,29,15
iii) Commission on order / Liaison work	76,50	1,95,29
Total	34,98,06	20,25,59

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

	2010	2009
(a) Contract revenue recognised for the year ended 31st March, 2010	1,69,67,52	1,31,69,93
(b) Aggregate amount of contracts costs incurred and recognised Profits (Less recognised Losses) up to 31st March 2010 for all the Contracts-in-Progress.	3,39,10,00	1,46,74,11
(c) The amount of customer advances outstanding for Contracts-in-Progress as at 31st March, 2010	35,65,72	33,88,03
(d) The amount of retention money due from customers for Contracts-in-Progress as at 31st March, 2010	24,45,74	11,02,07
(e) Gross amount due from customers for Contracts-in-Progress as at 31st March, 2010 (Included in Work-in-progress Rs. 7,60,82 thousands, Sundry Debtors Rs. 56,31,53 thousands)	63,92,35	37,11,90
(f) Gross amount due to customer for contract work	1,56,46	1,56,46

**Schedule 19 (Contd.)****Notes on Accounts (Contd.)**

14. (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:

	Rs. '000	Rs. '000
	2010	2009
Not later than one year	26,33	26,33
Later than one year and not later than five years	13,16	39,49
Later than five years	-	-

During the year the Company has charged related lease rental of Rs. 26,33 thousands (2009- 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 2,35,00 thousands (2009 - Rs.1,60,41 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 2009-10 in respect of lease rental of a tea manufacturing facility for a period of two years and ten months. The terms of the lease include restriction to sell, sub-let and or part with possession of the let-out premises without prior permission of the lessor. As per terms of the lease, an additional rent at a prescribed rate is payable from 2nd April, 2009 onwards in case of production from the let-out premises exceeds a specified limit.

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

	Rs. '000	Rs. '000
	2010	2009
Not later than one year	14,00	-
Later than one year and not later than five years	13,13	-

During the year Company has charged related lease rental of Rs. 13,00 thousands (2009- Rs. 9,00 thousands) in the Profit and Loss Account under the head Lease Rental (Schedule 17 to Accounts). Contingent and Minimum Lease Rental element of the same are as follows :

	Rs. '000	Rs. '000
	2010	2009
Minimum Lease Rental	13,00	9,00
Contingent Rent	-	-

- (d) The Company has given office premises under cancellable operating leases. These leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial direct costs for such leases are borne by the Company and charged off to revenue. Lease rentals are recognised as income which was Rs.3,86,24 thousands during the year (2009 – Rs. 4,36,65 thousands). The gross value and accumulated depreciation of such asset as at 31st March, 2010 was Rs. 23,59 thousands (2009 – Rs. 23,59 thousands) and Rs 23,55 thousands (2009 – Rs. 23,55 thousands) respectively.
15. Advances recoverable in cash or kind or for value to be received include Rs 13,12 thousands (2009 Rs. 23,43 thousands) adjustable against future lease rental of a manufacturing facility availed during the year as disclosed in Note 14(c) above.



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

16. Directors' Remuneration

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

	Rs. '000	Rs. '000
	2010	2009
i) Whole-time Directors		
Salaries	46,02	36,78
Contribution to Provident Fund	5,52	4,41
Monetary Value of Perquisites	8,81	7,03
Leave encashment on retirement of the Executive Director & CEO of the company	6,87	-
	<u>67,22</u>	<u>48,22</u>
ii) Non – Wholetime Directors		
Directors' Fees	3,82	4,13
	<u>71,04</u>	<u>52,35</u>

- 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.

17. Amount paid/payable to the Auditors

	Rs. '000	Rs. '000
	2010	2009
As Audit Fees	17,65	18,90#
In Other Capacity :		
For Tax Audit	1,75	1,25
For Various Certificates/Reports	6,45	4,45
Reimbursement of Expenses	86	68
Service Tax	2,34	2,30
Total \$	<u>29,05</u>	<u>27,58</u>

Including Rs. 2,75 thousands in respect of earlier year.

\$ Including Rs. 6,69 thousands (2009 – 5,11 thousand) to Branch Auditors.

18. 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) and SBI Life Insurance Company Ltd (SBI Life). LIC or SBI Life make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 3,50 thousands (Rs. 10,00 thousands w.e.f 24th May 2010). 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 19 (Contd.)
Notes on Accounts (Contd.)

d) Details in respect of Defined Benefits Plans

Rs. '000

	Description	2009-10		2008-09		2007-08	
		Gratuity	Leave Encashment	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	17,90,01	2,12,29	18,38,51	1,74,30	17,15,68	1,66,95
	Current Service Cost	82,91	58,04	77,24	36,23	82,89	33,77
	Interest Cost	1,37,76	14,50	1,32,22	9,27	1,30,10	11,62
	Past Service Cost	81,23	-	-	-	-	-
	Actuarial (Gain) / Losses	2,18,24	(15,04)	28,39	27,34	1,71,93	30,23
	Benefits Paid	(3,06,88)	(43,11)	(2,86,35)	(34,85)	(3,44,70)	(68,27)
	Present Value of Obligation as on 31st March	20,03,27	2,26,68	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	10,84,43	-	11,58,76	-	11,52,35	-
	Expected Return on Plan Assets	83,67	-	1,01,07	-	87,46	-
	Actuarial (Gain) / Losses	-	-	-	-	6,67	-
	Contribution	4,95,52	-	1,10,95	-	1,80,49	-
	Benefits Paid	(3,06,88)	-	(2,86,35)	-	(3,44,70)	-
	Fair Value of Plan Assets as on 31st March	13,56,74	-	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	20,03,27	2,26,68	17,90,01	2,12,29	17,55,90	1,74,30
	Fair Value of Plan Assets as on 31st March	13,56,74	-	10,84,43	-	10,82,27	-
	Assets/ (Liabilities) recognised in the Balance Sheet	(6,46,53)	(2,26,68)	(7,05,58)	(2,12,29)	(6,73,63)	(1,74,30)
D	Expenses recognised in the Profit & Loss Account						
	Current Service Cost	82,91	58,04	77,24	36,23	82,89	33,77
	Interest Cost	1,37,76	14,50	1,32,22	9,27	1,30,10	11,62
	Past Service Cost	81,23	-	-	-	-	-
	Expected return on Plan Assets	(83,67)	-	(1,01,07)	-	(87,46)	-
	Actuarial (Gain) / Losses	2,18,24	(15,04)	28,39	27,34	1,65,26	30,23
	Total Expense recognised	4,36,47	57,50	1,36,78	72,84	2,90,79	75,62
E	Category of Plan Assets						
	Fund with LIC	11,63,91	Not	10,84,43	Not	10,82,27	Not
	Fund with SBI Life	1,92,83	Applicable	-	Applicable	-	Applicable
	Total	13,56,74	-	10,84,43	-	10,82,27	-
F	Actual return on Plan Assets	83,67	-	1,01,07	-	99,21	-
G	Principal Actuarial Assumptions						
	Discount Rate	8.00%	7.80%	8.00%	7.60%	8.00%-8.25%	7.50%-8.20%
	Salary Escalation	3% - 5%	5%	3% - 5%	5%	5%	5%
	Expected return on Assets	7.75% - 9.25%	Not Applicable	8.02% - 9.02%	Not Applicable	8.00%-9.28%	Not Applicable

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



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

19. Information in accordance with requirements of Accounting Statdard-18 on Related Party disclosures prescribed under the Act :-

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

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

B) Key Management Personnel of the Company

- a) Mr D. K. Sharda (DKS) - Joint Managing Director
(Managing Director w.e.f. April 01, 2010)
- b) Mr A. Mallick (AM) - Executive Director
(Executive Director & CEO w.e.f. April 01, 2010)
- c) Mr S. K. Lakhotia (SKL) - Executive Director & CEO
(resigned w.e.f. March 31, 2010)



Schedule 19 (Contd.)
Notes on Accounts (Contd.)
Transactions with related parties during the year and the status of outstanding balances as on 31st March, 2010 (Rs. '000)

Nature of Transaction	Enterprises over which Key Management Personnel & Relatives of such Personnel are able to exercise significant influence															
	2009-10						2008-09									
	MDKCL	BIL	KCPL	KI IPL	CHPL	VIPL	GDCPL	TOTAL	MDKCL	BIL	KCPL	KI IPL	CHPL	VIPL	KPIL	TOTAL
Rent Paid	-	-	-	600	-	-	54	654	-	-	-	6,00	-	-	-	6,00
Rent Received	-	-	-	-	-	-	-	-	-	40	-	-	-	-	-	40
Purchase of Goods / Services	945	-	-	-	-	-	-	945	6,12	-	-	-	1,19	-	-	7,31
Loans Taken	40,00	30,00	3,55,00	2,70,00	80,00	15,00	7,90,00	1,91,00	45,00	75,00	1,61,00	50,00	-	-	5,22,00	
Loans Repaid	3,10,00	30,00	4,05,00	4,05,00	2,00,00	2,15,00	15,65,00	-	1,03,00	3,25,00	1,90,00	10,50	-	-	6,28,50	
Interest on Loans Taken	8,73	1,20	14,67	28,56	5,98	67	59,81	21,78	3,80	31,30	25,86	14,57	19,20	1,38,88		
Balance as on 31st March, 2010																
i) Loans taken	-	-	-	-	-	-	-	-	2,70,00	-	50,00	1,35,00	1,20,00	2,00,00	-	7,75,00
ii) Guarantees given	-	-	1,50,00	-	-	-	1,50,00	-	-	1,50,00	-	-	-	-	-	1,50,00
iii) Guarantees utilised	-	-	61,60	-	-	-	61,60	-	-	84,13	-	-	-	-	-	84,13
iv) Interest payable	-	-	-	-	-	-	-	-	-	1,27	60	-	-	-	-	1,87
v) Rent Payable	-	-	-	-	-	54	54	-	-	-	-	-	-	-	-	-

Nature of Transaction	Key Management Personnel of the Company							
	2009-10			2008-09				
	DKS	AM	SKL	TOTAL	DKS	AM	SKL	TOTAL
Remuneration Paid	18,63	16,35	32,24	67,22	14,20	13,28	20,74	48,22

**Schedule 19 (Contd.)****Notes on Accounts (Contd.)****20. 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 - Purchase and sale of paints and allied products
 - ii) Tea Division - Manufacture and sale of tea
 - iii) Property Division - Letting out property on rent
 - iv) Textile Division - Comprises manufacture and sale of yarn made out of Cotton and Man-made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.
 - v) Engineering (MICCO) Division - Comprise manufacture and sale of Steel Structural, Pipes and Equipments and Designing, Supplying, Erection and Commissioning of projects on turnkey basis.
 - vi) Chemical (Waldies) Division - 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)	18,66,94 (20,75,45)	1,29,01,96 (1,03,37,13)	5,63,24 (6,38,24)	2,58,16,17 (1,81,77,44)	1,68,64,72 (1,29,05,51)	41,03,96 (40,43,76)	86,29 (1,90,71)	6,22,03,28 (4,83,68,24)
Total Revenue	18,66,94 (20,75,45)	1,29,01,96 (1,03,37,13)	5,63,24 (6,38,24)	2,58,16,17 (1,81,77,44)	1,68,64,72 (1,29,05,51)	41,03,96 (40,43,76)	86,29 (1,90,71)	6,22,03,28 (4,83,68,24)
Segment Result	1,26,70 (1,87,28)	18,63,14 (9,87,35)	3,82,05 (4,41,22)	10,94,23 (1,06,69)	18,87,06 (14,48,82)	3,18,01 (2,58,32)	(18,35,12) (-12,19,32)	38,36,07 (22,10,36)
Depreciation and Amortisation	2,85 (2,35)	2,52,70 (2,31,34)	3,91 (1,73)	15,13,79 (6,44,22)	3,51,50 (2,95,79)	14,91 (10,63)	25,02 (23,99)	21,64,68 (12,10,05)
Non Cash Expenses other than Depreciation and Amortisation	6,17 (4,80)	14,54 -	3,34 (5,12)	- -	97,70 (2,99,50)	7,10 (27,80)	- -	1,28,85 (3,37,22)
Capital Expenditure	4,00 (3)	6,38,39 (5,12,23)	7,46 (15,00)	4,73,17 (17,89,76)	2,24,27 (8,72,61)	17,48 (20,33)	48,29 (27,33)	14,13,06 (32,37,29)
Segment Assets	6,62,57 (7,07,09)	80,61,04 (81,66,09)	1,29,11 (1,14,36)	2,64,15,32 (2,40,26,44)	1,45,03,83 (1,09,32,59)	10,55,45 (9,14,45)	34,62,55 (27,52,74)	5,42,89,87 (4,76,13,76)
Segment Liabilities (Excluding Shareholders' fund)	3,19,74 (3,37,24)	15,64,06 (11,12,08)	3,95,44 (3,93,17)	22,11,93 (26,48,24)	78,66,92 (70,31,72)	4,41,27 (2,85,90)	2,46,92,93 (2,06,95,68)	3,74,92,29 (3,25,04,03)

Figures in brackets represent particulars for 2008-2009.

(b) Secondary Segment

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



Schedule 19 (Contd.)
Notes on Accounts (Contd.)

21. Basic and Diluted Earnings per Share

Rs. '000

	2009-10	2008-09
(i) Profit after tax available for Ordinary Shareholders (Rs.'000)	25,17,41*	16,37,57*
(ii) Weighted average of Ordinary Shares of Rs. 10/- each outstanding during the year (Numbers)	1,42,28,231	1,42,28,231
(iii) Basic and Diluted Earnings per Share [(i) / (ii)] (in Rs.)	17.69	11.51

* After deducting Proposed Dividend on Preference Shares of Rs. 16,00 thousands (2009- Rs. 16,00 thousands) for the year 2009-10 and Dividend Distribution Tax thereon of Rs. 2,66 thousands (2009- Rs. 2,72 thousands).

22. Taxation

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

	2009-10	2008-09
Current Tax		
Provision for Income Tax and Wealth Tax for the year	6,30,00	2,14,10
Less: Provision for Income Tax for earlier years no longer required written back (Net)	-	7,03
	6,30,00	2,07,07
Deferred Tax	6,70,00	3,12,00
[Note 22 (iii) (b)]		
Total	13,00,00	5,19,07

- (iii) 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:
- a) 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.

**Schedule 19 (Contd.)****Notes on Accounts (Contd.)**

- b) The major components of the net Deferred Tax Liability of the Company to the extent recognised and outstanding as at 31st March, 2010 is as under:

Rs. '000

	2009-10	2008-09
Deferred Tax Asset		
i) Provision for Doubtful Debts and advances	70,47	1,07,50
ii) Items under the Income Tax Act which will be allowed on actual payment	3,28,84	3,53,03
iii) Brought forward unabsorbed losses	73,19	2,65,64
iv) Deferred Revenue Expenditure (VRS)	29,47	14,03
Total	5,01,97	7,40,20
Deferred Tax Liability		
Differences between net value of depreciable capital assets as per books vis-à-vis written down value as per Income Tax	18,28,97	13,97,20
Net deferred Tax Liability	13,27,00	6,57,00

23. Repairs include :

	2009-10	2008-09
a) Consumption of Stores and Spare Parts	6,62,74	6,18,80
b) Salary and Wages	81,68	48,48
Total	7,44,42	6,67,28

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

Signatures to Schedules 1 to 19

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law*Partner*

Membership No. 51790
Kolkata, 30th June, 2010.

D. K. Sharda
Managing Director

D. Karmakar
Company Secretary

For and on behalf of the Board

A. K. Kothari
Chairman

P. K. Jain
Joint President & CFO

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

Registration No. State Code

CIN.

Balance Sheet Date

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

Public Issue Right Issue Bonus Issue Private Placement

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

Total Liabilities [Excluding Shareholders' Fund and including Deferred Tax liability (Net) Rs. 13,27,00 thousands] 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. '000)

Total Income Total Expenditure

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

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

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

For and on behalf of the Board

D. K. Sharda
Managing Director

A. K. Kothari
Chairman

D. Karmakar
Company Secretary

P. K.Jain
Joint President & CFO

Kolkata, 30th June, 2010.



GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Registered Office :

C-4, Gillander House, Netaji Subhas Road, Kolkata - 700 001.

ATTENDANCE SLIP

76TH ANNUAL GENERAL MEETING - SEPTEMBER 07, 2010 AT 11.30 A.M.

DP. ID		NAME & ADDRESS OF THE MEMBER(S) / PROXY
Client ID/ Folio No.		
No. of Shares		

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

I/we hereby record my/our presence at the 76TH ANNUAL GENERAL MEETING of the Company being held at Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001 on Tuesday, September 07, 2010 at 11.30 A.M.

First Holder/Proxy _____

1st Jointholder _____

2nd Jointholder _____

(Name in BLOCK LETTERS) (Signature)

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

(TEAR HERE)



GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Registered Office :

C-4, Gillander House, Netaji Subhas Road, Kolkata - 700 001.

PROXY FORM

I/We.....

ofbeing a member/
members of **Gillanders Arbuthnot and Company Limited** hereby appoint.....
of or failing him of
..... as my/our proxy to attend and to vote for me/us on
my/our behalf at the 76TH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, September 07,
2010 at 11.30 A.M. at Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1st Floor),
Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001 and at any adjournment thereof.

Given this day of 2010.

DP. ID	
Client ID/ Folio No.	
No. of Shares	

(Please sign across the stamp)

Affix Re. 1
Revenue
Stamp

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

RUNNERS-UP AT THE 81ST
ROYAL CHALLENGE
MERCHANTS CUP
REGATTA 2010



ANNUAL FUNCTION 2009



LABORATORY - CHEMICAL DIVISION



BLOOD DONATION CAMP 2010

