

# **WILLIAMSON MAGOR & CO. LIMITED**

ANNUAL REPORT  
AND  
ACCOUNTS  
2010 - 2011



ESTD. 1868



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**DIRECTORS**

B. M. KHAITAN - *Chairman*  
DEEPAK KHAITAN - *Vice Chairman*  
A. KHAITAN  
T. R. SWAMINATHAN  
R. S. JHAWAR  
PADAM KUMAR KHAITAN  
DR. R. SRINIVASAN  
G. MOMEN  
BHARAT BAJORIA  
H. M. PAREKH

**SECRETARY**

H. U. SANGHAVI

**AUDITORS**

LOVELOCK & LEWES  
*Chartered Accountants*

**BANKERS**

HDFC BANK LTD.  
ICICI BANK LTD.  
STANDARD CHARTERED BANK  
UNITED BANK OF INDIA

**SHARE TRANSFER AGENTS**

MAHESHWARI DATAMATICS PVT. LTD.  
6, MANGOE LANE, 2ND FLOOR  
KOLKATA - 700 001  
TEL : 033-2243-5809; 033-2243-5029; 033-2248-2248  
FAX : 033-2248-4787  
E-mail : mdpl@cal.vsnl.net.in

**REGISTERED OFFICE**

FOUR MANGOE LANE  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA - 700 001  
TEL : 033-2243-5391, 033-2248-9434,  
033-2248-9435, 033-2210-1221  
FAX : 033-2248-8114, 033-2248-3683  
E-mail : administrator@wmg.co.in





## **WILLIAMSON MAGOR GROUP**

### **WILLIAMSON MAGOR & CO. LTD. PRINCIPAL ACTIVITIES –**

NON-BANKING FINANCE & PROPERTY OWNERS

#### **SUBSIDIARIES**

WOODSIDE PARKS LIMITED

MAJERHAT ESTATES & DEVELOPERS LIMITED

#### **OTHER GROUP COMPANIES**

EVEREADY INDUSTRIES INDIA LIMITED

McLEOD RUSSEL INDIA LIMITED

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

KILBURN ENGINEERING LIMITED

McNALLY BHARAT ENGINEERING CO. LIMITED

WILLIAMSON FINANCIAL SERVICES LIMITED

BABCOCK BORSIG LIMITED

DUFFLAGHUR INVESTMENTS LIMITED

METALS CENTRE LIMITED

UNITED MACHINE CO. LIMITED

ICHAMATI INVESTMENTS PRIVATE LIMITED

THE STANDARD BATTERIES LIMITED

McNALLY SAYAJI ENGINEERING LIMITED

BORELLI TEA HOLDINGS LIMITED (U.K.)

PHU BEN TEA COMPANY LIMITED (VIETNAM)

RWENZORI TEA INVESTMENTS LIMITED

McLEOD RUSSEL UGANDA LIMITED

OLYANA TEA HOLDINGS LLC (USA)

McLEOD RUSSEL MIDDLE EAST DMCC (DUBAI)





### FIVE YEAR FINANCIAL SUMMARY

|                                          | 2010-11   | 2009-2010 | 2008-09   | 2007-08   | 2006-07   |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Income                             | 2,542.33  | 2,731.04  | 2,081.80  | 2,210.53  | 4,410.22  |
| Expenses                                 | 2,529.90  | 3,062.78  | 2,558.39  | 2,294.75  | 1,218.02  |
| Profit/(Loss) Before Taxation            | 12.43     | (331.74)  | (476.59)  | (84.22)   | 3,192.20  |
| Taxation - Current                       | —         | —         | —         | —         | 130.00    |
| - Earlier years (net of write back)      | —         | —         | 123.18    | (24.08)   | —         |
| - Deferred                               | —         | —         | —         | —         | —         |
| - Fringe Benefit Tax (net of write back) | (0.25)    | 1.79      | (4.11)    | (8.44)    | 6.50      |
| Profit/(Loss) after Taxation             | 12.18     | (329.95)  | (357.52)  | (116.74)  | 3,055.70  |
| Transfer to Statutory Reserve            | 2.43      | —         | —         | —         | 611.14    |
| Retained Profits/(Loss)                  | 9.75      | (329.95)  | (357.52)  | (116.74)  | 2,444.56  |
| Funds Employed                           | 33,996.14 | 32,162.48 | 35,982.36 | 33,534.95 | 29,444.48 |
| <b>Employment of Funds</b>               |           |           |           |           |           |
| Net Block of Fixed Assets                | 6,753.98  | 6,891.38  | 7,039.36  | 7,142.87  | 7,258.31  |
| Investments                              | 20,590.25 | 20,590.25 | 20,624.93 | 19,277.63 | 15,786.24 |
| Net Current Assets                       | 6,651.91  | 4,680.85  | 8,318.07  | 7,114.45  | 6,399.93  |



## REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011

The Directors have pleasure in presenting the Annual Report with the Audited Accounts of your Company for the year ended 31st March, 2011.

### FINANCIAL RESULTS

(Rs. in Thousands)

|                                          | 2010-2011  | 2009-2010  |
|------------------------------------------|------------|------------|
| Profit before Depreciation and Interest  | 20,68,68   | 18,72,46   |
| Less : a) Depreciation                   | 18,52      | 21,59      |
| b) Interest                              | 20,37,73   | 21,82,61   |
| Profit/(Loss) before Taxation            | 12,43      | (3,31,74)  |
| Provision for Taxation :                 |            |            |
| Fringe Benefit Tax (net off write back)  | (25)       | 1,79       |
| Profit/(Loss) after Taxation             | 12,18      | (3,29,95)  |
| Less : Transferred to Statutory Reserve  | 2,43       | —          |
|                                          | 9,75       | (3,29,95)  |
| Loss brought forward from previous years | (28,22,89) | (24,92,94) |
| Balance carried forward to Balance Sheet | (28,13,14) | (28,22,89) |

### OPERATIONS

The overall performance of the Company during the year under review was satisfactory. Despite the total earnings of the Company being lower at Rs.25.42 crore as compared to Rs.27.31 crore in the earlier year, the Company managed to report a net profit of Rs.12.18 lakhs as against a loss Rs.3.30 crore in the previous year. The improvement was possible primarily on account of higher dividend as also significant cost reduction. During the year under review the Company earned Rs.6.51 crore as dividends on trade investments which was considerably higher as compared to the earlier year.

### DIVIDEND

On account of the small profit earned by the Company and the accumulated loss, your Directors regret their inability to recommend any dividend for the year under review.

### D1 WILLIAMSON MAGOR BIO FUEL LIMITED

D1 Williamson Magor Bio Fuel Ltd.(D1WML) was incorporated under a Joint Venture Agreement between the Company and D1 Oils Trading Ltd., U.K. to facilitate development of Jatropha Plantation under contract farming arrangements for production of bio diesel from Jatropha Oilseeds. Your Company presently holds 16.07% of equity capital in D1WML.

The price of crude petroleum has firmed up during the year and so also the price of bio fuel being the supplement to fossil fuel. The demand for bio fuel is globally quite strong and there is acute shortage of feedstock to meet the demand. D1WML's effort to develop bio diesel feedstock, once established, is likely to fetch market premium. In addition, D1 Oils plc has developed poultry feed from de-oiled bio mass which has been patented in UK.

The plantation developed by the D1WML under contract farming arrangements has been going through initial gestation period at various levels of maturity. The farmers in some areas of the North East have faced difficulties in maintaining the plantation because of excessive weed growth, but have been able to maintain plantation on about 25,000 hectares which is likely to be productive. The company has also been promoting the plantation in more areas where farmers are positive and undertaking due upkeep. The





company has re-engineered the plantation management with focus on productive plantation and sizeable cost reduction. The quantity of oilseed harvest by the farmers during the year had not been adequate to manufacture oil on a commercial basis and therefore stored for use in 2011-12. The initial gestation period is longer than the estimate and this has been experienced across the world. The longer gestation period on contract farming model results in shrinkage of productive area. However, DIWML has re-worked the business plan based on present productive area. It expects sub commercial crop during 2011 and 2012 and final commercial production in 2013.

### **SUBSIDIARY COMPANIES**

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies i.e. Woodside Parks Limited and Majerhat Estate & Developers Limited are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept for inspection at the Registered Office of the Company and that of the respective Subsidiary Companies. A Statement containing brief financial details of the Subsidiary Companies is included in the Annual Report.

### **CONSOLIDATED FINANCIAL STATEMENTS**

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company, its two subsidiaries, its three Associate Companies namely Eveready Industries Limited, Kilburn Engineering limited and Babcock Borsig Limited and one Joint Venture Company DIWML prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India are attached.

### **COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

In terms of the above Rules, your Board is pleased to give particulars as required in an Annexure which forms a part of the Directors' Report.

### **DIRECTORS**

Since the last report there has been no change in the Board of Directors of the Company.

In accordance with Article 100 of the Articles of Association of the Company Messrs. R. S. Jhavar, Bharat Bajoria and H. M. Parekh will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

### **MANAGER**

The Board of Directors of the Company has reappointed Mr. D. Pal Choudhury as Manager as defined in Section 2(24) of the Companies Act, 1956 for a period of one year with effect from 1st April 2011 subject to the approval of the Members of the Company at its ensuing Annual General Meeting.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE**

As required in terms of the Listing Agreement with Stock Exchanges a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed forming part of this Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under :

- (i) that in the preparation of the Annual Accounts, applicable accounting standards have been followed;





- (ii) that the accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company ;
- (iii) that proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company ;
- (iv) that the Annual Accounts have been prepared on a going concern basis.

### PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is not being furnished since there was no employee during the year who was in receipt of remuneration exceeding the prescribed limits.

### AUDITORS

Messrs. Lovelock & Lewes, Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

30th August, 2011  
Kolkata

For and on behalf of the Board  
A. KHAITAN – *Director*  
T.R. SWAMINATHAN – *Director*

## ANNEXURE TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The world economy has not yet come out of the impact of the economic recession witnessed in 2008-2009. The impact of the recession was comparatively less on Indian Economy due to better monetary control and efficient handling of credit policy as also for comparatively lower dependence on exports.

On account of these reasons Indian Economy performed reasonably well and achieved a growth of 8.5% in the year 2010-2011. However, high rate of inflation which has been hovering above 9% primarily on account of rising food and commodity prices as also steep rise of the price of Crude Oil in the International Market is a cause of concern for the Indian Economy.

With a view to contain inflation, the Reserve Bank of India has several times in the past raised the key policy interest rates for sucking excess liquidity from the system. The liquidity available in the system however still remains comfortable. In line with the move taken by the Reserve Bank of India the Commercial Banks have also increased interest rates on deposits as well as on lending which are likely to have adverse impact on the environment for the Companies engaged in the Financial Sector.

### OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The principal business of your Company is investing and lending of funds. With the economic revival, most of the investee companies have started doing well and some have recommended higher dividends, which should boost the income of your Company. However, in view of the rising interest scenario, the interest cost of the Company would also be higher.

The Company has become a Member of Credit Information Bureau (India) Limited ('CIBIL'), a credit information company pursuant to the Credit Information Companies (Regulation) Act, 2005. Being a Member of CIBIL, the Company will be in a position to avail





of the financial data of its other Members who may be its lenders / borrowers (not being Group Companies). This will eventually minimise the Company's risk of operations.

The Company is a part of the Williamson Magor Group possessing good infrastructure and carries a good reputation in the Corporate World.

The Company has considerable investments in the shares of a few Companies listed on the Stock Exchanges. The Indian Equity Market was not very stable on account of high rate of inflation forcing the Reserve Bank of India to take measures for squeezing excess liquidity from the system. The Indian Market was further weakened due to reduced inflow of investments from Foreign Financial Institutions, volatility of the global markets and recently declined in greater measure owing to the economic crisis in the European countries coupled with the recent downgrading of the US debt by Standard & Poor's (S&P).

However, as most of the investments held by your Company are on long term basis, any fall in the short term or medium term in the market is unlikely to have impact on your Company's operations.

If high inflation cannot be contained, there is a possibility of interest rates going up further up on account of more fiscal measures being taken by the Reserve Bank of India. Such a scenario might continue to pose further threat to the companies engaged in the Financial Sector.

#### OUTLOOK

The earnings of the Company in the current year are expected to improve on account of higher dividend expected to be declared by some of the investee companies. Recovery of loans together with interest is also expected to be better in the current year. However, higher interest cost may have a bearing on the profitability.

#### INTERNAL CONTROL SYSTEMS

The Company maintains a system of Internal Control commensurate with its size. The Internal Auditors regularly review the operations. The Audit Committee reviews the adequacy of Internal Control System at regular intervals and provides guidance for improvement.

The Risk Management Committee formed by the Company also has a policy by which it periodically reviews the various risks to which the Company is exposed to and ensures proper record maintenance and proper legal compliances for exercising effective Internal Control.

Moreover, the KYC Norms (i.e. Know Your Customers Norms) and the Fair Practices Code as per the RBI directives act as integral parts of the overall Internal Control System.

#### HUMAN RESOURCES

There is no material development on the Human Resources front. The Company maintains harmonious relationship with its employees.

#### CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market information contained in this Report has been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

30th August, 2011  
Kolkata

For and on behalf of the Board  
A. KHAITAN – Director  
T.R. SWAMINATHAN – Director



**ANNEXURE TO DIRECTORS' REPORT****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

**FORM A****CONSERVATION OF ENERGY**

|                                       |     |
|---------------------------------------|-----|
| A) Power & Fuel Consumption           | Nil |
| B) Consumption per unit of production | Nil |

**FORM B**

|                                                  |     |
|--------------------------------------------------|-----|
| RESEARCH AND DEVELOPMENT                         | Nil |
| TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION | Nil |
| FOREIGN EXCHANGE EARNINGS & OUTGO                |     |

Total Foreign Exchange :

|        |                |
|--------|----------------|
| Earned | Nil            |
| Outgo  | Rs. 3.82 lakhs |

30th August, 2011  
Kolkata

For and on behalf of the Board  
A. KHAITAN – *Director*  
T.R. SWAMINATHAN – *Director*





## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its business and in meeting its obligations towards various Stakeholders. The Company gives due emphasis on transparency, professionalism and accountability. The Company also gives due importance to its social obligations and compliance of various regulatory provisions. The Company has implemented the mandatory requirements regarding Corporate Governance as mentioned in Clause 49 of the Listing Agreement.

### 2. BOARD OF DIRECTORS

#### (i) Composition

The Board of Directors of your Company consists of ten Directors. Mr. B.M. Khaitan, a Non-Executive Director is the Chairman of the Board. All other Directors are non-executive and not less than half of the Board comprises Independent Directors. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. D. Khaitan and Mr. A. Khaitan who are brothers and are also sons of Mr. B. M. Khaitan.

#### (ii) Board Meetings and Annual General Meeting

During the year ended 31st March 2011, 4 Board Meetings were held on 14.05.2010, 13.08.2010, 03.11.2010 and 31.01.2011 and the Annual General Meeting was held on 29.09.2010.

#### (iii) Particulars of Directors as on 31st March, 2011 and other Directorships and position held in Board Committees of the Companies :

| Name of Directors       | Category                    | No. of Board Meetings |          | Whether attended last AGM held on 29.09.2010 | No. of Directorships in other public limited companies(*) | No. of Committee positions held in other public limited companies(**) |               |
|-------------------------|-----------------------------|-----------------------|----------|----------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|---------------|
|                         |                             | Held during tenure    | Attended |                                              |                                                           | As Chairman                                                           | As Member (#) |
| MR. B. M. KHAITAN       | NON-EXECUTIVE CHAIRMAN      | 4                     | 3        | NO                                           | 5                                                         | —                                                                     | 1             |
| MR. D. KHAITAN          | NON-EXECUTIVE VICE-CHAIRMAN | 4                     | 2        | NO                                           | 7                                                         | —                                                                     | 1             |
| MR. A. KHAITAN          | NON-EXECUTIVE               | 4                     | 4        | NO                                           | 7                                                         | 1                                                                     | 2             |
| MR. T.R. SWAMINATHAN    | NON-EXECUTIVE & INDEPENDENT | 4                     | 4        | NO                                           | 3                                                         | 3                                                                     | 4             |
| MR. R.S. JHAWAR         | NON-EXECUTIVE               | 4                     | 4        | YES                                          | 7                                                         | 1                                                                     | 4             |
| MR. PADAM KUMAR KHAITAN | NON-EXECUTIVE               | 4                     | 4        | NO                                           | 13                                                        | 2                                                                     | 3             |
| DR. R. SRINIVASAN       | NON-EXECUTIVE & INDEPENDENT | 4                     | 2        | NO                                           | 7                                                         | 4                                                                     | 8             |
| MR. G. MOMEN            | NON-EXECUTIVE & INDEPENDENT | 4                     | 4        | YES                                          | 9                                                         | 1                                                                     | 6             |
| MR. B. BAJORIA          | NON-EXECUTIVE & INDEPENDENT | 4                     | 4        | YES                                          | 7                                                         | -                                                                     | 3             |
| MR. H. M. PAREKH        | NON-EXECUTIVE & INDEPENDENT | 4                     | 4        | YES                                          | 9                                                         | 3                                                                     | 8             |

(#) Including Chairmanship.

(\*) The Directorships do not include Alternate Directorships, Directorships of Foreign Companies, Companies under Section 25 of the Companies Act and Private Limited Companies.

(\*\*) Membership/Chairmanship in Committees includes only Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee.



- (iv) The Board of Directors plays an important role in ensuring good governance and has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company.

The Code has been posted on the website of the Company. All Members of the Board and Personnel in the Senior Management have confirmed compliance of the Code of Conduct.

### 3. AUDIT COMMITTEE

#### i) Composition

The Audit Committee of the Board as on 31st March 2011 consisted of Mr. T.R. Swaminathan, Mr. Padam Kumar Khaitan, Dr. R. Srinivasan and Mr. H. M. Parekh. Mr. T.R. Swaminathan a Non-Executive Independent Director, having adequate financial and accounting qualification and background, is the Chairman of the Audit Committee. Mr. H. U. Sanghavi, Company Secretary, acts as the Secretary of the Audit Committee. The Statutory Auditors are invitees to the Meetings of the Audit Committee.

#### ii) Attendance

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2011 and the attendance of the Members is as follows:

| Name of Member<br>of the Audit Committee | Whether attended the Meetings held on |            |            |            |
|------------------------------------------|---------------------------------------|------------|------------|------------|
|                                          | 14.05.2010                            | 13.08.2010 | 03.11.2010 | 31.01.2011 |
| MR. T. R. SWAMINATHAN                    | YES                                   | YES        | YES        | YES        |
| MR. PADAM KUMAR KHAITAN                  | YES                                   | YES        | YES        | YES        |
| DR. R. SRINIVASAN                        | YES                                   | NO         | YES        | NO         |
| MR. H. M. PAREKH                         | YES                                   | YES        | YES        | YES        |

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement and the provision of Section 292A of the Companies Act, 1956.

#### iii) The terms of reference of the Audit Committee are as follows :

- (a) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- (b) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
  - 1 Matters required to be included in the Directors' Responsibility Statement, as required for the report of the Board of Directors.
  - 1 Any changes in accounting policies and practices.
  - 1 Major accounting entries based on exercise of judgment by management.
  - 1 Qualifications in draft audit report.
  - 1 Significant adjustments arising out of audit.
  - 1 The going concern assumption.
  - 1 Compliance with accounting standards.
  - 1 Compliance with stock exchange and legal requirements concerning financial statements.
  - 1 Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (c) Reviewing with the management, the quarterly financial statements before submission to the Board.
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (f) Discussion with internal auditors any significant findings and follow up thereon.





- (g) Reviewing the findings of any internal investigations by the internal auditors into matters when there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussion with external auditors before the audit commences on nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies.
- (j) To look into the reasons for substantial default in the payment to the depositors, debenture holders, shareholders, (in case of non-payment of declared dividends) and Creditors.
- (k) Reviewing the management discussion and analysis of financial condition and results of operations.
- (l) Reviewing the management letter/letters of internal control weakness, if any.
- (m) Reviewing the internal audit reports relating to the internal control weakness, if any.
- (n) Recommending appointment, removal and terms of remuneration of Internal Auditor.

iv) **Subsidiary**

The Company does not have any material non-listed Subsidiary. The Minutes of the Board Meetings, the financial statements as well as the significant transactions of the unlisted Subsidiary Companies are placed once in a year before the Board for review.

#### 4. REMUNERATION COMMITTEE

The Remuneration Committee of the Board as on 31st March 2011 consisted of Dr. R. Srinivasan, Mr. T.R. Swaminathan, Mr. Padam Kumar Khaitan and Mr. B. Bajoria. Dr. R. Srinivasan is the Chairman of the Remuneration Committee. The Remuneration Committee approves the remuneration payable to the Managerial Personnel appointed pursuant to Section 269 of the Companies Act, 1956. No Meeting of the Remuneration Committee was held during the financial year 31st March, 2011.

#### 5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Remuneration by way of Sitting Fees for attending Board Meetings and Committee Meetings are paid to the Non-Executive Directors at the rate of Rs.10,000/- per Meeting of the Board and Committees thereof. Apart from sitting fees, no other compensation is paid to the Non-Executive Directors. The details of sitting fees paid during 2010-2011 to the Non-Executive Directors of the Company are as under :

| Name of Director         | Sitting Fees Paid (Rs.) |                    | No. of Shares held as on 31.3.2011 |
|--------------------------|-------------------------|--------------------|------------------------------------|
|                          | Board Meetings          | Committee Meetings |                                    |
| MR. B. M. KHAITAN        | 30,000                  | —                  | 12,840                             |
| MR. D. KHAITAN           | 20,000                  | —                  | —                                  |
| MR. A. KHAITAN           | 40,000                  | —                  | —                                  |
| MR. T. R. SWAMINATHAN    | 40,000                  | 50,000             | 2,340                              |
| MR. R. S. JHAWAR         | 40,000                  | —                  | —                                  |
| MR. PADAM KUMAR KHAITAN* | 40,000                  | 60,000             | —                                  |
| DR. R. SRINIVASAN        | 20,000                  | 20,000             | —                                  |
| MR. G. MOMEN             | 40,000                  | 20,000             | —                                  |
| MR. B. BAJORIA           | 40,000                  | —                  | —                                  |
| MR. H. M. PAREKH         | 40,000                  | 40,000             | —                                  |
| <b>TOTAL</b>             | <b>3,50,000</b>         | <b>1,90,000</b>    |                                    |

\* Paid to Messrs Khaitan & Co. of which Mr. Padam Kumar Khaitan is a Partner.

#### 6. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee is headed by Mr. T.R. Swaminathan, a Non-Executive and Independent Director. The other members of the Committee are Mr. Padam Kumar Khaitan and Mr. G. Momen. Mr. H. U. Sanghavi, Company Secretary, is the Compliance Officer of the Company.

During the financial year 2010-2011, 2 complaints were received from the shareholders and investors. The complaints had been solved to the satisfaction of the complainants. The Company has acted upon all valid requests for share transfers received



during 2010-2011 and no such transfer is pending. All requests for dematerialization and rematerialisation of shares during the aforesaid period were confirmed/rejected into the NSDL/CDSL system.

Two Meetings of the Shareholders' Grievance Committee were held during the financial year ended 31st March 2011 and the attendance of the Members is as follows :

| Name of Member of the Shareholders' Grievance Committee | Whether attended the Meetings held on |            |
|---------------------------------------------------------|---------------------------------------|------------|
|                                                         | 30.09.2010                            | 31.03.2011 |
| MR. T.R. SWAMINATHAN                                    | NO                                    | YES        |
| MR. PADAM KUMAR KHAITAN                                 | YES                                   | YES        |
| MR. G. MOMEN                                            | YES                                   | YES        |

## 7. GENERAL BODY MEETINGS

a) Location and time of last three Annual General Meetings held are as under :

| Financial Year | Date       | Time       | Venue                                                                                                |
|----------------|------------|------------|------------------------------------------------------------------------------------------------------|
| 31.03.2008     | 25.08.2008 | 10.30 A.M. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry. 6, N. S. Road, Kolkata - 700 001 |
| 31.03.2009     | 28.08.2009 | 11.00 A.M. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry. 6, N. S. Road, Kolkata - 700 001 |
| 31.03.2010     | 29.09.2010 | 10.30 A.M. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry. 6, N. S. Road, Kolkata - 700 001 |

No Special Resolution was passed in the last three Annual General Meetings.

b) No Special Resolution was required to be put through postal ballot in the last three years.

## 8. DISCLOSURES

- There have been no materially significant related party transactions between the Company and its key management personnel or their relatives, subsidiaries and associates except for those disclosed in Note No.11 of Schedule XVI to the Accounts in the Annual Report.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last 3 years.
- Presently, the Company does not have a whistle blower policy.
- All the mandatory requirements have been appropriately complied with and the non-mandatory requirements have been dealt with at the end of this report.

## 9. MEANS OF COMMUNICATION

- The Half-yearly results are published in the newspapers in terms of Clause 41 of the Listing Agreement and not sent to the Shareholders.
- The Quarterly results, Half-yearly results and Annual Audited results are published in the Business Standard and Aajkal (Vernacular).
- The Company displays the financial results and certain other information on its web site : [www.wmtea.com](http://www.wmtea.com)





- iv) The Company is complying with EDIFAR requirements as directed by SEBI. The Shareholders can view the various information/statements uploaded by the Company by logging on to the web site : [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in)
- v) Management Discussion and Analysis Report has been annexed to and forms part of the Report of the Directors to the Shareholders.

## 10. SHAREHOLDERS' GENERAL INFORMATION

### i) Annual General Meeting 2010-2011

- Date and Time : 29th September 2011 at 11.00 a.m.
- Venue : Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 'Royal Exchange', 6, Netaji Subhas Road, Kolkata - 700 001

### ii) Financial Year : 1st April to 31st March.

### iii) Financial Calendar :

- |                                                         |                               |
|---------------------------------------------------------|-------------------------------|
| Annual Results of previous year (audited)               | : Mid August 2011             |
| First Quarter Results (30th June)                       | : Mid August 2011             |
| Annual General Meeting                                  | : Last week of September 2011 |
| Second Quarter Results (30th September)                 | : Mid November 2011           |
| Third Quarter Results (31st December)                   | : Mid February 2012           |
| Financial Reporting for the year ending 31st March 2012 | : End May 2012                |

### iv) Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from 21st September 2011 to 29th September 2011 (both days inclusive).

### v) Dividend

The Board of Directors of the Company has not recommended any dividend for the year ended 31st March, 2011.

### vi) Listing on Stock Exchange and Stock Code

The Company's Shares are listed on the following Stock Exchanges and the Annual Listing Fee for the year 2011-2012 has been paid to each of them :

| Name of the Stock Exchange                      | Stock Code No. |
|-------------------------------------------------|----------------|
| Bombay Stock Exchange Limited                   | 519224         |
| National Stock Exchange of India Limited        | WILLAMAGOR EQ  |
| The Gauhati Stock Exchange Limited              | L/558          |
| The Calcutta Stock Exchange Association Limited | 33013          |



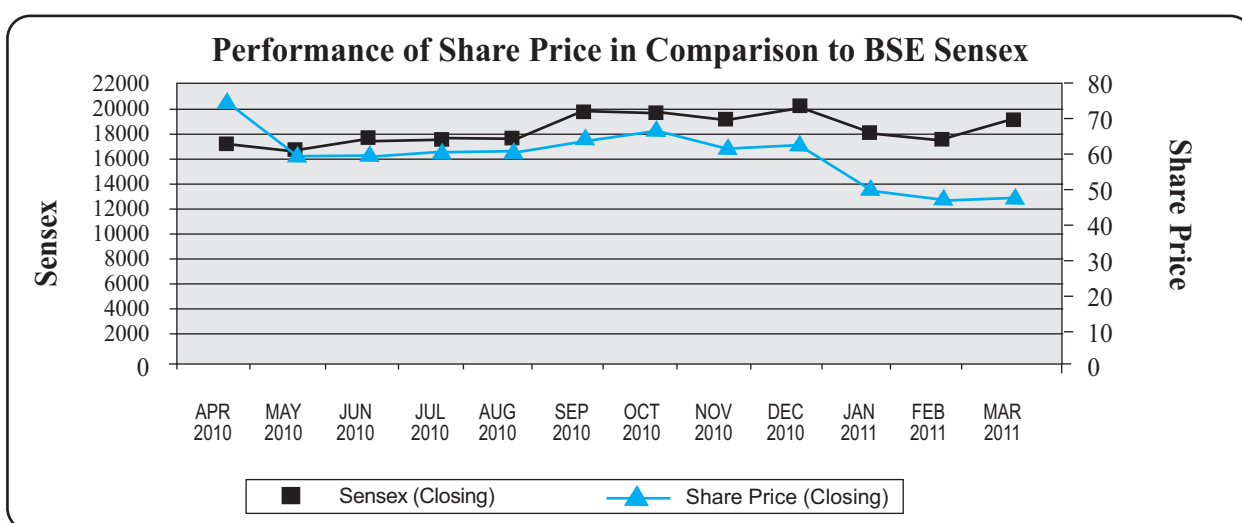

**vii) Stock Price Data :**

| Month          | BOMBAY STOCK EXCHANGE LTD. |         |                           |                  | NATIONAL STOCK EXCHANGE LTD. |         |
|----------------|----------------------------|---------|---------------------------|------------------|------------------------------|---------|
|                | High Rs.                   | Low Rs. | Share Price (closing) Rs. | Sensex (closing) | High Rs.                     | Low Rs. |
| April 2010     | 78.00                      | 55.75   | 75.55                     | 17558.71         | 78.50                        | 56.20   |
| May 2010       | 78.90                      | 56.60   | 60.15                     | 16944.63         | 79.00                        | 56.45   |
| June 2010      | 65.00                      | 56.25   | 60.65                     | 17700.90         | 63.90                        | 56.20   |
| July 2010      | 66.25                      | 58.00   | 61.45                     | 17868.29         | 64.00                        | 58.10   |
| August 2010    | 67.00                      | 60.20   | 61.40                     | 17971.12         | 68.00                        | 60.00   |
| September 2010 | 69.90                      | 59.35   | 64.35                     | 20069.12         | 70.00                        | 60.45   |
| October 2010   | 77.50                      | 64.05   | 67.70                     | 20032.34         | 78.00                        | 65.65   |
| November 2010  | 83.50                      | 58.20   | 62.45                     | 19521.25         | 84.00                        | 56.35   |
| December 2010  | 72.00                      | 53.15   | 63.55                     | 20509.09         | 69.40                        | 52.05   |
| January 2011   | 66.00                      | 50.05   | 50.10                     | 18327.76         | 64.65                        | 50.05   |
| February 2011  | 52.80                      | 41.35   | 47.30                     | 17823.40         | 54.40                        | 42.00   |
| March 2011     | 56.00                      | 43.15   | 48.10                     | 19445.22         | 56.60                        | 43.30   |

**viii) Performance in comparison to BSE Sensex :**

Share Price Performance (April 2010 to March 2011)

Share Price (Closing)    Sensex (Closing)





### ix) Share Transfer System

The requests for transfer of shares held in physical mode should be lodged at the office of the Company's Registrar & Share Transfer Agents, Maheshwari Datamatics Private Limited (Registered by SEBI), 6 Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata 700001 or at the registered office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, issue of duplicate share certificates, sub-division and consolidation to a Share Transfer Committee comprising Messrs. B.M. Khaitan, D. Khaitan, T.R. Swaminathan and R.S. Jhawar in order to expedite transfer, transmission etc. in the physical form. The Committee generally meets once in every fortnight for approving Share Transfers and for other related activities. Share Transfers are registered and returned in the normal course within an average period of 20 days, if the transfer documents are found technically in order and complete in all respects.

### x(a) Categories of Shareholders as on 31st March, 2011

| Sr. No. | Category                                             | No. of Shareholders | No. of Shares held | Percentage of holding |
|---------|------------------------------------------------------|---------------------|--------------------|-----------------------|
| 1       | Promoters                                            | 5                   | 6779203            | 61.87                 |
| 2       | Mutual Funds / UTI                                   | —                   | —                  | —                     |
| 3       | Financial Institutions / Insurance Companies / Banks | 5                   | 416400             | 03.80                 |
| 4       | Central / State Government(s)                        | 1                   | 63                 | —                     |
| 5       | FII's                                                | —                   | —                  | —                     |
| 6       | Bodies Corporate                                     | 251                 | 475974             | 04.35                 |
| 7       | NRIs / OCBs                                          | 46                  | 99725              | 00.91                 |
| 8       | Resident Individuals                                 | 7141                | 3183226            | 29.05                 |
| 9       | Clearing Member                                      | 14                  | 1769               | 00.02                 |
|         | <b>Total</b>                                         | <b>7463</b>         | <b>10956360</b>    | <b>100.00</b>         |

### x(b) Distribution of Shareholding as on 31st March, 2011

| Size of holding | No. of holders | Percentage    | No. of Shares   | Percentage    |
|-----------------|----------------|---------------|-----------------|---------------|
| 1 to 500        | 6530           | 87.50         | 578537          | 05.28         |
| 501 to 1000     | 435            | 05.83         | 354448          | 03.23         |
| 1001 to 2000    | 252            | 03.38         | 365436          | 03.34         |
| 2001 to 3000    | 77             | 01.03         | 199506          | 01.82         |
| 3001 to 4000    | 45             | 00.60         | 160639          | 01.47         |
| 4001 to 5000    | 35             | 00.47         | 165172          | 01.51         |
| 5001 to 10000   | 46             | 00.61         | 335689          | 03.06         |
| 10001 and above | 43             | 00.58         | 8796933         | 80.29         |
| <b>Total</b>    | <b>7463</b>    | <b>100.00</b> | <b>10956360</b> | <b>100.00</b> |

As on 31st March, 2011, 95.60% of the Company's total shares representing 10474430 Shares were held in the dematerialized form and the balance 4.40% representing 481930 Shares were in the physical form.

**xi) Dematerialisation of Shares and liquidity**

The Shares of the Company are compulsorily traded in dematerialised form under depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). Requests for dematerialization of shares are processed and confirmation is given to the respective Depositories Code No. allotted by NSDL & CDSL. The ISIN for the Company's Shares in Demat Form is INE 210A01017.

**xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments :**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**xiii) Plant Location :**

The Company is not engaged in any manufacturing activity.

**xiv) Insider Trading Regulation**

The Code of Internal Procedure & Conduct as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended by the Notification of 20th February, 2002 are in force since 26th July, 2002.

**xv) CEO / CFO Certification**

The Company is duly placing a certificate to the Board from the CEO/CFO in accordance with the provisions of Clause 49(V) of the Listing Agreement. The aforesaid certificate duly signed by the CEO/CFO in respect of the financial year ended 31st March, 2011 has been placed before the Board at the Meeting held on 24th June 2011.

**xvi) Auditors' Certificate on Corporate Governance**

As required under clause 49 of the Listing Agreement, the Auditors' Certificate on compliance of the corporate governance norms is attached.

**xvii) Address for Correspondence :**

Any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters and for Redressal of all share-related complaints and grievances, the Members are requested to please write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matters relating to their shareholding in the Company at the addresses given below :

**i) The Company's Registered Office is situated at :**

'Four Mangoe Lane', Surendra Mohan Ghosh Sarani, Kolkata-700 001.  
TEL : 033-2210-1221, 033-2243-5391, 033-2248-9434, 033-2248-9435  
FAX : 91-33-2248-3683, 91-33-2248-8114  
E-mail : [administrator@wmg.co.in](mailto:administrator@wmg.co.in)

**ii) Appointment of Common Agency for Share Registry Work :**

In accordance with the SEBI directive vide Circular Nos.D&CC/FITTC/CIR-15/2002 dated 27th December, 2002 and D&CC/FITTC/CIR-18/2003 dated 12th February 2003, Messrs. Maheshwari Datamatics Private Limited, a SEBI registered Registrar & Share Transfer Agent is handling all the work related to Share Registry of the Company for both physical and electronic mode at their Registered Office at :-



**MAHESHWARI DATAMATICS PVT. LTD.**

6, Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata - 700 001

Tel : (033) 2243-5809, 2243-5029, 2248-2248

Fax : (033) 2248-4787 E-mail Id : mdpl@cal.vsnl.net.in

In case of any difficulty, the Compliance Officer at the Registered Office of the Company may be contacted.

**Special E-mail ID : investors\_relation@wmg.co.in**

**Compliance of Non-Mandatory Requirements :****i) Chairman of the Board :**

During the year under review, no expenses were incurred in connection with the office of the Chairman.

**ii) Remuneration Committee :**

The Company has Remuneration Committee comprising Dr. R. Srinivasan, Mr. T. R. Swaminathan, Mr. Padam Kumar Khaitan and Mr. Bharat Bajoria as stated in item no. 4 above.

**iii) Shareholder Rights :**

Half-yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company.

**iv) Audit Qualification :**

The Company endeavours to present unqualified financial statements. There are no audit qualifications in the financial statements of the Company for the year under reference.

**v) Training of Board Members :**

There was no Directors' Training Programme during the year under review.

**vi) Mechanism for evaluating Non-Executive Board Members :**

There is no mechanism for evaluating Non-Executive Board Members at present. All the Non-Executive Board Members are having requisite qualification and expertise in their respective functional areas.

**vii) Whistle Blower Policy :**

There is no Whistle Blower Policy at present as stated in item No. 8(iii) above

30th August, 2011  
Kolkata

For and on behalf of the Board

A. KHAITAN – Director

T.R. SWAMINATHAN – Director





## CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

The Company has duly adopted a Code of Conduct at the meeting of the Board of Directors held on 31st October, 2005. After adoption of the Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for Compliance. The Code of Conduct has been posted on the website of the Company. The Company has since received declarations from all the Board Members and Senior Management Personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended 31st March, 2011.

Kolkata, 30th August 2011

T. R. SWAMINATHAN  
*Director*





## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of Williamson Magor & Co. Limited

We have examined the compliance of conditions of Corporate Governance by Williamson Magor & Co. Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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 certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We 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.

For LOVELOCK & LEWES  
Firm Registration No - 301056E  
*Chartered Accountants*

30th August, 2011  
Kolkata

PARTHA MITRA  
*Partner*  
Membership No. 50553





## AUDITORS' REPORT TO THE MEMBERS OF WILLIAMSON MAGOR & CO. LIMITED

1. We have audited the attached Balance Sheet of Williamson Magor & Co. Limited (the "Company") as at 31st March, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' 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 Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - (a) 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;
  - (b) 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;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) 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;
  - (e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) 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, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;





- (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For LOVELOCK & LEWES  
Firm Registration No.301056E  
*Chartered Accountants*

PARTHA MITRA  
*Partner*  
Membership No. 50553

Kolkata, 24th June, 2011

### Annexure to the Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Williamson Magor & Co. Limited on the financial statements for the year ended 31st March, 2011]

1. (a) The Company is maintaining 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 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 Company has granted unsecured loan to two 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 aggregate to Rs. 79,00 lakhs and Rs.36,25 lakhs respectively.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the party is repaying the principal amount as stipulated and is also regular in payment of interest. The payment terms are in accordance with the demand / call loan policy framed by the Company under Clause 6A of the NBFCs Prudential Norms (RBI Directions), 1998 issued by the Reserve Bank of India.
- (d) In respect of the aforesaid loan, there is no overdue amount.
- (e) The Company had taken unsecured loans, from two 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. 30,50 lakhs and Rs.2,50 lakhs respectively.
- (f) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loan, the Company is regular in repaying the principal amount as stipulated and is also regular in payment of interest.





3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of 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.
4. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. (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, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of interest on excise duty and service tax including interest and penalty thereon as at 31st March, 2011 which have not been deposited on account of a dispute, are as follows: -

| Name of the statute      | Nature of dues                            | Amount (Rs. lakhs)                  | Period to which the amount relates | Forum where the dispute is pending                                                         |
|--------------------------|-------------------------------------------|-------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------|
| Central Excise Act, 1944 | Interest on Excise Duty                   | 7.11                                | 1987-88                            | Hon'ble High Court of Chennai                                                              |
| Finance Act, 1994        | Service Tax, penalty and interest thereon | 83.01, penalty and interest thereon | 2005-06, 2006-07, 2007-08, 2008-09 | Commissioner of Service Tax, Kolkata                                                       |
| Finance Act, 1994        | Service Tax, penalty and interest thereon | 45.80, penalty and interest thereon | 2004-05, 2005-06                   | In the process of filing appeal with the Central Excise and Service Tax Appellate Tribunal |

8. The Company has accumulated losses not exceeding fifty percent of its net worth as at 31st March, 2011 and it has not incurred cash losses in the financial year ended on that date but had incurred cash losses in the immediately preceding financial year.
9. 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 at the balance sheet date. The Company has neither any outstanding dues to any banks or debenture holders at the beginning of the year nor it has obtained any such loans during the year.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.





12. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
13. 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.
14. 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.
15. 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.
16. 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.
17. The Company has not issued any debentures during the year and no debentures are outstanding at the year end.
18. The Company has not raised any money by public issues during the year.
19. 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.
20. The other clauses, 2 and 8 of paragraph 4 of the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For LOVELOCK & LEWES  
Firm Registration No - 301056E  
*Chartered Accountants*

PARTHA MITRA  
*Partner*  
Membership No. 50553

Kolkata, 24th June, 2011



**BALANCE SHEET**

AS AT 31ST MARCH 2011

|                                                 | Schedule No. | 31st March, 2011<br>Rs. '000      Rs.'000 |                          | 31st March, 2010<br>Rs. '000      Rs.'000 |                          |
|-------------------------------------------------|--------------|-------------------------------------------|--------------------------|-------------------------------------------|--------------------------|
| <b>I. SOURCES OF FUNDS</b>                      |              |                                           |                          |                                           |                          |
| <b>Shareholders' Funds</b>                      |              |                                           |                          |                                           |                          |
| Capital                                         | <b>I</b>     | 10,95,64                                  |                          | 10,95,64                                  |                          |
| Reserves & Surplus                              | <b>II</b>    | <u>1,78,68,82</u>                         | 1,89,64,46               | <u>1,79,75,10</u>                         | 1,90,70,74               |
| <b>Loan Funds</b>                               | <b>III</b>   |                                           |                          |                                           |                          |
| Secured Loans                                   |              | 66,83,29                                  |                          | 69,96,41                                  |                          |
| Unsecured Loans                                 |              | <u>83,48,39</u>                           | <u>1,50,31,68</u>        | <u>60,95,33</u>                           | <u>1,30,91,74</u>        |
| <b>Total</b>                                    |              |                                           | <u><b>3,39,96,14</b></u> |                                           | <u><b>3,21,62,48</b></u> |
| <b>II. APPLICATION OF FUNDS</b>                 |              |                                           |                          |                                           |                          |
| <b>Fixed Assets</b>                             | <b>IV</b>    |                                           |                          |                                           |                          |
| Gross Block                                     |              | 90,11,08                                  |                          | 90,40,06                                  |                          |
| Less: Depreciation                              |              | <u>22,57,10</u>                           |                          | <u>21,48,68</u>                           |                          |
| <b>Net Block</b>                                |              |                                           | 67,53,98                 |                                           | 68,91,38                 |
| <b>Investments</b>                              | <b>V</b>     |                                           | 2,05,90,25               |                                           | 2,05,90,25               |
| <b>Current Assets, Loans and Advances</b>       |              |                                           |                          |                                           |                          |
| Sundry Debtors                                  | <b>VI</b>    | 1,39,27                                   |                          | 1,16,61                                   |                          |
| Other Current Assets                            | <b>VII</b>   | 2,52,66                                   |                          | 5,23,46                                   |                          |
| Cash and Bank Balances                          | <b>VIII</b>  | 20,22,33                                  |                          | 13,65,82                                  |                          |
| Loans and Advances                              | <b>IX</b>    | <u>44,38,29</u>                           |                          | <u>29,07,69</u>                           |                          |
|                                                 |              | <u>68,52,55</u>                           |                          | <u>49,13,58</u>                           |                          |
| <b>Less: Current Liabilities and Provisions</b> | <b>X</b>     |                                           |                          |                                           |                          |
| Liabilities                                     |              | 1,49,44                                   |                          | 1,82,06                                   |                          |
| Provisions                                      |              | <u>51,20</u>                              |                          | <u>50,67</u>                              |                          |
|                                                 |              | <u>2,00,64</u>                            |                          | <u>2,32,73</u>                            |                          |
| <b>Net Current Assets</b>                       |              |                                           | 66,51,91                 |                                           | 46,80,85                 |
| <b>Profit &amp; Loss Account Debit Balance</b>  |              | 28,13,14                                  |                          | 28,22,89                                  |                          |
| Less: General Reserve as per Contra             |              | <u>28,13,14</u>                           | —                        | <u>28,22,89</u>                           | —                        |
| <b>Total</b>                                    |              |                                           | <u><b>3,39,96,14</b></u> |                                           | <u><b>3,21,62,48</b></u> |
| <b>Significant Accounting Policies</b>          | <b>XV</b>    |                                           |                          |                                           |                          |
| <b>Notes on Accounts</b>                        | <b>XVI</b>   |                                           |                          |                                           |                          |

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 LOVELOCK & LEWES  
Firm Registration No.301056E  
Chartered Accountants  
PARTHA MITRA  
Partner  
Membership No. 50553

Kolkata, 24th June, 2011

A. KHAITAN - Director  
R. S. JHAWAR - Director  
H. U. SANGHAVI - Secretary



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

|                                            | Schedule<br>No. | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|--------------------------------------------|-----------------|-----------------------------|-----------------------------|
| <b>INCOME</b>                              |                 |                             |                             |
| Income from Operations                     | <b>XI</b>       | 25,11,58                    | 26,91,81                    |
| Other Income                               | <b>XII</b>      | 30,75                       | 39,23                       |
|                                            |                 | <b>25,42,33</b>             | <b>27,31,04</b>             |
| <b>EXPENDITURE</b>                         |                 |                             |                             |
| Expenses                                   | <b>XIII</b>     | 4,73,65                     | 8,58,58                     |
| Interest                                   | <b>XIV</b>      | 20,37,73                    | 21,82,61                    |
| Depreciation                               |                 | 18,52                       | 21,59                       |
|                                            |                 | <b>25,29,90</b>             | <b>30,62,78</b>             |
| <b>Profit / (Loss) before Taxation</b>     |                 | <b>12,43</b>                | <b>(3,31,74)</b>            |
| Provision for Taxation :                   |                 |                             |                             |
| Current Tax                                |                 | —                           | —                           |
| Deferred Tax                               |                 | —                           | —                           |
| Fringe Benefit Tax                         |                 |                             |                             |
| - Current year                             |                 | —                           | —                           |
| - Earlier years (net of write back)        |                 | (25)                        | 1,79                        |
| <b>Profit / (Loss) after Taxation</b>      |                 | <b>12,18</b>                | <b>(3,29,95)</b>            |
| Less : Transferred to Statutory Reserve    |                 | 2,43                        | —                           |
|                                            |                 | 9,75                        | (3,29,95)                   |
| Balance brought forward from previous year |                 | (28,22,89)                  | (24,92,94)                  |
| Balance carried forward                    |                 | <b>(28,13,14)</b>           | <b>(28,22,89)</b>           |
| Basic and Diluted Earnings per share       |                 | <b>0.11</b>                 | <b>(3.01)</b>               |
| <b>Significant Accounting Policies</b>     | <b>XV</b>       |                             |                             |
| <b>Notes on Accounts</b>                   | <b>XVI</b>      |                             |                             |

The Schedules referred to above form an integral part of the Profit & Loss Account.  
This is the Profit & Loss Account referred to in our Report of even date.

For LOVELOCK & LEWES  
Firm Registration No.301056E  
Chartered Accountants  
PARTHA MITRA  
Partner  
Membership No. 50553

Kolkata, 24th June, 2011

A. KHAITAN - Director  
R. S. JHAWAR - Director  
H. U. SANGHAVI - Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

|                                                        | 31st March, 2011<br>(Rs.'000) | 31st March, 2010<br>(Rs.'000) |
|--------------------------------------------------------|-------------------------------|-------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                               |                               |
| Net Profit/(loss) before tax and extraordinary items   | 12,43                         | (3,31,74)                     |
| Adjustment for :                                       |                               |                               |
| Depreciation                                           | 18,52                         | 21,59                         |
| Dividend Income on investments                         | (6,51,43)                     | (3,49,68)                     |
| Profit on sale of investments                          | —                             | (2,32,97)                     |
| Interest on fixed loan                                 | 20,37,04                      | 21,67,71                      |
| Provision for Doubtful debts                           | 2,17                          | 6,46                          |
| Provision for Doubtful advances                        | 1,62                          | 3,03                          |
| Provision for Diminution in Value of Investments (net) | —                             | (35,81)                       |
| Provision for Standard Assets                          | 10,66                         | —                             |
| Provision for retirement benefit written back          | (4,00)                        | (9,50)                        |
| Provision for doubtful debts/advances written back     | (5,70,66)                     | (4,84,10)                     |
| Bad debts/advance/Deposit written off                  | 1                             | 38,85                         |
| Loss on Assets Scrapped                                | 1,13                          | 1,04                          |
| Liabilities written back                               | (7,47)                        | (11,57)                       |
| Provision for retirement benefits                      | 3,07                          | 3,85                          |
| Loss on non conversion of share warrants               | —                             | 2,61,00                       |
| Interest on Income Tax Refund                          | (7,91)                        | (17,66)                       |
| Operating profit before working capital changes        | 8,45,18                       | 10,30,50                      |
| Adjustment for :                                       |                               |                               |
| Trade and other receivables                            | (7,98,02)                     | 51,51,42                      |
| Sundry Creditors and other liabilities                 | 5,92                          | (3,28,44)                     |
| Provision for retirement benefits                      | (10,33)                       | (13,62)                       |
| Cash generated from operations                         | 42,75                         | 58,39,86                      |
| Interest received on refund of income tax              | 7,91                          | 17,66                         |
| Direct tax & FBT refund (net)                          | 83,30                         | 1,91,45                       |
| Net cash from operating activities                     | 1,33,96                       | 60,48,97                      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>          |                               |                               |
| Purchase of fixed assets                               | (70)                          | (1,49)                        |
| Sale of fixed assets                                   | —                             | 2,16                          |
| Sale of investments                                    | —                             | 3,03,46                       |
| Dividend Income on investments                         | 6,51,43                       | 3,49,68                       |
| Net cash from Investing activities                     | 6,50,73                       | 6,53,81                       |



|                                                       | 31st March, 2011<br>(Rs.'000) | 31st March, 2010<br>(Rs.'000) |
|-------------------------------------------------------|-------------------------------|-------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>         |                               |                               |
| Proceeds from long term borrowings                    | 55,00,00                      | —                             |
| Repayment of long term borrowings                     | (58,13,12)                    | (30,75,43)                    |
| Proceeds from short term borrowings                   | 1,54,90,00                    | 1,21,60,00                    |
| Repayment of short term borrowings                    | (1,32,65,00)                  | (1,24,80,00)                  |
| Interest paid on fixed loan                           | (20,40,06)                    | (21,96,59)                    |
| Net Cash used in financing activities                 | (1,28,18)                     | (55,92,02)                    |
| Net increase/ (decrease) in cash and cash equivalents | 6,56,51                       | 11,10,76                      |
| Cash and cash equivalents (Opening Balance)           | 13,65,82                      | 2,55,06                       |
| Cash and cash equivalents (Closing Balance)           | 20,22,33                      | 13,65,82                      |

Notes to the Cash Flow Statement for the year ended 31st March, 2011 :

1. Cash and Cash equivalents represent cash and bank balances only.
2. The above cashflow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. Previous year's figures have been rearranged and regrouped wherever necessary.

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

For LOVELOCK & LEWES  
Firm Registration No.301056E

*Chartered Accountants*

PARTHA MITRA

*Partner*

Membership No. 50553

Kolkata, 24th June, 2011

A. KHAITAN - *Director*  
R. S. JHAWAR - *Director*  
H. U. SANGHAVI - *Secretary*



**SCHEDULE I****SHARE CAPITAL****Authorised –**

|                                             |                 |                 |
|---------------------------------------------|-----------------|-----------------|
| 125,000 Preference Shares of Rs. 100/- each | 1,25,00         | 1,25,00         |
| 23,750,000 Equity Shares of Rs.10/- each    | 23,75,00        | 23,75,00        |
|                                             | <b>25,00,00</b> | <b>25,00,00</b> |

**Issued and Subscribed –**

|                                                                                                                                                                                 |                 |                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| 10,956,360 Equity Shares of Rs. 10/- each fully paid-up                                                                                                                         | 10,95,64        | 10,95,64        |
| Of these —                                                                                                                                                                      |                 |                 |
| a) 14,99,930 Shares were allotted as fully paid-up pursuant to a contract without payment being received in cash ;                                                              |                 |                 |
| b) 12,39,090 Shares were allotted as fully paid-up pursuant to a Scheme of Amalgamation sanctioned by an Hon'ble Court without payment being received in cash ; and             |                 |                 |
| c) 82,17,270 Shares were allotted as fully paid-up by way of Bonus Shares by capitalisation of Preference Share Capital Redemption Reserve, Capital Reserve and General Reserve |                 |                 |
|                                                                                                                                                                                 | <b>10,95,64</b> | <b>10,95,64</b> |

**SCHEDULE II****RESERVES & SURPLUS**

|                                                                            |                 |                 |
|----------------------------------------------------------------------------|-----------------|-----------------|
| <b>Capital Reserve</b>                                                     | 65,18           | 65,18           |
| <b>Revaluation Reserve</b>                                                 |                 |                 |
| As per last Account                                                        | 65,69,35        | 66,94,03        |
| Less: Withdrawal on account of depreciation on amount added on revaluation | 1,18,46         | 1,24,68         |
|                                                                            | 64,50,89        | 65,69,35        |
|                                                                            | <b>65,16,07</b> | <b>66,34,53</b> |



|                                            | 31st March, 2011 |                   | 31st March, 2010 |                   |
|--------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                            | Rs. '000         | Rs.'000           | Rs.'000          | Rs.'000           |
| <b>SCHEDULE II (Contd.)</b>                |                  |                   |                  |                   |
| <b>Revenue Reserves</b>                    |                  |                   |                  |                   |
| <b>General Reserve</b>                     |                  |                   |                  |                   |
| As per last Account                        | 1,17,52,22       |                   | 1,17,52,22       |                   |
| Less : Profit & Loss Account as per Contra | <u>28,13,14</u>  | 89,39,08          | <u>28,22,89</u>  | 89,29,33          |
| <b>Statutory Reserve</b>                   |                  |                   |                  |                   |
| As per last Account                        | 23,66,24         |                   | 23,66,24         |                   |
| Add : Transfer from profit & Loss Account  | <u>2,43</u>      | 23,68,67          | <u>—</u>         | 23,66,24          |
| <b>Pension Reserve</b>                     |                  |                   |                  |                   |
| As per last Account                        |                  | 45,00             |                  | 45,00             |
|                                            |                  | <u>1,13,52,75</u> |                  | <u>1,13,40,57</u> |
|                                            |                  | <u>1,78,68,82</u> |                  | <u>1,79,75,10</u> |
| <b>SCHEDULE III</b>                        |                  |                   |                  |                   |
| <b>LOAN FUNDS</b>                          |                  |                   |                  |                   |
| <b>Secured Loans</b>                       |                  |                   |                  |                   |
| Term Loans                                 |                  |                   |                  |                   |
| Other than Banks                           |                  | 66,83,29          |                  | 69,96,41          |
|                                            |                  | <u>66,83,29</u>   |                  | <u>69,96,41</u>   |

**Notes :** The above includes :

- loans from Housing Development Finance Corporation Limited is secured by way of
  - mortgage of certain immovable properties of the Company
  - pledge of shares of Eveready Industries India Limited (Refer Note 2 of Schedule V)
- loans from on IL&FS Financial Services Limited is secured by way of
  - pledge of shares of McNally Bharat engineering Co. Ltd., and
  - shares of McLeod Russel India Limited (Refer Note 2 of Schedule V)

**Unsecured Loans**

|                          |                |                   |                |                   |
|--------------------------|----------------|-------------------|----------------|-------------------|
| Short Term Loans         |                |                   |                |                   |
| From Other than Banks    | 81,45,00       |                   | 59,20,00       |                   |
| Interest accrued and due | <u>2,03,39</u> | 83,48,39          | <u>1,30,32</u> | 60,50,32          |
| Others                   |                |                   |                |                   |
| Interest accrued and due |                | —                 |                | 45,01             |
|                          |                | <u>83,48,39</u>   |                | <u>60,95,33</u>   |
|                          |                | <u>1,50,31,68</u> |                | <u>1,30,91,74</u> |

**SCHEDULE IV****FIXED ASSETS**

|                       | GROSS BLOCK AT COST OR VALUATION |             |                                |                 | DEPRECIATION                                  |                |                             | NET BLOCK       |                             |
|-----------------------|----------------------------------|-------------|--------------------------------|-----------------|-----------------------------------------------|----------------|-----------------------------|-----------------|-----------------------------|
|                       | As at<br>31st March<br>2010      | Rs. '000    | Addition<br>during the<br>year | Rs. '000        | Disposal/<br>Adjustment<br>during the<br>year | Rs. '000       | As at<br>31st March<br>2011 | Rs. '000        | As at<br>31st March<br>2010 |
| Land-Freehold         | 43,24,71                         | —           | —                              | —               | —                                             | —              | 43,24,71                    | —               | 43,24,71                    |
| Buildings             | 44,70,84                         | —           | —                              | —               | —                                             | —              | 44,70,84                    | —               | 44,70,84                    |
| Plant & Machinery     | 1,19,25                          | 49          | —                              | 8,65            | —                                             | —              | 1,11,09                     | 8,67            | 1,24,10                     |
| Motor Vehicles        | 20,57                            | —           | —                              | —               | —                                             | —              | 20,57                       | 1,38            | 19,89,05                    |
| Furniture & Fittings  | 60,80                            | 21          | —                              | 20,35           | —                                             | —              | 40,66                       | 1,49            | 53,44                       |
| Electric Installation | 32,15                            | —           | —                              | 68              | —                                             | —              | 31,47                       | 52              | 15,24                       |
| Water Supply          | 11,74                            | —           | —                              | —               | —                                             | —              | 11,74                       | 82              | 56,84                       |
| <b>Total</b>          | <b>90,40,06</b>                  | <b>70</b>   | <b>29,68</b>                   | <b>90,11,08</b> | <b>21,48,68</b>                               | <b>1,36,98</b> | <b>22,57,10</b>             | <b>67,53,98</b> | <b>68,91,38</b>             |
| <i>Previous Year</i>  | <i>90,53,51</i>                  | <i>1,49</i> | <i>14,94</i>                   | <i>90,40,06</i> | <i>20,14,15</i>                               | <i>1,46,27</i> | <i>21,48,68</i>             | <i>68,91,38</i> |                             |

Note :

Land and Buildings at one location were revalued as at 31st March, 2001 on current cost basis by an approved valuer and as such the net assets was written up by Rs.82,53,31 thousand and included under Revaluation Reserve.

**SCHEDULE V****INVESTMENTS - LONG TERM****Trade Investments****Quoted**

## Equity Shares - fully paid-up

|                                                                                               | 31st March, 2011 |          | 31st March, 2010 |          |
|-----------------------------------------------------------------------------------------------|------------------|----------|------------------|----------|
|                                                                                               | Nos.             | Rs.'000  | Nos.             | Rs.'000  |
| WPIL Limited                                                                                  | 80               | 1        | 80               | 1        |
| Mcnally Bharat Engineering Company Limited<br>(Refer Note 2 below)                            | 1,887,247        | 16,96,88 | 1,887,247        | 16,96,88 |
| \$ The Standard Batteries Limited (Share of Re. 0.50<br>consolidated at Re 1 each in 2010-11) | 288,625          | 1,60,05  | 577,250          | 1,60,05  |
| Kilburn Engineering Limited                                                                   | 4,319,043        | 10,69,56 | 4,319,043        | 10,69,56 |
| \$ Eveready Industries India Limited (Rs. 5 each)<br>(Refer Note 2 below)                     | 16,756,841       | 93,59,01 | 16,756,841       | 93,59,01 |
| \$ McLeod Russel India Limited (Rs. 5 each)<br>(Refer Note 2 below)                           | 11,649,946       | 67,17,38 | 11,649,946       | 67,17,38 |
| Kilburn Chemicals Limited                                                                     | 855,000          | 4,42,16  | 855,000          | 4,42,16  |
| Kilburn Office Automation Limited                                                             | 89,000           | 10,62    | 89,000           | 10,62    |
| Williamson Financial Services Limited                                                         | 576,250          | 1,91,09  | 576,250          | 1,91,09  |

**Unquoted**

## Equity Shares - fully paid-up

|                                                             |           |         |           |         |
|-------------------------------------------------------------|-----------|---------|-----------|---------|
| Dewrance Macneill & Company Limited<br>(In Liquidation)     | 1,200,000 | —       | 1,200,000 | —       |
| Babcock Borsig Limited (Refer Note 2 below)                 | 2,508,013 | 3,73,33 | 2,508,013 | 3,73,33 |
| Kilburn Electricals Limited                                 | 14,000    | 1,40    | 14,000    | 1,40    |
| Manor Travels Limited                                       | 12,000    | 1,20    | 12,000    | 1,20    |
| Johnston Castings & Allied Industries Limited               | 2,500     | —       | 2,500     | —       |
| D 1 Williamson Magor Bio Fuel Limited                       | 3,333,273 | 5,99,99 | 3,333,273 | 5,99,99 |
| Woodlands Multispecialty Hospital Ltd. (Refer Note 3 below) | 113,360   | 1,16    | —         | —       |

**Other than Trade Investments****Quoted**

## Preference Shares- fully paid-up

|                                                                             |        |      |        |      |
|-----------------------------------------------------------------------------|--------|------|--------|------|
| Metal Box India Limited                                                     | 2,000  | 66   | 2,000  | 66   |
| Equity Shares - fully paid-up                                               |        |      |        |      |
| J J Leasing & Hiring Limited                                                | 1,000  | 10   | 1,000  | 10   |
| Marigold Glass Industries Limited<br>(formerly Marigold Securities Limited) | 7,500  | 1,13 | 7,500  | 1,13 |
| Suryachakra Sea Foods Limited                                               | 50,000 | 9,00 | 50,000 | 9,00 |

**Unquoted**

## Debenture Stock - Non-Redeemable

|                                                        |    |    |         |      |
|--------------------------------------------------------|----|----|---------|------|
| 6½% The Bengal Chamber of Commerce & Industry          | 24 | 24 | 24      | 24   |
| 5% Woodlands Hospital and Medical Research Centre Ltd. | —  | —  | 106,500 | 1,07 |
| ½% Woodlands Hospital and Medical Research Centre Ltd. | —  | —  | 1,39    | 9    |

**SCHEDULE V****INVESTMENTS - LONG TERM (Continued)****Other Than Trade Investments****Unquoted**

Preference Shares — fully paid-up

9% Irredeemable Cumulative Preference Shares of  
India General Navigation & Railway Company  
Limited (in Voluntary Liquidation)(Rs.424)

31st March, 2011  
Nos. Rs.'000

31st March, 2010  
Nos. Rs.'000

228

—

228

—

Equity Shares — fully paid-up

\$ Arvindnagar Goodwill & Co-operative  
Housing Society Limited (Rs.50 each)

5

—

5

—

\$ Seema Apartments Co-operative Housing  
Society Limited (Rs. 50 each)

80

4

80

4

Kornafuli Association Limited

327

—

327

—

Rivers Steam Navigation Company Limited (Re.1)

135,810

—

135,810

—

Delhi Golf &amp; Country Club Pvt. Limited

45,000

45,00

45,000

45,00

Cosepa Fiscal Industries Limited

350,000

35,00

350,000

35,00

ABC Tea Workers Welfare Services

10,567

1,06

10,567

1,06

Gouripore Electric Supply Co.Limited  
(In Voluntary Liquidation)

3,000

—

3,000

—

**Subsidiary Companies****Unquoted**

Equity Shares - fully paid up

Woodside Parks Limited

2,200,001

2,20,00

2,200,001

2,20,00

Majerhat Estates &amp; Developers Limited

3,000,000

3,00,00

3,000,000

3,00,00

**Total Investments****2,12,36,07****2,12,36,07**

Less : Provision for Diminution in value of investments

6,45,82

6,45,82

**2,05,90,25****2,05,90,25**

Aggregate value of Quoted Investments

1,96,57,64

1,96,57,64

Unquoted Investments

15,78,43

15,78,43

**2,12,36,07****2,12,36,07****Market Value of Quoted Investments****4,51,42,57****4,99,72,63****Notes :**

1. All shares except as indicated by \$ are of Rs.10 each fully paid-up.
2. 32,00,000 shares of Eveready Industries India Limited, 9,40,570 shares of Mcleod Russel India Limited, 25,08,013 shares of Babcock Borsig Limited, 17,50,000 shares of McNally Bharat Engineering Co. Limited have been pledged with banks and financial institutions against financial assistance taken by the Company and others.
3. 113,360 equity shares of Woodlands Multispeciality Hospital Limited were allotted in lieu of 106,639 Non-Redemable 5% Debenture Stock and 13,900 ½% Debenture Stock of Woodland Hospital and Medical Research Centre Ltd. pursuant to a Scheme of amalgamation WMHL and WMCL in terms of the Order passed by the Hon'ble High Court at Calcutta on 29th November, 2010.

**SCHEDULE VI****SUNDRY DEBTORS**

## Unsecured

Debts outstanding for a period exceeding six months

Considered good

Considered doubtful

Other Debts - considered good

Less : Provision for Doubtful Debts

31st March, 2011  
Rs.'00031st March, 2010  
Rs.'000

3,17

5,35

3,13,51

3,74,98

1,36,10

1,11,26

**4,52,78****4,91,59**

3,13,51

3,74,98

**1,39,27****1,16,61****SCHEDULE VII****OTHER CURRENT ASSETS**

## Interest Receivable -

Considered good

Considered doubtful \*

Less : Provision for Doubtful Receivables

\* Includes due from subsidiary companies

2,52,66

5,23,46

7,58,54

7,65,47

10,11,20

12,88,93

7,58,54

7,65,47

**2,52,66****5,23,46**

4,09,99

4,09,99

**SCHEDULE VIII****CASH AND BANK BALANCES**

Cash in hand

With Scheduled Banks -

On Current Accounts

On Deposit Accounts

On Redeemed Preference Share Accounts

1,90

63

20,18,80

13,63,01

—

55

1,63

1,63

**20,22,33****13,65,82**

**SCHEDULE IX****LOANS AND ADVANCES**

|                                                                                             | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|---------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Advances recoverable in cash or in kind<br>or for value to be received - unsecured          |                             |                             |
| Considered good                                                                             | 1,75,50                     | 1,63,58                     |
| Considered doubtful *                                                                       | 3,95,83                     | 4,94,20                     |
| Intercompany Deposits                                                                       |                             |                             |
| Considered good                                                                             | 36,55,00                    | 21,30,00                    |
| Considered doubtful *                                                                       | 5,73,65                     | 9,73,65                     |
| Excise, Customs and Port Trust Authorities (considered doubtful)                            | 12                          | 12                          |
| Deposits - considered good                                                                  | 42,73                       | 34,76                       |
| - considered doubtful                                                                       | 14                          | 24                          |
| Advance Tax (Net of Provision Rs.22,28,17 thousand)<br>(Previous Year Rs.22,28,17 thousand) | 5,65,06                     | 5,79,35                     |
|                                                                                             | <b>54,08,03</b>             | <b>43,75,90</b>             |
| Less: Provision for Doubtful Advances                                                       | 9,69,74                     | 14,68,21                    |
|                                                                                             | <b>44,38,29</b>             | <b>29,07,69</b>             |
| <b>Notes:</b>                                                                               |                             |                             |
| Advance to a firm in which a director is a partner                                          | 2,04                        | 1,54                        |
| Amount due from subsidiaries -                                                              |                             |                             |
| * Majerhat Estates & Developers Limited                                                     | 5,74,50                     | 9,74,50                     |
| * Maximum amount outstanding during the year                                                |                             |                             |
| Majerhat Estates & Developers Limited                                                       | 9,74,50                     | 9,74,50                     |

**SCHEDULE X****CURRENT LIABILITIES AND PROVISIONS**

|                                                                                                     |                |                |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Liabilities</b>                                                                                  |                |                |
| Sundry Creditors *                                                                                  | 22,97          | 29,84          |
| Security Deposits                                                                                   | 25,96          | 25,96          |
| Other Liabilities                                                                                   | 1,00,51        | 95,19          |
| Interest Accrued but not due                                                                        | —              | 31,07          |
|                                                                                                     | <b>1,49,44</b> | <b>1,82,06</b> |
| * Due to Micro, Small and Medium Enterprises based on the<br>information available with the Company | —              | —              |
| <b>Provisions</b>                                                                                   |                |                |
| For Retirement Benefits                                                                             | 42,54          | 53,80          |
| Contingent Provision against Standard Assets*                                                       | 10,66          | —              |
| Fringe Benefit Tax (Net of advance tax Rs.13,27 thousand,<br>Previous Year Rs.14,15 thousand)       | (2,00)         | (3,13)         |
|                                                                                                     | <b>51,20</b>   | <b>50,67</b>   |
| * Refer Note 14 of Schedule XVI                                                                     |                |                |

**SCHEDULE XI****INCOME FROM OPERATIONS**

|                                                                                                                           | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| * Maintenance Services                                                                                                    | 1,03,99                     | 1,36,16                     |
| * Rental Income                                                                                                           | 89,94                       | 1,38,65                     |
| * Other Consultancy Services                                                                                              | 3,24,00                     | 3,24,00                     |
| Dividends on Long Term Trade Investments                                                                                  | 6,51,43                     | 3,49,68                     |
| Interest on Inter Corporate Deposits                                                                                      | 7,71,57                     | 9,23,46                     |
| Profit on Sale of Long Term Trade Investments (Net)                                                                       | —                           | 2,32,97                     |
| Provisions written back (Net of Bad Debts/<br>Advances written off of Rs.1 thousand,<br>previous year Rs. 38,85 thousand) | 5,70,65                     | 4,45,25                     |
| Provision for diminution in investments written back                                                                      | —                           | 1,41,64                     |
|                                                                                                                           | <b>25,11,58</b>             | <b>26,91,81</b>             |
| * Tax deducted at source                                                                                                  | 66,53                       | 53,00                       |

**SCHEDULE XII****OTHER INCOME**

|                                               |              |              |
|-----------------------------------------------|--------------|--------------|
| Interest on Income Tax Refund                 | 7,91         | 17,66        |
| Interest Others * #                           | 10,49        | —            |
| Provision for retirement benefit written back | 4,00         | 9,50         |
| Liability written back                        | 7,47         | 11,57        |
| Miscellaneous Income                          | 88           | 50           |
|                                               | <b>30,75</b> | <b>39,23</b> |

\* Includes Rs.7,87 thousand in respect of prior period, previous year Rs.Nil

# Tax deducted at source 1,60

**SCHEDULE XIII****EXPENSES**

|                                           |       |       |
|-------------------------------------------|-------|-------|
| Salaries, Wages, Compensation and Bonus   | 19,28 | 49,46 |
| Contribution to Provident and Other Funds | 1,58  | 1,80  |
| Pension and Gratuity                      | 20    | 3,85  |
| Establishment and General Expenses        | 29,23 | 40,71 |
| Travelling Expenses                       | 30,87 | 32,99 |
| Workmen and Staff Welfare                 | 24,56 | 28,58 |

**SCHEDULE XIII****EXPENSES (Contd.)**

|                                                          | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|----------------------------------------------------------|-----------------------------|-----------------------------|
| Directors' Fees                                          | 5,40                        | 7,70                        |
| Financial Charges                                        | 1,01,10                     | 47,03                       |
| Insurance                                                | 4,79                        | 5,05                        |
| Rent                                                     | 9,16                        | 11,73                       |
| Rates and Taxes                                          | 26,28                       | 53,42                       |
| Legal & Professional                                     | 54,08                       | 64,24                       |
| Power and Fuel                                           | 58,16                       | 41,57                       |
| Repair to Buildings                                      | 33,13                       | 47,57                       |
| Repair to Machinery                                      | 11,12                       | 84                          |
| General Repairs and Renewals                             | 42,58                       | 38,68                       |
| Audit Fee                                                | 6,00                        | 6,00                        |
| Assets scrapped - loss/write off                         | 1,13                        | 1,04                        |
| Margin Money Deposit written off                         | 55                          | —                           |
| Provision for Doubtful Debts                             | 2,17                        | 6,46                        |
| Provision for Doubtful Advance                           | 1,62                        | 3,03                        |
| Contingent Provision against Standard Assets             | 10,66                       | —                           |
| Provision for Diminution in the value of Investments     | —                           | 1,05,83                     |
| Loss due to non-payment of dues for convertible warrants | —                           | 2,61,00                     |
|                                                          | <b>4,73,65</b>              | <b>8,58,58</b>              |

**SCHEDULE XIV****INTEREST**

|             |                 |                 |
|-------------|-----------------|-----------------|
| Fixed Loans | 20,37,04        | 21,67,71        |
| Others      | 69              | 14,90           |
|             | <b>20,37,73</b> | <b>21,82,61</b> |

**SCHEDULE XV****SIGNIFICANT ACCOUNTING POLICIES****FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

- (a) **BASIS FOR PREPARATION OF ACCOUNTS :** The accounts have been prepared to comply with all material aspects with applicable principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956, and other relevant provisions of the said Act.



- (b) **BASIS OF ACCOUNTING :** The financial statements have been prepared in accordance with the historical cost convention as modified by revaluation of certain fixed assets.

- (c) **FIXED ASSETS AND DEPRECIATION :** Tangible fixed assets are stated at cost of acquisition and at revaluation on current cost basis for certain assets.

Depreciation on fixed assets is provided on reducing balance method in accordance with Schedule XIV of the Companies Act, 1956. Additional charges of depreciation for the year on differential increase in values arising out of revaluation is adjusted against withdrawal from Revaluation Reserve.

An impairment loss is recognised where applicable when the carrying value of Fixed Assets exceeds their market value or value in use, whichever is higher.

Profit or loss on disposal of fixed assets is recognised in the Profit and Loss Account.

- (d) **INVESTMENTS**

Investments which are of long term nature are stated at cost less amounts written off when the directors are of the opinion that permanent diminution in their carrying values have taken place.

- (e) **INCOME FROM INVESTMENTS AND INTEREST**

Dividend from investments is accounted for on receipt of the same. Interest is accounted for on accrual basis, and guided by the Rules framed for Non Banking Financial Company by the Reserve Bank of India.

- (f) **SERVICE INCOME :** These are accounted for based on business arrangements in existence.

- (g) **LEASE RENT :** Lease income under operating lease are recognised in Profit & Loss account.

- (h) **EMPLOYEE BENEFITS :**

i) **Short term employee benefits :** These are recognised at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.

ii) **Post Employment Benefit Plans :** Contributions under Defined Contribution Plans are recognised on accrual basis as expenses for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined on the basis of actuarial valuation using the Projected Unit Credit Method at each Balance Sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account. The retirement benefit obligation provided in the Balance Sheet represents the present value of the defined benefit obligation.

- (i) **FOREIGN CURRENCY TRANSACTIONS :** Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.

- (j) **BORROWING COSTS :** Borrowing costs, other than those on qualifying assets are charged to Profit & Loss Account.

- (k) **TAXES ON INCOME :** Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, 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 in respect of carry forward losses and/or unabsorbed depreciation are recognised only when it is virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.





**SCHEDULE XVI**  
**NOTES ON ACCOUNTS**

|                                                                                                                                                                                                                                                                                         | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 1. <b>Claims against the Company not acknowledged as debt</b>                                                                                                                                                                                                                           |                             |                             |
| Claims against the Company not acknowledged as debt                                                                                                                                                                                                                                     | 93                          | 93                          |
| 2. <b>Contingent Liabilities for :</b>                                                                                                                                                                                                                                                  |                             |                             |
| (a) Sales Tax matters under dispute                                                                                                                                                                                                                                                     | 41,98<br>(Note i)           | 41,98                       |
| (b) Excise matters under dispute                                                                                                                                                                                                                                                        | 7,11<br>(Note ii)           | 7,11                        |
| (c) Service Tax Matters under dispute                                                                                                                                                                                                                                                   | 1,28,81<br>(Note iii)       | 45,80                       |
| (d) Guarantees given for loans granted to companies within the group                                                                                                                                                                                                                    | 63,50                       | 63,50                       |
| The probable cash outflow in respect of above is not readily determinable at this stage.                                                                                                                                                                                                |                             |                             |
| Notes :                                                                                                                                                                                                                                                                                 |                             |                             |
| i) Represents sales tax levied on income from license fees pending before Commissioner of Commercial Taxes, West Bengal.                                                                                                                                                                |                             |                             |
| ii) Representing claim in respect of Interest on Excise Duty pending before the Hon'ble High Court at Chennai.                                                                                                                                                                          |                             |                             |
| iii) Representing demand as per Show Cause Notice and Order issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. Demand includes penalty and interest for delayed payment of the taxes. Interest has not been quantified in the demand notice. |                             |                             |
| 3. Depreciation charged to the Profit and Loss Account is net of withdrawal from Revaluation Reserve to the extent of Rs. 1,18,46 thousand ( <i>Previous year - Rs. 1,24,68 thousand</i> ).                                                                                             |                             |                             |
|                                                                                                                                                                                                                                                                                         | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
| 4. Directors' Remuneration :                                                                                                                                                                                                                                                            |                             |                             |
| Fee                                                                                                                                                                                                                                                                                     | 5,40                        | 7,70                        |
| 5. Remuneration paid/payable to Manager :                                                                                                                                                                                                                                               |                             |                             |
| Salary & Allowances                                                                                                                                                                                                                                                                     | 5,04                        | 4,20                        |
| Perquisites                                                                                                                                                                                                                                                                             | 1,20                        | 1,20                        |
|                                                                                                                                                                                                                                                                                         | <u>6,24</u>                 | <u>5,40</u>                 |
| 6. In addition to the fees payable to the Auditors the following amounts were paid/payable to them -                                                                                                                                                                                    |                             |                             |
| As remuneration for services rendered for :                                                                                                                                                                                                                                             |                             |                             |
| a) Audit of Miscellaneous Certificates / Reports                                                                                                                                                                                                                                        | 10,37                       | 9,75                        |
| b) Fees for audit u/s 44AB of the Income Tax Act, 1961                                                                                                                                                                                                                                  | 1,75                        | 1,75                        |
| c) In respect of expenses                                                                                                                                                                                                                                                               | 25                          | —                           |
| 7. Expenditure incurred in Foreign Currency :                                                                                                                                                                                                                                           |                             |                             |
| Pension to Non-Residents                                                                                                                                                                                                                                                                | 3,82                        | 4,17                        |

**8. Operating Lease :**

The Company has leasing arrangements in the nature of operating leases in respect of its premises for a period of 3 years which are cancellable and are usually renewable by mutual consent on mutually agreeable terms. The aggregate of such lease rentals are recognised as rental income under Schedule XI.

**9. Post Employment Benefits :****Defined Contribution Schemes****(a) Provident Fund:**

Contributions to Provident Funds are made by the Company, based on current salaries, to recognised funds administered by the Trustees of the Company. In case of Provident Fund Schemes, contributions are also made by the employees.

The investments are made as per the rules laid down by Employees Provident Fund Organisation (EPFO). The company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by EPFO.

The total amount contributed by the company to the Fund for the year ended 31st March 2011 was Rs.88 thousand (*previous year- Rs.1,14 thousand*).

**(b) Superannuation Fund:**

Contributions to Superannuation Schemes are applicable for certain categories of employees and the contribution by the Company is invested with Insurance Companies.

The total amount paid on this account during the year ended 31st March 2011 was Rs.70 thousand (*Previous year – Rs. 66 thousand*).

**Defined Benefit Schemes****(a) Pension (Unfunded)**

The Company has a practice of paying pension to certain categories of retired employees and in certain cases to their surviving spouses on actuarial valuation at the end of each year.

**(b) Medical Insurance Premium Re-imbursement (Unfunded)**

The Company has a scheme of re-imbursement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, based on actuarial valuation at the year end subject to a monetary limit.

**(c) Gratuity**

Gratuity benefits accrue to employees completing five years of service based on actuarial valuation at the end of the year with reference to their respective salaries and tenure of employment subject to a maximum limit of Rs.10 lakhs and charge is recognised in the accounts.

**(d) Leave Encashment (Unfunded)**

Accrued liability towards leave encashment benefits payable to employees has also been evaluated on the basis of actuarial valuation at the end of the year and has been recognized as a charge in the accounts.





The following table set forth in particulars as per actuarial valuation in respect of Defined Benefit Schemes of the company for the year ended 31st March, 2011.

| Changes in present value of defined benefit obligations during the year ended 31st March 2011. | Pension (Rs.'000)                    |         |         |         | Medical Insurance (Rs.'000)                     |         |         |         | Gratuity (Rs.'000)             |         |         |         | Leave Encashment (Rs.'000)               |         |         |         |
|------------------------------------------------------------------------------------------------|--------------------------------------|---------|---------|---------|-------------------------------------------------|---------|---------|---------|--------------------------------|---------|---------|---------|------------------------------------------|---------|---------|---------|
|                                                                                                | 2010-11                              | 2009-10 | 2008-09 | 2007-08 | 2010-11                                         | 2009-10 | 2008-09 | 2007-08 | 2010-11                        | 2009-10 | 2008-09 | 2007-08 | 2010-11                                  | 2009-10 | 2008-09 | 2007-08 |
| Opening Present Value of obligation                                                            | 26,81                                | 45,65   | 76,21   | 89,55   | 25,20                                           | 24,54   | 29,10   | 29,69   | 35                             | —       | —       | —       | 1,43                                     | 2,88    | 18,36   | 12,01   |
| Provision Written Back                                                                         | —                                    | —       | (23,65) | —       | —                                               | —       | (5,99)  | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Interest Cost                                                                                  | 1,82                                 | 3,28    | 3,67    | 7,02    | 2,02                                            | 1,96    | 1,81    | 2,44    | 3                              | —       | —       | —       | 12                                       | 13      | 55      | 1,03    |
| Current Service Cost                                                                           | —                                    | —       | —       | —       | —                                               | —       | —       | —       | 18                             | 17      | —       | —       | 22                                       | 15      | 1       | 6       |
| Benefits Paid                                                                                  | (8,05)                               | (9,34)  | (13,42) | (13,82) | (2,28)                                          | (1,84)  | (2,41)  | (1,87)  | —                              | —       | —       | —       | —                                        | (2,44)  | (22,98) | —       |
| Actuarial loss (gain) on obligations                                                           | (5,82)                               | (12,77) | 2,84    | (6,54)  | 60                                              | 54      | 2,03    | (1,16)  | (1)                            | 18      | —       | —       | (9)                                      | 71      | 6,94    | 5,26    |
| Closing Present Value of obligation                                                            | 14,76                                | 26,82   | 45,65   | 76,21   | 25,54                                           | 25,20   | 24,54   | 29,10   | 55                             | 35      | —       | —       | 1,68                                     | 1,43    | 2,88    | 18,36   |
| Amount recognised in Balance Sheet                                                             | Pension (Rs.'000)                    |         |         |         | Medical Insurance (Rs.'000)                     |         |         |         | Gratuity (Rs.'000)             |         |         |         | Leave Encashment (Rs.'000)               |         |         |         |
|                                                                                                | 2010-11                              | 2009-10 | 2008-09 | 2007-08 | 2010-11                                         | 2009-10 | 2008-09 | 2007-08 | 2010-11                        | 2009-10 | 2008-09 | 2007-08 | 2010-11                                  | 2009-10 | 2008-09 | 2007-08 |
| Present Value of obligation                                                                    | 14,77                                | 26,81   | 45,65   | 76,21   | 25,54                                           | 25,20   | 24,54   | 29,10   | 55                             | 35      | —       | —       | 1,68                                     | 1,43    | 2,88    | 18,36   |
| Fair value of Plan Asset                                                                       | —                                    | —       | —       | —       | —                                               | —       | —       | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Net Asset/(Liability) recognized in Balance Sheet                                              | (14,77)                              | (26,81) | (45,65) | (76,21) | (25,54)                                         | (25,20) | (24,54) | (29,10) | (55)                           | (35)    | —       | —       | (1,68)                                   | (1,43)  | (2,88)  | (18,36) |
| Expense Recognized in Profit and Loss Account                                                  | Pension (Rs.'000)<br>(Note i and iv) |         |         |         | Medical Insurance (Rs.'000)<br>(Note ii and iv) |         |         |         | Gratuity (Rs.'000)<br>(Note i) |         |         |         | Leave Encashment (Rs.'000)<br>(Note iii) |         |         |         |
|                                                                                                | 2010-11                              | 2009-10 | 2008-09 | 2007-08 | 2010-11                                         | 2009-10 | 2008-09 | 2007-08 | 2010-11                        | 2009-10 | 2008-09 | 2007-08 | 2010-11                                  | 2009-10 | 2008-09 | 2007-08 |
| Provision Written Back                                                                         | —                                    | —       | (23,65) | —       | —                                               | —       | (5,99)  | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Current Service Cost                                                                           | —                                    | —       | —       | —       | —                                               | —       | —       | —       | 18                             | 17      | —       | —       | 22                                       | 15      | 1       | 6       |
| Interest Cost                                                                                  | 1,82                                 | 3,28    | 3,67    | 7,02    | 2,02                                            | 1,96    | 1,81    | 2,44    | 3                              | —       | —       | —       | 12                                       | 13      | 55      | 1,03    |
| Expected Return of Plan Asset                                                                  | —                                    | —       | —       | —       | —                                               | —       | —       | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Actuarial loss/ (gain) recognized in the year                                                  | (5,82)                               | (12,77) | 2,84    | (6,54)  | 60                                              | 54      | 2,03    | (1,16)  | (1)                            | 18      | —       | —       | (9)                                      | 71      | 6,94    | 5,26    |
| Expense / (gain) Recognized in statement of Profit / Loss                                      | (4,00)                               | (9,49)  | (17,14) | 48      | 2,62                                            | 2,50    | (2,15)  | 1,28    | 20                             | 35      | —       | —       | 25                                       | 99      | 7,50    | 6,35    |

Notes :

- Charge for the year included in Pension and Gratuity (Schedule XIII)
- Charge for the year included in Workmen and Staff Welfare (Schedule XIII)
- Charge for the year included in Salaries, Wages, Compensation and Bonus (Schedule XIII)
- Provision written back included in Other Income (Schedule XII)

| Principal Actuarial Assumptions | Pension (Rs.'000) |         |         |         | Medical Insurance (Rs.'000) |         |         |         | Gratuity (Rs.'000) |         |         |         | Leave Encashment (Rs.'000) |         |         |         |
|---------------------------------|-------------------|---------|---------|---------|-----------------------------|---------|---------|---------|--------------------|---------|---------|---------|----------------------------|---------|---------|---------|
|                                 | 2010-11           | 2009-10 | 2008-09 | 2007-08 | 2010-11                     | 2009-10 | 2008-09 | 2007-08 | 2010-11            | 2009-10 | 2008-09 | 2007-08 | 2010-11                    | 2009-10 | 2008-09 | 2007-08 |
| Discount Rate                   | 8                 | 8       | 8       | 8       | 8                           | 8       | 8       | 8       | 8                  | 8       | NA      | NA      | 8                          | 8       | 8       | 8       |
| Inflation Rate                  | NA                | NA      | NA      | NA      | NA                          | NA      | NA      | NA      | 5                  | 5       | NA      | NA      | 5                          | 5       | 5       | 5       |
| Return of Asset                 | —                 | —       | —       | —       | —                           | —       | —       | —       | —                  | —       | —       | —       | —                          | —       | —       | —       |



The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

Since the Company has adopted Accounting Standard 15 (Revised 2005) on Employee Benefits in the year 2007-08. Figures for four financial years are available and disclosed.

10. Disclosures in respect of related parties as defined in Accounting Standard (AS)-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI), with whom transactions have taken place during the year are noted below -

a) **Subsidiary Companies :**

Woodside Parks Limited  
Majerhat Estates & Developers Limited

b) **Associate Companies :**

Babcock Borsig Limited  
Kilburn Engineering Limited  
Eveready Industries India Limited

c) **Company having significant influence :** Metals Centre Limited

d) **Joint Venture Company :**

D1 Williamson Magor Bio Fuel Limited - Joint Venture Company with Middlesbrough Oils UK Limited.

e) **Subsidiaries of Associates - Subsidiaries of Eveready Industries India Limited**

- 1) Novener SAS - 80%
- 2) Uniross SA - 97.3% (through Novenor S.A.S)
- 3) Uniross Batteries SAS - 100% (through Uniross S.A)
- 4) Industrial Uniross Batteries (Pty) Ltd., - 100% (through Uniross Batteries S.A.S)
- 5) Uniross Batteries GmbH - 100% (through Uniross Batteries S.A.S)
- 6) Uniross Batteries Limited - 100% (through Uniross Batteries S.A.S)
- 7) Zhongshan Uniross Industry Co. Ltd. - 100% (through Uniross Batteries S.A.S)
- 8) Everfast Rechargeables Limited - 100% (through Uniross Batteries S.A.S)
- 9) Idea Power Limited - 70% (through Novener & 30% Everfast Rechargeable Limited)
- 10) Rechargeable Online SAS - 100% (through Uniross Batteries Limited)
- 11) Celltax Limited - 100% (through Uniross Batteries Limited)
- 12) Logness Batteries Corp. - 100% (through Uniross Batteries Limited)
- 13) Uniross Batteries Corp. - 100% (through Uniross Batteries Limited)
- 14) North American Battery Corp. - 100% (through Uniross Batteries Limited)
- 15) Multiplier Industries Corp. - 100% (through Uniross Batteries Limited)
- 16) Everspark Hongkong Private Ltd. - 100%

**Subsidiary of babcock Borsig Limited :** International Developers & Engineering Associates Limited - 100%

e) **Key Management Personnel :** Mr. D Pal Choudhury

**Nature of transactions**

|               | Year    | Subsidiaries | Associates | Key Management Personnel |         | Total   |
|---------------|---------|--------------|------------|--------------------------|---------|---------|
|               |         | Rs.'000      | Rs.'000    | Rs.'000                  | Rs.'000 | Rs.'000 |
| Dividend      | 2010-11 | —            | 148,57     | —                        | —       | 148,57  |
|               | 2009-10 | —            | 86,38      | —                        | —       | 86,38   |
| Rental Income | 2010-11 | —            | 10,08      | —                        | —       | 10,08   |
|               | 2009-10 | —            | 10,08      | —                        | —       | 10,08   |





|                                           |         |         |         |      |   |         |
|-------------------------------------------|---------|---------|---------|------|---|---------|
| Maintenance Services                      | 2010-11 | —       | 7,16    | —    | — | 7,16    |
|                                           | 2009-10 | —       | 7,20    | —    | — | 7,20    |
| Other Consultancy Services                | 2010-11 | —       | 2,04,00 | —    | — | 2,04,00 |
|                                           | 2009-10 | —       | 2,04,00 | —    | — | 2,04,00 |
| Interest on Inter Corporate Loan taken    | 2010-11 | —       | —       | —    | — | —       |
|                                           | 2009-10 | —       | 39,30   | —    | — | 39,30   |
| Provision for debts/advances written back | 2010-11 | 4,00,00 | —       | —    | — | 4,00,00 |
|                                           | 2009-10 | 18,00   | 6,88    | —    | — | 24,88   |
| Remuneration                              | 2010-11 | —       | —       | 6,24 | — | 6,24    |
|                                           | 2009-10 | —       | —       | 5,40 | — | 5,40    |

#### Outstanding as on Balance Sheet date

|                                                      |         |         |            |   |   |            |
|------------------------------------------------------|---------|---------|------------|---|---|------------|
| Investments                                          | 2010-11 | 5,20,00 | 1,08,01,91 | — | — | 1,13,21,91 |
|                                                      | 2009-10 | 5,20,00 | 1,08,01,91 | — | — | 1,13,21,91 |
| Provision for Diminution in the value of Investments | 2010-11 | 2,78,84 | —          | — | — | 2,78,84    |
|                                                      | 2009-10 | 2,78,84 | —          | — | — | 2,78,84    |

#### Receivables

|                                        |         |         |         |   |   |         |
|----------------------------------------|---------|---------|---------|---|---|---------|
| Inter Corporate Loan given             | 2010-11 | 5,73,65 | —       | — | — | 5,73,65 |
|                                        | 2009-10 | 9,73,65 | —       | — | — | 9,73,65 |
| Interest on Inter Corporate Loan given | 2009-10 | 4,03,69 | —       | — | — | 4,03,69 |
|                                        | 2009-10 | 4,09,99 | —       | — | — | 4,09,99 |
| Debtors                                | 2010-11 | —       | 1,17,05 | — | — | 1,17,05 |
|                                        | 2009-10 | —       | 89,68   | — | — | 89,68   |
| Loans and Advances                     | 2010-11 | 85      | 1,86    | — | — | 2,71    |
|                                        | 2009-10 | 85      | 1,83    | — | — | 2,68    |
| Provision for Doubtful Advances        | 2010-11 | 5,74,50 | —       | — | — | 5,74,50 |
|                                        | 2009-10 | 9,74,50 | —       | — | — | 9,74,50 |
| Provision for Other Current Assets     | 2010-11 | 4,09,99 | —       | — | — | 4,09,99 |
|                                        | 2009-10 | 4,09,99 | —       | — | — | 4,09,99 |

#### Payables

|                                        |         |   |       |   |   |       |
|----------------------------------------|---------|---|-------|---|---|-------|
| Interest on Inter Corporate Loan taken | 2010-11 | — | —     | — | — | —     |
|                                        | 2009-10 | — | 35,37 | — | — | 35,37 |

#### Transactions/ Outstanding with Joint Venture: (Rs.'000)

Outstanding Payable as at 31st March, 2011 - Rs. Nil

Investment outstanding as at 31st March, 2011 - Rs. 5,99,99





**Disclosure as per Accounting Standard(AS)-27 “Financial Reporting of Interests in Joint Venture” issued by the Institute of Chartered Accountants of India (ICAI) :**

|                               |   |                                      |
|-------------------------------|---|--------------------------------------|
| Name                          | - | D1 Williamson Magor Bio Fuel Limited |
| Proportion Ownership Interest | - | 16.07% (Previous year - 16.44%)      |
| Country of Incorporation      | - | India                                |

**Company’s Financial with Joint Venture:**

| Particulars                      | Proportionate interest in Joint Venture |         |                  |         |
|----------------------------------|-----------------------------------------|---------|------------------|---------|
|                                  | 31st March 2011                         |         | 31 st March 2010 |         |
|                                  | Amount (Rs’000)                         |         | Amount (Rs’000)  |         |
| <b>Assets:</b>                   |                                         |         |                  |         |
| Fixed Assets (Net Block)         |                                         | 6,77    |                  | 7,89    |
| Current Assets, Loans & Advances |                                         |         |                  |         |
| Inventory                        | 2,61                                    |         | 1,73             |         |
| Cash & Bank Balances             | 19,49                                   |         | 94,57            |         |
| Other Current Assets             | —                                       |         | 1,20             |         |
| Loans & Advances                 | <u>4,00,25</u>                          | 4,22,35 | <u>4,44,57</u>   | 5,42,07 |
| <b>Liabilities</b>               |                                         | 62,92   |                  | 74,24   |
| <b>Income</b>                    |                                         |         |                  |         |
| Other Income                     |                                         | 5,10    |                  | 22,50   |
| <b>Expenditure</b>               |                                         |         |                  |         |
| Expenses                         | 1,23,63                                 |         | 2,01,64          |         |
| Depreciation                     | <u>2,53</u>                             | 1,26,16 | <u>2,65</u>      | 2,04,29 |

**11. Earning Per Share (EPS)**

|                                                                     | 31st March, 2011 | 31st March, 2010 |
|---------------------------------------------------------------------|------------------|------------------|
| Profit/(Loss) after Tax as per Profit & Loss Account (Rs. thousand) | 12,18            | (3,29,95)        |
| Average number of Equity Shares (Face Value Rs. 10 each)            | 1,09,56,360      | 1,09,56,360      |
| Basic and Diluted EPS (in Rupees)                                   | 0.11             | (3.01)           |

12. The Company has unabsorbed depreciation and carried forward business losses available for set off under Income Tax Act, 1961. However, in view of inability to assess future taxable income, the extent of deferred tax assets which may be adjusted in subsequent years is not ascertainable with virtual certainty at this stage, and accordingly the deferred tax asset has been recognised only to the extent of deferred tax liability.





|                                                                               | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs. '000 |
|-------------------------------------------------------------------------------|-----------------------------|------------------------------|
| Deferred Tax assets and liabilities are attributable to the following items : |                             |                              |
| Liabilities :                                                                 |                             |                              |
| Depreciation                                                                  | 35,75                       | 38,86                        |
| Assets :                                                                      |                             |                              |
| Unabsorbed Business Losses                                                    | 17,92,58                    | 11,75,75                     |
| Unabsorbed Depreciation                                                       | 34,81                       | 25,00                        |
| Unabsorbed Capital Losses                                                     | 38,59                       | 39,49                        |
| Recognised to the extent of Liability                                         | <u>35,75</u>                | <u>38,86</u>                 |
|                                                                               | <u>—</u>                    | <u>—</u>                     |

13. The Company is registered as a Non-Banking Financial Company and is primarily engaged in holding shares in its group companies. The Company does not have any reportable segment as envisaged in Accounting Standard (AS)-17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).
14. Based on notification no. DNBS.223/CGM(US)-2011 dated January 17, 2011, provision has been made for standard assets at 0.25 percent of the balance of such assets on 31st March, 2011 which has been included in Schedule XIII and the total provision has been disclosed separately as Contingent Provision against Standard Assets' in Schedule X.
15. Pursuant to the requirements of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007, the Company has made an application to The Reserve Bank of India for seeking extension for regularization of the requirements relating to concentration of investment and exposure norms in a phased manner. Accordingly the Company has sold certain shares to dilute its concentration of investments in the previous year to some extent and has recovered a substantial portion of its loan exposure during the year.
- In the meantime the Reserve Bank of India vide its Notification No.DNBS(PD)CC. No.197/03.10.001/2010-11 dated 12th August, 2010 and No.DNBS(PD)CC. No.206/03.10.001/2010-11 dated 5th January, 2011 has come out with a new category of NBFC which is known as Systemically Important Core Investment Company. Based on the audited accounts for the year ended 31st March, 2011 the Company will apply to the Reserve Bank of India for the conversion of its status from Systemically Important Non Deposit Taking Non Banking Financial Company to Systemically Important Non Deposit Taking Core Investment Company as a result of which the Company need not dilute its exposure in terms of Investments and Loans as mentioned above.
16. The figures for the previous year have been regrouped and re-arranged wherever necessary.

## Signatures to Schedules I to XVI

For LOVELOCK & LEWES  
Firm Registration No.301056E  
Chartered Accountants  
PARTHA MITRA  
Partner  
Membership No. 50553

A. KHAITAN - Director  
R. S. JHAWAR - Director  
H. U. SANGHAVI - Secretary

Kolkata, 24th June, 2011



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

(in terms of amendment to Schedule VI Part IV)

**I. Registration Details**

Registration No.

1 7 7 1 5

State Code 2 1

Balance Sheet Date

3 1

0 3

2 0 1 1

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

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

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

Total Liabilities

3 4 1 9 6 7 8

Total Assets

3 4 1 9 6 7 8

Sources of Funds

Paid-Up Capital

1 0 9 5 6 4

Reserve &amp; Surplus

1 7 8 6 8 8 2

Secured Loans

6 6 8 3 2 9

Unsecured Loans

8 3 4 8 3 9

Application of Funds

Net Fixed Assets

6 7 5 3 9 8

Investments

2 0 5 9 0 2 5

Net Current Assets

6 6 5 1 9 1

Misc. Expenditure

N I L

Accumulated Losses

N I L

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

Turnover

2 5 4 2 3 3

Total Expenditure

2 5 2 9 9 0

+ -

Profit/Loss Before Tax

✓

1 2 4 3

+ -

Profit/Loss After Tax

✓

1 2 1 8

Earning Per Share in Rs.

0 . 1 1

Dividend rate %

N I L

**V. Generic Names of principal Products of the Company (as per monetary terms)**

Item Code No. (ITC Code)

N O T A P P L I C A B L E

Product Description

T R A D I N G , I N V E S T M E N T , P R O P E R T Y

O W N E R S &amp; T E A W A R E H O U S I N G

A. KHAITAN - Director

R. S. JHAWAR - Director

H. U. SANGHAVI - Secretary

Kolkata, 24th June, 2011

**STATEMENT PURSUANT TO SECTION 212(1)(E) OF THE COMPANIES ACT, 1956.**

The net aggregate amount so far as they concern members of the Holding Company and are not dealt with in the Company's Accounts of the Subsidiary's profits after deducting its losses and vice-versa.

| <b>Name of the Subsidiary Companies</b> | <b>Extent of Interest</b><br>(All shares are fully paid-up) |                            | <b>For the Financial year of the Subsidiaries</b> | <i>For the previous Financial Years since becoming subsidiaries</i> |
|-----------------------------------------|-------------------------------------------------------------|----------------------------|---------------------------------------------------|---------------------------------------------------------------------|
|                                         |                                                             |                            | (Rs. '000)                                        | (Rs. '000)                                                          |
| Woodside Parks Limited                  | 100%                                                        | Equity Share of Rs.10 each | (41)                                              | (49,927)                                                            |
| Majerhat Estates & Developers Limited   | 100%                                                        | Equity Share of Rs.10 each | (26)                                              | (5,884)                                                             |

The net aggregate amount of the Subsidiary Companies' profits less losses dealt with in the Company's accounts :

|                                       |     |
|---------------------------------------|-----|
| Woodside Parks Limited                | Nil |
| Majerhat Estates & Developers Limited | Nil |

Kolkata, 24th June, 2011

A. KHAITAN - *Director*  
R. S. JHAWAR - *Director*



**FINANCIAL YEAR 2010-2011**

### Schedule to the Balance Sheet

(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in lakh)  
Amount  
outstanding

## Particulars

**Liabilities side :**

- |     |                                                                                                |          |
|-----|------------------------------------------------------------------------------------------------|----------|
| (1) | Loans and advances availed by the Company inclusive of interest accrued thereon but not paid : |          |
| (a) | Debentures : Secured                                                                           | Nil      |
|     | : Unsecured                                                                                    | Nil      |
|     | (other than falling within the the meaning of public deposits)                                 |          |
| (b) | Deferred Credits                                                                               | Nil      |
| (c) | Term Loans                                                                                     | 6,683.29 |
| (d) | Inter-corporate loans and borrowings                                                           | 8,348.39 |
| (e) | Commercial Paper                                                                               | Nil      |
| (f) | Public Deposits                                                                                | Nil      |
| (g) | Other Loans                                                                                    | Nil      |

**Assets side :**

- |     |                                                                                                       |          |
|-----|-------------------------------------------------------------------------------------------------------|----------|
| (2) | Break-up of Loans and Advances including bills receivables (other than those included in (4) below) : |          |
| (a) | Secured                                                                                               | Nil      |
| (b) | Unsecured                                                                                             | 6,872.01 |
| (3) | Break-up of Leased Assets and other assets counting towards AFC activities                            |          |
| (i) | Lease assets including lease rentals under sundry debtors :                                           | N/A      |
| (a) | Financial lease (net of Lease Terminal Adjustment and advance from Lessee)                            | N/A      |
| (b) | Operating lease                                                                                       | N/A      |

|                                                                  | (Rs. in lakh)         |
|------------------------------------------------------------------|-----------------------|
|                                                                  | Amount<br>outstanding |
| (ii) Stock on hire including hire charges under sundry debtors : |                       |
| (a) Assets on hire                                               | N/A                   |
| (b) Repossessed Assets                                           | N/A                   |
| (iii) Other loans counting towards AFC activities                |                       |
| (a) Loans where assets have been repossessed                     | N/A                   |
| (b) Loans other than (a) above                                   | N/A                   |
| (4) Break-up of Investments :                                    |                       |
| Current Investments :                                            |                       |
| 1. Quoted :                                                      |                       |
| (i) Shares : (a) Equity                                          | Nil                   |
| (b) Preference                                                   | Nil                   |
| (ii) Debentures and Bonds                                        | Nil                   |
| (iii) Units of mutual funds                                      | Nil                   |
| (iv) Government Securities                                       | Nil                   |
| (v) Others                                                       | Nil                   |
| 2. Unquoted :                                                    |                       |
| (i) Shares : (a) Equity                                          | Nil                   |
| (b) Preference                                                   | Nil                   |
| (ii) Debentures and Bonds                                        | Nil                   |
| (iii) Units of mutual funds                                      | Nil                   |
| (iv) Government Securities                                       | Nil                   |
| (v) Others                                                       | Nil                   |
| Long Term Investments (Net of provisions) :                      |                       |
| 1. Quoted :                                                      |                       |
| (i) Shares : (a) Equity                                          | 19,374.56             |
| (b) Preference                                                   | —                     |
| (ii) Debentures and Bonds                                        | Nil                   |
| (iii) Units of mutual funds                                      | Nil                   |
| (iv) Government Securities                                       | Nil                   |
| (v) Others                                                       | Nil                   |
| 2. Unquoted :                                                    |                       |
| (i) Shares : (a) Equity                                          | 1,215.69              |
| (b) Preference                                                   | —                     |
| (ii) Debentures and Bonds                                        | —                     |
| (iii) Units of mutual funds                                      | Nil                   |
| (iv) Government Securities                                       | Nil                   |
| (v) Others                                                       | Nil                   |



(5) Borrower group-wise classification of assets  
financed as in (2) and (3) above

| Category                        | (Rs. in lakh)           |                 |                 |
|---------------------------------|-------------------------|-----------------|-----------------|
|                                 | Amount net of provision |                 |                 |
|                                 | Secured                 | Unsecured       | Total           |
| 1. Related Parties              |                         |                 |                 |
| (a) Subsidiaries                | —                       | —               | —               |
| (b) Companies in the same group | —                       | —               | —               |
| (c) Other related parties       | —                       | 119.72          | 119.72          |
| 2. Other than related parties   | —                       | 4,710.50        | 4,710.50        |
| Total                           | —                       | <u>4,830.22</u> | <u>4,830.22</u> |

(6) Investor group-wise classification of all Investments  
(current and long term) in shares and securities  
(both quoted and unquoted) :

| Category                        | Market value/<br>Break-up or<br>Fair value<br>or NAV | Book value<br>(Net of<br>Provision) |
|---------------------------------|------------------------------------------------------|-------------------------------------|
| 1. Related Parties              |                                                      |                                     |
| (a) Subsidiaries                | 241.16                                               | 241.16                              |
| (b) Companies in the same group | —                                                    | —                                   |
| (c) Other related parties       | 12,156.04                                            | 10,801.90                           |
| 2. Other than related parties   | 34,757.71                                            | 9,547.19                            |
| Total                           | <u>47,154.91</u>                                     | <u>20,590.25</u>                    |

(7) Other Information

| Particulars                                   | Amount   |
|-----------------------------------------------|----------|
| (i) Gross Non-Performing Assets (a+b)         | 2,041.79 |
| (a) Related parties                           | 978.19   |
| (b) Other than related parties                | 1,063.60 |
| (ii) Net Non-Performing Assets (a+b)          | —        |
| (a) Related parties                           | —        |
| (b) Other than related parties                | —        |
| (iii) Assets acquired in satisfaction of debt | —        |



### Financial Year 2010-2011

Schedule to the Balance Sheet

[As required in terms of Paragraph 10 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

#### (A) Capital to Risk Assets Ratio (CRAR)

| Items                           | Current Year | Previous Year |
|---------------------------------|--------------|---------------|
| i) CRAR (%)                     | 48.54%       | 52.73%        |
| ii) CRAR - Tier I Capital (%)   | 39.40%       | 40.91%        |
| iii) CRAR - Tier II Capital (%) | 9.14%        | 11.82%        |

#### (B) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in crore)

|                                | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 months upto 3 months | Over 3 months upto 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
|--------------------------------|---------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|-------------------------|--------------|-------|
| <b>Liabilities</b>             |                                 |                            |                             |                             |                         |                        |                         |              |       |
| Borrowings from Banks          | —                               | —                          | —                           | —                           | —                       | —                      | —                       | —            | —     |
| Market borrowings Institutions | 1.00                            | 1.68                       | 1.70                        | 5.20                        | 16.30                   | 39.92                  | 1.03                    | —            | 66.83 |
| Market borrowings Others       | 31.83                           | 41.40                      | 8.50                        | 1.75                        | —                       | —                      | —                       | —            | 83.48 |
| <b>Assets</b>                  |                                 |                            |                             |                             |                         |                        |                         |              |       |
| Advances                       | 12.80                           | 21.15                      | 3.20                        | 3.07                        | 0.26                    | 0.00                   | 0.00                    | 7.76         | 48.24 |
| Investments *                  | —                               | —                          | —                           | —                           | —                       | —                      | —                       | —            | —     |

\* Investments held by the company are long term in nature.

**Summarised Financial Results of the Subsidiary Companies**

|                                 | <b>Woodside Parks Limited</b> | <b>Majerhat Estates &amp; Developers Limited</b> |
|---------------------------------|-------------------------------|--------------------------------------------------|
| <b>Year ended</b>               | <b>31.03.2011</b>             | <b>31.03.2011</b>                                |
| Reporting Currency              | INR<br>Rs. in '000            | INR<br>Rs. in '000                               |
| Income                          | —                             | —                                                |
| Profit / (Loss) before Taxation | (41)                          | (26)                                             |
| Provision for Taxation          | —                             | —                                                |
| Profit / (Loss) after Taxation  | (41)                          | (26)                                             |
| Dividend (Interim / Proposed)   | —                             | —                                                |
| Country                         | India                         | India                                            |





## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF WILLIAMSON MAGOR & CO. LIMITED

### The Board of Directors of Williamson Magor & Co. Limited

- 1) We have audited the attached Consolidated Balance Sheet of Williamson Magor & Co. Limited ("the Company") and its subsidiaries, its jointly controlled entity and associate companies hereinafter referred to as the "Group" (refer Note 1(a) on Schedule XVI to the attached consolidated financial statements) as at 31st March, 2011, the related consolidated Profit and Loss Account and the consolidated Cash flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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) We conducted our audit in accordance with 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.
- 3) We did not audit the financial statements of (i) two subsidiaries and one jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs 1984.51 lakhs and net assets of Rs.1778.24 lakhs as at 31st March, 2011, total revenues of Rs 5.10 lakhs, net loss of Rs.121.73 lakhs and net cash flows amounting to Rs. 324.27 lakhs for the year then ended and (ii) two associate companies which constitute net profit of Rs.52.03 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
- 4) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
- 5) Attention is invited in respect of the following items for an associate audited by other auditors: -
  - a) Note 11 of Schedule XVII of the Financial Statements regarding the status of the Associate's investments of Rs.4110.00 lakhs and advances of Rs.1731.73 lakhs to its Subsidiary, Novenor SAS, and in respect of which no provision has been made for reasons explained therein.
  - b) Note 12 of Schedule XVII of the Financial Statements of the Associate regarding amortisation of brand over a period of 40 years on the basis of an expert opinion.
- 6) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011 ;
  - b) in the case of consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
  - c) in the case of consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Kolkata, 30th August, 2011

For LOVELOCK & LEWES  
Firm Registration No.301056E  
*Chartered Accountants*  
PARTHA MITRA  
*Partner*  
Membership No. 50553





## CONSOLIDATED BALANCE SHEET OF WILLIAMSON MAGOR & CO. LIMITED AND ITS SUBSIDIARY COMPANIES AS AT 31ST MARCH 2011

|                                                  | Schedule    | 31st March, 2011  |                          | 31st March, 2010  |                          |
|--------------------------------------------------|-------------|-------------------|--------------------------|-------------------|--------------------------|
|                                                  | No.         | Rs. '000          | Rs.'000                  | Rs.'000           | Rs.'000                  |
| <b>I. SOURCES OF FUNDS</b>                       |             |                   |                          |                   |                          |
| <b>Shareholders' Funds</b>                       |             |                   |                          |                   |                          |
| Capital                                          | <b>I</b>    | 10,95,64          |                          | 10,95,64          |                          |
| Reserves & Surplus                               | <b>II</b>   | <u>2,36,55,01</u> | 2,47,50,65               | <u>2,47,90,32</u> | 2,58,85,96               |
| <b>Loan Funds</b>                                | <b>III</b>  |                   |                          |                   |                          |
| Secured Loans                                    |             | 66,83,29          |                          | 69,96,41          |                          |
| Unsecured Loans                                  |             | <u>84,54,47</u>   | 1,51,37,76               | <u>62,01,43</u>   | 1,31,97,84               |
| <b>Total</b>                                     |             |                   | <u><b>3,98,88,41</b></u> |                   | <u><b>3,90,83,80</b></u> |
| <b>II. APPLICATION OF FUNDS</b>                  |             |                   |                          |                   |                          |
| <b>Fixed Assets</b>                              | <b>IV</b>   |                   |                          |                   |                          |
| Gross Block                                      |             | 92,80,75          |                          | 93,08,18          |                          |
| Less : Depreciation                              |             | <u>22,67,37</u>   |                          | <u>21,56,60</u>   |                          |
| <b>Net Block</b>                                 |             |                   | 70,13,38                 |                   | 71,51,58                 |
| <b>Investments</b>                               | <b>V</b>    |                   | 2,43,46,51               |                   | 2,48,66,26               |
| <b>Current Assets, Loans and Advances</b>        |             |                   |                          |                   |                          |
| Inventories                                      | <b>VI</b>   | 2,61              |                          | 1,73              |                          |
| Sundry Debtors                                   | <b>VII</b>  | 1,39,27           |                          | 1,16,61           |                          |
| Other Current Assets                             | <b>VIII</b> | 3,77,55           |                          | 6,49,55           |                          |
| Cash and Bank Balances                           | <b>IX</b>   | 20,43,71          |                          | 14,62,93          |                          |
| Loans and Advances                               | <b>X</b>    | <u>62,64,88</u>   |                          | <u>51,78,85</u>   |                          |
|                                                  |             | <u>88,28,02</u>   |                          | <u>74,09,67</u>   |                          |
| <b>Less : Current Liabilities and Provisions</b> | <b>XI</b>   |                   |                          |                   |                          |
| Liabilities                                      |             | 2,47,41           |                          | 2,92,36           |                          |
| Provision                                        |             | <u>52,09</u>      |                          | <u>51,35</u>      |                          |
|                                                  |             | <u>2,99,50</u>    |                          | <u>3,43,71</u>    |                          |
| <b>Net Current Assets</b>                        |             |                   | 85,28,52                 |                   | 70,65,96                 |
| <b>Total</b>                                     |             |                   | <u><b>3,98,88,41</b></u> |                   | <u><b>3,90,83,80</b></u> |
| <b>Notes on Accounts</b>                         | <b>XVII</b> |                   |                          |                   |                          |

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 LOVELOCK & LEWES  
Firm Registration No.301056E  
Chartered Accountants  
PARTHA MITRA  
Partner  
Membership No. 50553

Kolkata, 30th August, 2011

A. KHAITAN - Director  
T. R. SWAMINATHAN - Director  
H. U. SANGHAVI - Secretary



## CONSOLIDATED PROFIT & LOSS ACCOUNT OF WILLIAMSON MAGOR & CO. LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2011

|                                                                                                            | Schedule<br>No. | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------|-----------------------------|
| <b>INCOME</b>                                                                                              |                 |                             |                             |
| Income from operation                                                                                      | <b>XII</b>      | 21,12,62                    | 26,31,72                    |
| Other Income                                                                                               | <b>XIII</b>     | 34,83                       | 50,55                       |
|                                                                                                            |                 | <b>21,47,45</b>             | <b>26,82,27</b>             |
| <b>EXPENDITURE</b>                                                                                         |                 |                             |                             |
| Expenses                                                                                                   | <b>XIV</b>      | 5,97,93                     | 10,06,71                    |
| Interest                                                                                                   | <b>XV</b>       | 20,37,74                    | 21,82,67                    |
| Depreciation (includes share of Joint Venture<br>Rs.2,53 thousand, <i>previous year Rs.2,65 thousand</i> ) |                 | 21,06                       | 24,24                       |
|                                                                                                            |                 | <b>26,56,73</b>             | <b>32,13,62</b>             |
| <b>Profit / (Loss) before Taxation</b>                                                                     |                 | <b>(5,09,28)</b>            | <b>(5,31,35)</b>            |
| Provision for Taxation :                                                                                   |                 |                             |                             |
| Current Tax                                                                                                |                 | —                           | —                           |
| Deferred Tax                                                                                               |                 | —                           | —                           |
| Fringe Benefit Tax                                                                                         |                 | —                           | —                           |
| Current year                                                                                               |                 | —                           | —                           |
| Earlier years (net of write back)                                                                          |                 | (25)                        | 1,79                        |
| <b>Profit / (Loss) after Taxation<br/>before share of results of Associates</b>                            |                 | <b>(5,09,53)</b>            | <b>(5,29,56)</b>            |
| Share of earnings from Associates                                                                          |                 | (69,01)                     | 37,38,35                    |
|                                                                                                            |                 | (5,78,54)                   | 32,08,79                    |
| Less : Transfer to Statutory Reserve                                                                       |                 | (2,43)                      | —                           |
| Balance brought forward from previous year                                                                 |                 | 40,03,75                    | 7,94,96                     |
| Un-appropriated balance carried forward                                                                    |                 | <b>34,22,78</b>             | <b>40,03,75</b>             |
| <b>Basic and Diluted Earnings per share (Rs.)</b>                                                          |                 | <b>(5.28)</b>               | <b>29.29</b>                |

Significant Accounting Policies

XVI

Notes on Accounts

XVII

The Schedules referred to above form an integral part of the Profit & Loss Account.  
This is the Profit & Loss Account referred to in our Report of even date.

For LOVELOCK & LEWES  
Firm Registration No.301056E

Chartered Accountants

PARTHA MITRA

Partner

Membership No. 50553

Kolkata, 30th August, 2011

A. KHAITAN - Director  
T. R. SWAMINATHAN - Director  
H. U. SANGHAVI - Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

|                                                        | 31st March, 2011<br>(Rs.'000) | 31st March, 2010<br>(Rs.'000) |
|--------------------------------------------------------|-------------------------------|-------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                               |                               |
| Net Profit/(loss) before tax and extraordinary items   | (5,09,28)                     | (5,31,35)                     |
| Adjustment for :                                       |                               |                               |
| Depreciation                                           | 21,05                         | 24,24                         |
| Profit on sale of investment                           | —                             | (2,32,97)                     |
| Dividend/Interest income on investments                | (6,51,43)                     | (3,49,68)                     |
| Loss on Assets scrapped                                | 1,13                          | 1,04                          |
| Interest on fixed loans                                | 20,37,04                      | 21,67,77                      |
| Provision for Doubtful debts                           | 2,17                          | 6,46                          |
| Provision for Doubtful advances                        | 1,62                          | 3,03                          |
| Provision for Farmer's Assistance                      | 58,81                         | 60,16                         |
| Provision for Diminution in Value of Investments (net) | —                             | (36,96)                       |
| Provision for retirement benefit written back          | (4,00)                        | (9,50)                        |
| Provision written back                                 | (1,70,66)                     | (4,74,24)                     |
| Bad debts/advances written off                         | 1                             | 92,12                         |
| Liabilities written back                               | (10,39)                       | (11,59)                       |
| Provision for retirement benefit                       | 3,29                          | 4,26                          |
| Loss due to non conversion of Share warrants           | —                             | 2,61,00                       |
| Interest on Tax Refund                                 | (7,91)                        | (17,66)                       |
| Provision for Standard Assets                          | 10,66                         | —                             |
| <b>Operating profit before working capital changes</b> | <b>7,82,11</b>                | <b>9,56,13</b>                |
| Adjustment for :                                       |                               |                               |
| Inventories                                            | (92)                          | 1,83                          |
| Trade and other receivables                            | (8,21,38)                     | 52,07,85                      |
| Sundry Creditors and other liabilities                 | (1,03)                        | (3,47,29)                     |
| Provision for retirement benefit                       | (10,33)                       | (13,62)                       |
| <b>Cash generated from operations</b>                  | <b>(51,55)</b>                | <b>58,04,90</b>               |
| Interest received on refund of income tax              | 7,91                          | 17,66                         |
| Direct tax refund (net)                                | 83,32                         | 1,91,43                       |
| <b>Net cash from operating activities</b>              | <b>39,68</b>                  | <b>60,13,99</b>               |



|                                                                                       | 31st March, 2011<br>(Rs.'000) | 31st March, 2010<br>(Rs.'000) |
|---------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                         |                               |                               |
| Purchase of fixed assets                                                              | (2,29)                        | (4,41)                        |
| Sale of fixed assets                                                                  | —                             | 2,16                          |
| Dividend income on investments                                                        | 6,51,43                       | 3,49,68                       |
| Sale of investments                                                                   | —                             | 3,03,46                       |
| <b>Net cash from investing activities</b>                                             | <b>6,49,14</b>                | <b>6,50,89</b>                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                         |                               |                               |
| Proceeds from long term borrowings                                                    | 55,00,00                      | —                             |
| Repayment of long term borrowings                                                     | (58,13,12)                    | (30,75,43)                    |
| Proceeds from short term borrowings                                                   | 1,54,90,00                    | 1,21,60,00                    |
| Repayment of short term borrowings                                                    | (1,32,65,00)                  | (1,24,80,00)                  |
| Proceeds from issue of shares of Joint Venture<br>(including share premium)           | 22,27                         | 1,43,64                       |
| Interest paid on fixed loans                                                          | (20,40,06)                    | (22,14,65)                    |
| <b>Net Cash used in financing activities</b>                                          | <b>(1,05,91)</b>              | <b>(54,66,44)</b>             |
| Net increase/ (decrease) in cash and cash equivalents                                 | 5,82,91                       | 11,98,44                      |
| Cash and cash equivalents (Opening Balance)                                           | 14,62,93                      | 2,65,65                       |
| Less : Cash attributable to reduction in share of joint<br>venture from previous year | 2,13                          | 1,16                          |
| Cash and cash equivalents (Closing Balance)                                           | 20,43,71                      | 14,62,93                      |

Notes to the Cash Flow Statement for the year ended 31st March, 2011 :

1. Cash and Cash equivalents represent cash and bank balances only.
2. The above cashflow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. Previous year's figures have been rearranged and regrouped wherever necessary.

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

For LOVELOCK & LEWES  
Firm Registration No.301056E  
Chartered Accountants  
PARTHA MITRA  
Partner  
Membership No. 50553

Kolkata, 30th August, 2011

A. KHAITAN - Director  
T. R. SWAMINATHAN - Director  
H. U. SANGHAVI - Secretary

**SCHEDULE I****SHARE CAPITAL****Authorised –**

|             |                                     |                             |                 |                             |                 |
|-------------|-------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| 125,000     | Preference Shares of Rs. 100/- each | 31st March, 2011<br>Rs.'000 | 1,25,00         | 31st March, 2010<br>Rs.'000 | 1,25,00         |
| 2,37,50,000 | Equity Shares of Rs.10/- each       |                             | 23,75,00        |                             | 23,75,00        |
|             |                                     |                             | <b>25,00,00</b> |                             | <b>25,00,00</b> |

**Issued and Subscribed –**

|             |                                                                                                                                                                              |  |                 |  |                 |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------|--|-----------------|
| 1,09,56,360 | Equity Shares of Rs. 10/- each fully called-up                                                                                                                               |  | 10,95,64        |  | 10,95,64        |
|             | Of these —                                                                                                                                                                   |  |                 |  |                 |
| a)          | 14,99,930 Shares were allotted as fully paid-up pursuant to a contract without payment being received in cash ;                                                              |  |                 |  |                 |
| b)          | 12,39,090 Shares were allotted as fully paid-up pursuant to a Scheme of Amalgamation sanctioned by the Court without payment being received in cash ; and                    |  |                 |  |                 |
| c)          | 82,17,270 Shares were allotted as fully paid-up by way of Bonus Shares by capitalisation of Preference Share Capital Redemption Reserve, Capital Reserve and General Reserve |  |                 |  |                 |
|             |                                                                                                                                                                              |  | <b>10,95,64</b> |  | <b>10,95,64</b> |





## SCHEDULE II

### RESERVES & SURPLUS

|                                                                                   | General Reserve<br>Rs. '000 | Revaluation Reserve<br>Rs. '000 | Capital Reserve<br>Rs. '000 | Capital Redemption Reserve<br>Rs. '000 | Securities Premium<br>Rs. '000 | Statutory Reserve<br>Rs. '000 | Pension Reserve<br>Rs. '000 | Amalgamation Foreign Currency Reserve<br>Rs. '000 | Total<br>Rs. '000 |
|-----------------------------------------------------------------------------------|-----------------------------|---------------------------------|-----------------------------|----------------------------------------|--------------------------------|-------------------------------|-----------------------------|---------------------------------------------------|-------------------|
| Balance as per last account                                                       | 110,77,74                   | 51,57,50                        | 16,00,07                    | 1                                      | 4,98,09                        | 23,66,24                      | 45,00                       | 69,26                                             | 2,07,18,43        |
| Add/(Less) : Withdrawal on account of depreciation on amount added on revaluation | —                           | (1,18,45)                       | —                           | —                                      | —                              | —                             | —                           | —                                                 | (1,18,45)         |
| Add/(less) : Transfer during the year                                             | —                           | —                               | —                           | —                                      | —                              | 2,43                          | —                           | —                                                 | 2,43              |
| Add/(less) : Share of association on consolidation                                | —                           | (4,08,16)                       | —                           | —                                      | —                              | —                             | —                           | (42,57)                                           | (4,50,73)         |
| Add : Share of Joint Venture on consolidation                                     | —                           | —                               | —                           | —                                      | 3,46                           | —                             | —                           | —                                                 | 3,46              |
| <b>Total</b>                                                                      | <b>110,77,74</b>            | <b>46,30,89</b>                 | <b>16,00,07</b>             | <b>1</b>                               | <b>5,01,55</b>                 | <b>23,68,67</b>               | <b>45,00</b>                | <b>69,26</b>                                      | <b>2,01,55,14</b> |
| Add : Profit & Loss Account (Note 2)                                              |                             |                                 |                             |                                        |                                |                               |                             |                                                   | 34,99,87          |
| <b>Balance as at 31.3.2011</b>                                                    |                             |                                 |                             |                                        |                                |                               |                             |                                                   | <b>2,36,55,01</b> |

Notes :

1. Includes Rs. 13,18,04 thousand and Rs. 2,16,84 thousand arising out of consolidation with subsidiaries and associates respectively.
2. Includes Rs. 77,09 thousand arising out of change in share of joint venture and current year's share of loss of joint venture : Rs.1,21,06 thousand (previous year Rs.1,81,84 thousand).



### SCHEDULE III

#### LOAN FUNDS

##### Secured Loans

##### Term Loans

##### From other than Banks

31st March, 2011  
Rs.'000

31st March, 2010  
Rs.'000

66,83,29

69,96,41

66,83,29
69,96,41

**Notes :** The above includes :

- i) loans from Housing Development Finance Corporation Limited is secured by way of
  - mortgage of certain immovable properties of the Company
  - pledge of shares of Eveready Industries India Limited  
(Refer Note 2 of Schedule V)
- ii) loans from IL&FS Financial Services Limited secured by way of
  - pledge of shares of McNally Bharat Engineering Co. Ltd. and  
shares of McLeod Russel India Limited  
(Refer Note 2 of Schedule VI).

##### Unsecured Loans

##### Short Term Loans

##### From Other than Banks

##### Interest accrued and due

81,45,00

59,20,00

3,09,47

2,36,41

84,54,47
61,56,41

##### Other Loan

##### From Other than Banks

##### Interest accrued and due

84,54,47

62,01,43

1,51,37,76
1,31,97,84


**SCHEDULE IV****FIXED ASSETS**

|                       | GROSS BLOCK AT COST OR VALUATION        |                                            |                                                           |                                         | DEPRECIATION                            |                                          |                                                            | NET BLOCK                               |                                         |
|-----------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
|                       | As at<br>31st March<br>2010<br>Rs. '000 | Addition<br>during the<br>year<br>Rs. '000 | Disposal/<br>Adjustment<br>during the<br>year<br>Rs. '000 | As at<br>31st March<br>2011<br>Rs. '000 | As at<br>31st March<br>2010<br>Rs. '000 | Provision<br>for the<br>year<br>Rs. '000 | Deduction<br>on account<br>of disposal<br>etc.<br>Rs. '000 | As at<br>31st March<br>2011<br>Rs. '000 | As at<br>31st March<br>2010<br>Rs. '000 |
| Goodwill              | 2,52,31                                 | 32                                         | —                                                         | 2,52,63                                 | —                                       | —                                        | —                                                          | 2,52,63                                 | 2,52,31                                 |
| Land-Freehold         | 47,00,30                                | —                                          | —                                                         | 47,00,30                                | —                                       | —                                        | —                                                          | 47,00,30                                | 47,00,30                                |
| Buildings             | 40,95,25                                | —                                          | —                                                         | 40,95,25                                | 19,89,06                                | 1,24,10                                  | —                                                          | 21,13,16                                | 19,82,09                                |
| Plant & Machinery     | 1,21,34                                 | 52                                         | 8,70                                                      | 1,13,16                                 | 54,56                                   | 8,79                                     | 8,59                                                       | 54,76                                   | 58,40                                   |
| Motor Vehicles        | 29,57                                   | 89                                         | 20                                                        | 30,26                                   | 19,31                                   | 2,92                                     | 9                                                          | 22,14                                   | 8,12                                    |
| Furniture & Fittings  | 65,52                                   | 88                                         | 20,46                                                     | 45,94                                   | 59,56                                   | 2,36                                     | 19,43                                                      | 42,49                                   | 3,45                                    |
| Electric Installation | 32,15                                   | —                                          | 68                                                        | 31,47                                   | 28,30                                   | 52                                       | 63                                                         | 28,19                                   | 3,28                                    |
| Water Supply          | 11,74                                   | —                                          | —                                                         | 11,74                                   | 5,81                                    | 82                                       | —                                                          | 6,63                                    | 5,11                                    |
| <b>Total</b>          | <b>93,08,18</b>                         | <b>2,61</b>                                | <b>30,04</b>                                              | <b>92,80,75</b>                         | <b>21,56,60</b>                         | <b>1,39,51</b>                           | <b>28,74</b>                                               | <b>22,67,37</b>                         | <b>70,13,38</b>                         |
| Previous Year         | 93,18,89                                | 6,82                                       | 17,53                                                     | 93,08,18                                | 20,20,74                                | 1,48,92                                  | 13,06                                                      | 21,56,60                                | 71,51,58                                |

Notes :

- Goodwill includes Rs.2,52,63 thousand on account of 16.07% holding in the Joint Venture Company M/s. D1 Williamson Magor Bio Fuel Limited as per proportionate consolidation principle. Goodwill arising out of consolidation of subsidiaries has been netted with provision on investments made in the books of the parent company.
- Net Book Value as on 31st March, 2011 includes Rs.6,77 thousand (previous year Rs.7,89 thousand) representing share of Joint Venture.

**SCHEDULE V****INVESTMENTS - LONG TERM****Trade Investments****Quoted**

## Equity Shares - fully paid-up

|                                                                  | 31st March, 2011 |          | 31st March, 2010 |          |
|------------------------------------------------------------------|------------------|----------|------------------|----------|
|                                                                  | Nos.             | Rs.'000  | Nos.             | Rs.'000  |
| WPIL Limited                                                     | 80               | 1        | 80               | 1        |
| McNally Bharat Engineering Company Limited (Refer Note 2 below)  | 1,887,247        | 16,96,88 | 1,887,247        | 16,96,88 |
| \$ The Standard Batteries Limited (Re. 0.50 each)                | 577,250          | 1,60,05  | 577,250          | 1,60,05  |
| McLeod Russel India Limited (Rs. 5 each)<br>(Refer Note 2 below) | 11,649,946       | 67,17,38 | 11,649,946       | 67,17,38 |
| Kilburn Chemicals Limited                                        | 855,000          | 4,42,16  | 855,000          | 4,42,16  |
| Kilburn Office Automation Limited                                | 89,000           | 10,62    | 89,000           | 10,62    |
| Williamson Financial Services Limited                            | 576,250          | 1,91,09  | 576,250          | 1,91,09  |

**Unquoted**

## Equity Shares - fully paid-up

|                                                                |           |      |           |      |
|----------------------------------------------------------------|-----------|------|-----------|------|
| Dewrance Macneill & Company Limited<br>(In Liquidation)        | 1,200,000 | —    | 1,200,000 | —    |
| Kilburn Electricals Limited                                    | 14,000    | 1,40 | 14,000    | 1,40 |
| Manor Travels Limited                                          | 12,000    | 1,20 | 12,000    | 1,20 |
| Johnston Castings & Allied Industries Limited                  | 2,500     | —    | 2,500     | —    |
| Woodlands Multispecialty Hospital Ltd.<br>(Refer Note 3 below) | 113,360   | 1,16 | —         | —    |

**Other than Trade Investments****Quoted**

## Preference Shares - fully paid-up

|                                |         |      |         |      |
|--------------------------------|---------|------|---------|------|
| Metal Box India Limited        | 20,00   | 66   | 20,00   | 66   |
| Equity Shares - fully paid-up  |         |      |         |      |
| J. J. Leasing & Hiring Limited | 10,00   | 10   | 10,00   | 10   |
| Marigold Securities Ltd.       | 75,00   | 1,13 | 75,00   | 1,13 |
| Suryachakra Sea Foods limited  | 5,00,00 | 9,00 | 5,00,00 | 9,00 |

**Other than Trade Investments****Unquoted**

## Debenture Stock - Non-Redeemable

|                                                        |    |    |         |      |
|--------------------------------------------------------|----|----|---------|------|
| 6½% Bengal Chamber of Commerce & Industry              | 24 | 24 | 24      | 24   |
| 5% Woodlands Hospital and Medical Research Centre Ltd. | —  | —  | 106,500 | 1,07 |
| ½% Woodlands Hospital and Medical Research Centre Ltd. | —  | —  | 1,39    | 9    |

## Preference Shares — fully paid-up

|                                                                                          |         |       |         |       |
|------------------------------------------------------------------------------------------|---------|-------|---------|-------|
| India General Navigation & Railway Company<br>Limited (in Voluntary Liquidation)(Rs.424) | 228     | —     | 228     | —     |
| Equity Shares                                                                            |         |       |         |       |
| \$ Arvindnagar Goodwill & Co-operative<br>Housing Society Limited of Rs.50 each (Rs.250) | 5       | —     | 5       | —     |
| \$ Seema Apartments Co-operative Housing<br>Society Limited of Rs. 50 each               | 80      | 4     | 80      | 4     |
| Kornafuli Association Limited                                                            | 327     | —     | 327     | —     |
| Rivers Steam Navigation Company Limited (Re.1)                                           | 135,810 | —     | 135,810 | —     |
| Delhi Golf & Country Club Pvt.Limited.                                                   | 45,000  | 45,00 | 45,000  | 45,00 |
| Cosepa Fiscal Industries Limited                                                         | 350,000 | 35,00 | 350,000 | 35,00 |
| ABC Tea Workers Welfare Services                                                         | 10,567  | 1,06  | 10,567  | 1,06  |
| Gouripore Electric Supply Co.Limited<br>(In Voluntary Liquidation)                       | 3,000   | —     | 3,000   | —     |

**SCHEDULE V****INVESTMENTS - LONG TERM (Continued)****Investments in Associates****Trade Investments****Quoted**

\$ Eveready Industries India Limited  
(Refer to Note 2 below)

Kilburn Engineering Ltd. (Refer Note 2 below)

**Unquoted**

Babcock Borsig Ltd.  
(Refer Note 2 below)

Less : Provision for Diminution in value of investments

Aggregate value of Quoted Investments

Unquoted Investments

**Market Value of Quoted Investments****Notes :**

1. All shares except as indicated by \$ are of Rs.10 each fully paid-up.
2. 32,00,000 shares of Eveready Industries India Limited, 9,40,570 shares of Mcleod Russel India Limited, 25,08,013 shares of Babcock Borsig Limited and 17,50,000 shares of McNally Bharat Engineering Co. Limited have been pledged with banks and financial institutions against financial assistance taken by the Company and others.
3. 1,13,360 equity Share of Woodlands Multispecialty Hospital Limited (WMHL) were allotted in lieu of 1,06,639 Non-Redeemable 5% Debenture Stock and 13,900 ½% Debenture Stock of Woodlands Hospital and Medical Research Centre Ltd. pursuant to a scheme of amalgamation of WMHL and WMCL in terms of the Order passed by the Hon'ble High Court at Calcutta on 29th November, 2010.

**4. Investments in Association**

Kilburn Engineering Ltd.

Share in net assets on acquisition

Add : Goodwill on acquisition

Cost of acquisition

Add: Share in Profit/(Loss)/reserve after acquisition

Babcock Borsig Limited

Share in net assets on acquisition

Add : Goodwill on acquisition

Cost of acquisition

Add: Share in Profit/(Loss)/reserve after acquisition

Eveready Industries India Limited

Share in net assets on acquisition

Less : Capital Reserve

Cost of acquisition

Add: Share in Profit/(Loss)/reserve after acquisition

| 31st March, 2011 |                   | 31st March, 2010 |                   |
|------------------|-------------------|------------------|-------------------|
| Nos.             | Rs.'000           | Nos.             | Rs.'000           |
| 16,756,841       | 94,46,14          | 16,756,841       | 1,02,32,16        |
| 4,319,043        | 46,78,13          | 4,319,043        | 43,97,03          |
| 2,508,013        | 12,75,03          | 2,508,013        | 12,89,86          |
|                  | <b>2,47,13,48</b> |                  | <b>2,52,33,23</b> |
|                  | 3,66,97           |                  | 3,66,97           |
|                  | <b>2,43,46,51</b> |                  | <b>2,48,66,26</b> |
|                  | 1,96,57,64        |                  | 1,96,57,64        |
|                  | 50,55,84          |                  | 55,75,59          |
|                  | <b>2,47,13,48</b> |                  | <b>2,52,33,23</b> |
|                  | <b>4,51,42,31</b> |                  | <b>4,99,72,63</b> |

| 31st March, 2011 |            | 31st March, 2010 |            |
|------------------|------------|------------------|------------|
|                  | Rs.'000    |                  | Rs.'000    |
|                  | 14,46      |                  | 14,46      |
|                  | 10,55,10   |                  | 10,55,10   |
|                  | 10,69,56   |                  | 10,69,56   |
|                  | 36,08,57   |                  | 33,27,47   |
|                  | 46,78,13   |                  | 43,97,03   |
|                  | 2,62,77    |                  | 2,62,77    |
|                  | 1,10,57    |                  | 1,10,57    |
|                  | 3,73,34    |                  | 3,73,34    |
|                  | 9,01,69    |                  | 9,16,52    |
|                  | 12,75,03   |                  | 12,89,86   |
|                  | 1,40,67,17 |                  | 1,40,67,17 |
|                  | 47,08,16   |                  | 47,08,16   |
|                  | 93,59,01   |                  | 93,59,01   |
|                  | 87,13      |                  | 8,73,15    |
|                  | 94,46,14   |                  | 1,02,32,16 |



|                                                                                  | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|----------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>SCHEDULE VI</b>                                                               |                             |                             |
| <b>INVENTORY - AT COST</b>                                                       |                             |                             |
| Stock of Stores - share of joint venture                                         | 2,61                        | 1,73                        |
|                                                                                  | <u>2,61</u>                 | <u>1,73</u>                 |
| <b>SCHEDULE VII</b>                                                              |                             |                             |
| <b>SUNDRY DEBTORS</b>                                                            |                             |                             |
| Unsecured                                                                        |                             |                             |
| Debts outstanding for a period exceeding six months                              |                             |                             |
| Considered good                                                                  | 3,17                        | 5,35                        |
| Considered doubtful                                                              | 3,13,51                     | 3,74,98                     |
| Other Debts - considered good                                                    | 1,36,10                     | 1,11,26                     |
|                                                                                  | <u>4,52,78</u>              | <u>4,91,59</u>              |
| Less : Provision for Doubtful Debts                                              | 3,13,51                     | 3,74,98                     |
|                                                                                  | <u>1,39,27</u>              | <u>1,16,61</u>              |
| Share of Joint Venture included above : Rs.Nil ( <i>previous year: Rs.Nil</i> )  |                             |                             |
| <b>SCHEDULE VIII</b>                                                             |                             |                             |
| <b>OTHER CURRENT ASSETS</b>                                                      |                             |                             |
| Interest / Other Receivable -                                                    |                             |                             |
| Considered good                                                                  | 3,77,55                     | 6,49,55                     |
| Considered doubtful                                                              | 3,54,85                     | 3,61,78                     |
|                                                                                  | <u>7,32,40</u>              | <u>10,11,33</u>             |
| Less : Provision for Doubtful Receivables                                        | 3,54,85                     | 3,61,78                     |
|                                                                                  | <u>3,77,55</u>              | <u>6,49,55</u>              |
| Share of Joint Venture included above : Rs.Nil ( <i>previous year: Rs.1,20</i> ) |                             |                             |
| <b>SCHEDULE IX</b>                                                               |                             |                             |
| <b>CASH AND BANK BALANCES</b>                                                    |                             |                             |
| Cash in hand                                                                     | 1,91                        | 1,09                        |
| Cheques in hand                                                                  |                             |                             |
| With Scheduled Banks -                                                           |                             |                             |
| On Current Accounts                                                              | 20,40,17                    | 14,04,58                    |
| On Deposit Accounts                                                              | —                           | 55,63                       |
| On Redeemed Preference Share Accounts                                            | 1,63                        | 1,63                        |
|                                                                                  | <u>20,43,71</u>             | <u>14,62,93</u>             |

Share of Joint Venture included above : Rs.19,49 thousand (*previous year: Rs.94,57 thousand*)

**SCHEDULE X****LOANS AND ADVANCES**

|                                                                                                  | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|--------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Advances recoverable in cash or in kind or for value to be received - unsecured                  |                             |                             |
| Considered good                                                                                  | 5,74,25                     | 6,06,98                     |
| Considered doubtful                                                                              | 6,16,14                     | 6,59,44                     |
| Inter corporate Deposits                                                                         |                             |                             |
| Considered good                                                                                  | 50,36,50                    | 39,11,50                    |
| Considered doubtful                                                                              | —                           | —                           |
| Excise, Customs and Port Trust Authorities                                                       | 12                          | 12                          |
| Deposits - considered good                                                                       | 42,59                       | 34,76                       |
| considered doubtful                                                                              | 14                          | 24                          |
| Advance Tax (Net of Provision Rs.31,43,86 thousand)<br>(Previous Year Rs.22,29,49 thousand)      | 6,11,54                     | 6,25,61                     |
|                                                                                                  | <b>68,81,28</b>             | <b>58,38,65</b>             |
| Less: Provision for Doubtful Advances                                                            | 6,16,40                     | 6,59,80                     |
|                                                                                                  | <b>62,64,88</b>             | <b>51,78,85</b>             |
| Share of Joint Venture included above : Rs.4,00,26 thousand<br>(previous year: 4,44,57 thousand) |                             |                             |

**SCHEDULE XI****CURRENT LIABILITIES AND PROVISIONS****Liabilities**

|                                                                                              |                |                |
|----------------------------------------------------------------------------------------------|----------------|----------------|
| Sundry Creditors                                                                             | 52,70          | 59,55          |
| Security Deposits                                                                            | 25,96          | 25,96          |
| Other Liabilities                                                                            | 1,61,72        | 1,68,75        |
| Interest accrued but not due on Loans                                                        | 7,03           | 38,10          |
|                                                                                              | <b>2,47,41</b> | <b>2,92,36</b> |
| Share of Joint Venture included above : Rs.62,03 thousand<br>(previous year: 73,56 thousand) |                |                |

**Provisions**

|                                                                                                |              |              |
|------------------------------------------------------------------------------------------------|--------------|--------------|
| For Retirement Benefits                                                                        | 43,43        | 54,48        |
| Contingent Provision against Standard Assets *                                                 | 10,66        | —            |
| Fringe Benefit Tax (Net of advance tax Rs.13,27 thousand)<br>(Previous Year Rs.14,15 thousand) | (2,00)       | (3,13)       |
|                                                                                                | <b>52,09</b> | <b>51,35</b> |
| Share of Joint Venture included above : Rs.89 thousand<br>(previous year: 68 thousand)         |              |              |

\* Refer Schedule XIV

**SCHEDULE XII****INCOME FROM OPERATIONS**

|                                                                                                                        | 31st March, 2011 | 31st March, 2010 |
|------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                        | Rs.'000          | Rs.'000          |
| * Services                                                                                                             | 1,03,99          | 1,36,16          |
| * Rental Income                                                                                                        | 89,95            | 1,38,65          |
| * Recovery of Establishment Expenses                                                                                   | 3,24,00          | 3,24,00          |
| Dividends on Investments                                                                                               | 6,51,43          | 3,49,68          |
| Interest on Inter Corporate Deposits                                                                                   | 7,71,57          | 9,23,46          |
| Interest on Bank Fixed Deposit                                                                                         | 1,03             | 3,04             |
| Profit on Sale of Long Term Investments                                                                                | —                | 2,32,97          |
| Provisions written back (Net of Bad Debts/Advances written off Rs.1 thousand, <i>Previous year Rs.92,12 thousand</i> ) | 1,70,65          | 3,82,12          |
| Provision for diminution in investments written back                                                                   | —                | 1,41,64          |
|                                                                                                                        | <b>21,12,62</b>  | <b>26,31,72</b>  |
| Tax deducted at source                                                                                                 | —                | 53,00            |

Share of Joint Venture included above : Rs.1,03 thousand  
(previous year: Rs.-42,09 thousand)

**SCHEDULE XIII****OTHER INCOME**

|                                               |              |              |
|-----------------------------------------------|--------------|--------------|
| Interest on Income Tax Refund                 | 7,91         | 17,66        |
| Interest Others *#                            | 10,49        | —            |
| Provision for retirement benefit written back | 4,00         | 9,50         |
| Liabilities written back                      | 10,40        | 11,59        |
| Sale of manure/jatropha Plant                 | 1,15         | 11,30        |
| Miscellaneous Income                          | 88           | 50           |
|                                               | <b>34,83</b> | <b>50,55</b> |

\* Includes Rs.7,87 thousand in respect of prior period  
(previous year : Rs.Nil)

Share of Joint Venture included above : Rs.4,07 thousand  
(previous year: Rs.11,32 thousand)

**SCHEDULE XIV****EXPENSES**

|                                                |         |       |
|------------------------------------------------|---------|-------|
| Salaries, Wages, Compensation and Bonus        | 32,68   | 63,62 |
| Provident and Superannuation Fund Contribution | 2,95    | 3,34  |
| Pension and Gratuity                           | 32      | 4,06  |
| Establishment and General Expenses             | 50,22   | 64,69 |
| Travelling Expenses                            | 39,62   | 45,67 |
| Workmen and Staff Welfare                      | 25,28   | 28,91 |
| Directors' Fees                                | 5,40    | 7,70  |
| Financial Charges                              | 1,01,10 | 47,03 |
| Insurance                                      | 4,79    | 5,05  |
| Rent                                           | 11,63   | 13,81 |
| Rates and Taxes                                | 26,41   | 53,64 |
| Legal & Professional                           | 63,80   | 74,60 |
| Power and Fuel                                 | 58,16   | 41,57 |
| Repair to Buildings                            | 33,13   | 47,57 |
| Repair to Machinery                            | 11,12   | 84    |
| General Repairs and Renewals                   | 45,00   | 40,34 |
| Audit Fee                                      | 7,00    | 7,00  |
| Loss for Assets Scrapped                       | 1,13    | 1,04  |
| Consumption of Stores                          | 35      | 11,81 |
| Nursery & Agro Facilitation Charges            | 3,09    | 6,41  |
| Freight                                        | 94      | 2,68  |

**SCHEDULE XIV****EXPENSES (Continued)**

|                                                          | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs.'000 |
|----------------------------------------------------------|-----------------------------|-----------------------------|
| Deposit written off                                      | 55                          | —                           |
| Provision for Doubtful Debts                             | 2,17                        | 6,46                        |
| Provision for Doubtful Advance                           | 1,62                        | 3,03                        |
| Contingent Provision against Standard Assets             | 10,66                       | —                           |
| Provision for Diminution in the value of Investments     | —                           | 1,04,68                     |
| Provision for Farmers Assistance                         | 58,81                       | 60,16                       |
| Loss due to non payment of dues for convertible warrants | —                           | 2,61,00                     |
|                                                          | <b>5,97,93</b>              | <b>10,06,71</b>             |

Share of Joint Venture included above : Rs.1,23,63 thousand  
(previous year: Rs.1,48,37 thousand)

**SCHEDULE XV****INTEREST**

|             |                 |                 |
|-------------|-----------------|-----------------|
| Fixed Loans | 20,37,05        | 21,67,77        |
| Others      | 69              | 14,90           |
|             | <b>20,37,74</b> | <b>21,82,67</b> |

Share of Joint Venture included above : Rs.Nil  
(previous year: Rs.5 thousand)

**SCHEDULE XVI****SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011****1. Basis of consolidation :**

- a) The Consolidated Financial Statements comprise the Financial Statements of Williamson Magor & Co. Limited ( the Holding Company), its Subsidiaries, Associates and Joint Venture. The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21(AS 21) on " Consolidated Financial Statements", Accounting Standard 23 (AS 23) on "Accounting for Associates in Consolidated Financial Statements " and Accounting Standard 27 (AS 27) on " Financial reporting of Interest in Joint Venture", issued by the Institute of Chartered Accountants of India.

The Consolidated Financial Statements are prepared on the following basis ;

- i) Investment in Subsidiaries
- The Financial Statements of the Holding Company and its Subsidiaries Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, incomes and expenses. The intra-group transactions and unrealized or losses thereon have been fully eliminated.
  - The Financial Statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company
  - The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as Goodwill/Capital reserve.
- ii) Investment in Associates
- Investment in associate have been accounted for using the Equity Method whereby the investment is initially recorded at cost and adjusted thereafter for Post –acquisition change in the Holding Company's share of net assets. The difference between the cost of acquisition and the Holding Company's share of equity of the associates on the respective dates of acquisition is recognized as Goodwill/Capital reserve.
- iii) Investment in Joint Venture
- Joint Venture of the Holding Company have been accounted for in the Consolidated Financial Statements using the proportionate consolidation method whereby a venturer's share of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.



- The excess of the cost of the venturer over its share of net assets in the Joint Venture at the date on which the interest in the Joint Venture is acquired is recognized as Goodwill
- iv) Adjustment to goodwill/capital reserve is made on post acquisition increase /decrease in the share of equity of or carrying cost of investment in the joint venture and subsidiary companies.
- v) In applying the equity and proportionate consolidation method, adjustments, when impracticable, are not been made in the financial statements of the associates and joint venture company relating to differences in accounting policies as compared to those of the Holding Company.
- b) The subsidiaries, associates and joint venture considered in the consolidated financial statements are :

| Name of the Company                   | Country of Incorporation | % of ownership interest held as on 31st March, 2011 | % of ownership interest held as on 31st March, 2010 |
|---------------------------------------|--------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>Subsidiaries</b>                   |                          |                                                     |                                                     |
| Woodside Parks Limited                | India                    | 100%                                                | 100%                                                |
| Majerhat Estates & Developers Limited | India                    | 100%                                                | 100%                                                |
| <b>Joint Venture</b>                  |                          |                                                     |                                                     |
| D1 Williamson Magor Bio Fuel Limited  | India                    | 16.07%                                              | 16.44%                                              |
| <b>Associates</b>                     |                          |                                                     |                                                     |
| Babcock Borsig Limited                | India                    | 36.66%                                              | 36.66%                                              |
| Kilburn Engineering Limited           | India                    | 32.58%                                              | 32.58%                                              |
| Eveready Industries India Limited     | India                    | 23.05%                                              | 23.05%                                              |

## 2. Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention as modified by revaluation of certain fixed assets.

## 3. Goodwill on consolidation though not amortised, is tested for impairment

## 4. Fixed assets and depreciation

Tangible fixed assets are stated at cost of acquisition and at revaluation on current cost basis for certain assets. Depreciation on fixed assets is provided on reducing balance method in accordance with Schedule XIV of the Companies Act, 1956, except for -

- two Associates where depreciation is provided on Straight line method and in case of certain fixed assets at rates different from those provided in Schedule XIV of the Companies' Act, 1956. The gross block of the above assets as at 31st March, 2011 was Rs. 5,85,85,49 (in thousands).
- one Joint venture where depreciation is provided on certain fixed assets amounting to Rs.7,05 (in thousands) at rates different from those provided in Schedule XIV of the Companies' Act, 1956.

Additional charges of depreciation for the year on amount added on revaluation are withdrawn from Revaluation Reserve. An impairment loss, if any, is recognised when the carrying value of Fixed Assets exceeds their market value or value in use, whichever is higher.

Profit or loss on disposal of fixed assets is recognised in the Profit and Loss Account.

## 5. Investments

Investments which are of long term nature are stated at cost less amounts written off when directors are of the opinion that adjustment for any diminution, other than temporary, in the value thereof is necessary.

## 6. Inventories

The holding company and its subsidiaries do not have any inventory. Inventories of the joint venture are valued at cost or net realisable value, whichever is lower, where cost comprises material costs and other costs incurred for bringing them to their present location / condition and are determined on FIFO method.





Inventories of the associates are valued at lower of cost and net realisable value where cost is determined on weighted average cost method and in certain categories on FIFO method.

#### 7. Income from investments and interest

Dividend from investments is accounted for on receipt of the same. Interest is accounted for on accrual basis, and guided by the Rules framed for Non Banking Financial Company by the Reserve Bank of India.

#### 8. Services/ rental income

These are accounted for based on business arrangements in existence.

#### 9. Lease rent

Lease incomes under operating lease are recognised in Profit & Loss account.

#### 10. Employee benefits

**Short term employee benefits:** These are recognised at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.

**Post Employment Benefit Plans:** Contributions under Defined Contribution Plans are recognised on accrual basis as expenses for the year. In case of Defined Benefit Plans, the cost of providing the benefit is determined through actuarial valuation and charge is recognized in the books.

Actuarial gains and losses are recognised in the profit and loss account. The retirement benefit obligation provided in the Balance Sheet represents the present value of the defined benefit obligation.

#### 11. Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the transaction date and exchange difference resulting from settled transactions is adjusted in the profit and loss account.

#### 12. Borrowing Costs

Borrowing costs, other than those on qualifying assets, are charged to Profit & Loss account.

#### 13. Taxes on income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, 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 in respect of carried forward losses and/or unabsorbed depreciation are recognised only when it is virtually certain and in respect of other assets where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### SCHEDULE XVII

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

##### 1) Claims against the Company not acknowledged as debt

|                                                     | 31st March 2011<br>Rs.'000 | 31st March 2010<br>Rs.'000 |
|-----------------------------------------------------|----------------------------|----------------------------|
| Claims against the Company not acknowledged as debt | 93                         | 93                         |

##### 2) Contingent Liabilities for:

|                                                                      |                       |                     |
|----------------------------------------------------------------------|-----------------------|---------------------|
| (a) Sales Tax matters under dispute                                  | 41,98<br>(Note i)     | 41,98<br>(Note i)   |
| (b) Excise matters under dispute                                     | 7,11<br>(Note ii)     | 7,11<br>(Note ii)   |
| (c) Service Tax matters under dispute                                | 1,28,81<br>(Note iii) | 45,80<br>(Note iii) |
| (d) Guarantees given for loans granted to companies within the group | 63,50                 | 63,50               |





The probable cash outflow in respect of above is not readily determinable at this stage.

Notes :-

- ( i ) Represents sales tax levied on income from license fees pending before the Commissioner of Commercial Taxes, West Bengal.
- ( ii ) Representing claim in respect of Interest on Excise Duty pending before the Hon'ble High Court at Chennai.
- (iii) Representing demand as per Show Cause Notice and Order issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. Demand includes penalty and interest for delayed payment of the taxes. Interest have not been quantified in the demand notice.

### 3) Operating Lease :

The Company has leasing arrangements in the nature of operating leases in respect of its premises for a period of 3 years which are cancellable and are usually renewable by mutual consent on mutually agreeable terms. The aggregate of such lease rentals are recognised as rental income under Schedule XII.

### 4) Post Employment Benefits :

#### Defined Contribution Schemes

##### (a) Provident Fund :

Contributions to Provident Funds are made by the Company, based on current salaries, to recognised funds administered by the Trustees of the Company. In case of Provident Fund Schemes, contribution are also made by the employees.

The investments are made as per the rules laid down by Employees Provident Fund Organisation (EPFO). The company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by EPFO.

The total amount contributed by the company to the Fund for the year ended 31st March 2011 was Rs. 88 thousand (*previous year- Rs.1,14 thousand*).

##### (b) Superannuation Fund:

Contributions to Superannuation Schemes are applicable for certain categories of employees and the contribution by the Company is invested with Insurance Companies.

The total amount paid on this account during the year ended 31st March 2011 was Rs. 71 thousand (Previous year – Rs.66 thousand).

#### Defined Benefit Schemes

##### (a) Pension (Unfunded)

The Company has a practice of paying pension to certain categories of retired employees and in certain cases to their surviving spouses based on actuarial valuation at the end of each year.

##### (b) Medical Insurance Premium Re-imbursement (Unfunded)

The Company has a scheme of re-imbursement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement based on actuarial valuation at the year end subject to a monetary limit.

##### (c) Gratuity

Gratuity benefits accrue to employees completiong five years of service based on actuarial valuation at the end of the year with reference to their respective salaries and tenure of employment subject to a maximum limit of Rs.10 lakhs and charge is recognized in the accounts.

##### (d) Leave Encashment (Unfunded)

Accrued liability towards leave encashment benefits payable to employees has also been evaluated on the basis of actuarial valuation at the end of the year and has been recognized as a charge in the accounts.

The following table set forth the particulars as per actuarial valuation in respect of Defined Benefit Schemes of the Company for the year ended 31st March, 2011.





The following table set forth in particulars as per actuarial valuation in respect of Defined Benefit Schemes of the company for the year ended 31st March, 2011.

| Changes in present value of defined benefit obligations during the year ended 31st March 2011. | Pension (Rs.'000)                    |         |         |         | Medical Insurance (Rs.'000)                     |         |         |         | Gratuity (Rs.'000)             |         |         |         | Leave Encashment (Rs.'000)               |         |         |         |
|------------------------------------------------------------------------------------------------|--------------------------------------|---------|---------|---------|-------------------------------------------------|---------|---------|---------|--------------------------------|---------|---------|---------|------------------------------------------|---------|---------|---------|
|                                                                                                | 2010-11                              | 2009-10 | 2008-09 | 2007-08 | 2010-11                                         | 2009-10 | 2008-09 | 2007-08 | 2010-11                        | 2009-10 | 2008-09 | 2007-08 | 2010-11                                  | 2009-10 | 2008-09 | 2007-08 |
| Opening Present Value of obligation                                                            | 26,81                                | 45,65   | 76,21   | 89,55   | 25,20                                           | 24,54   | 29,10   | 29,69   | 35                             | —       | —       | —       | 1,43                                     | 2,88    | 18,36   | 12,01   |
| Provision Written Back                                                                         | —                                    | —       | (23,65) | —       | —                                               | —       | (5,99)  | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Interest Cost                                                                                  | 1,82                                 | 3,28    | 3,67    | 7,02    | 2,02                                            | 1,96    | 1,81    | 2,44    | 3                              | —       | —       | —       | 12                                       | 13      | 55      | 1,03    |
| Current Service Cost                                                                           | —                                    | —       | —       | —       | —                                               | —       | —       | —       | 18                             | 17      | —       | —       | 22                                       | 15      | 1       | 6       |
| Benefits Paid                                                                                  | (8,05)                               | (9,34)  | (13,42) | (13,82) | (2,28)                                          | (1,84)  | (2,41)  | (1,87)  | —                              | —       | —       | —       | —                                        | (2,44)  | (22,98) | —       |
| Actuarial loss (gain) on obligations                                                           | (5,82)                               | (12,77) | 2,84    | (6,54)  | 60                                              | 54      | 2,03    | (1,16)  | (1)                            | 18      | —       | —       | (9)                                      | 71      | 6,94    | 5,26    |
| Closing Present Value of obligation                                                            | 14,76                                | 26,82   | 45,65   | 76,21   | 25,54                                           | 25,20   | 24,54   | 29,10   | 55                             | 35      | —       | —       | 1,68                                     | 1,43    | 2,88    | 18,36   |
| Amount recognised in Balance Sheet                                                             | Pension (Rs.'000)                    |         |         |         | Medical Insurance (Rs.'000)                     |         |         |         | Gratuity (Rs.'000)             |         |         |         | Leave Encashment (Rs.'000)               |         |         |         |
|                                                                                                | 2010-11                              | 2009-10 | 2008-09 | 2007-08 | 2010-11                                         | 2009-10 | 2008-09 | 2007-08 | 2010-11                        | 2009-10 | 2008-09 | 2007-08 | 2010-11                                  | 2009-10 | 2008-09 | 2007-08 |
| Present Value of obligation                                                                    | 14,77                                | 26,81   | 45,65   | 76,21   | 25,54                                           | 25,20   | 24,54   | 29,10   | 55                             | 35      | —       | —       | 1,68                                     | 1,43    | 2,88    | 18,36   |
| Fair value of Plan Asset                                                                       | —                                    | —       | —       | —       | —                                               | —       | —       | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Net Asset/(Liability) recognized in Balance Sheet                                              | (14,77)                              | (26,81) | (45,65) | (76,21) | (25,54)                                         | (25,20) | (24,54) | (29,10) | (55)                           | (35)    | —       | —       | (1,68)                                   | (1,43)  | (2,88)  | (18,36) |
| Expense Recognized in Profit and Loss Account                                                  | Pension (Rs.'000)<br>(Note i and iv) |         |         |         | Medical Insurance (Rs.'000)<br>(Note ii and iv) |         |         |         | Gratuity (Rs.'000)<br>(Note i) |         |         |         | Leave Encashment (Rs.'000)<br>(Note iii) |         |         |         |
|                                                                                                | 2010-11                              | 2009-10 | 2008-09 | 2007-08 | 2010-11                                         | 2009-10 | 2008-09 | 2007-08 | 2010-11                        | 2009-10 | 2008-09 | 2007-08 | 2010-11                                  | 2009-10 | 2008-09 | 2007-08 |
| Provision Written Back                                                                         | —                                    | —       | (23,65) | —       | —                                               | —       | (5,99)  | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Current Service Cost                                                                           | —                                    | —       | —       | —       | —                                               | —       | —       | —       | 18                             | 17      | —       | —       | 22                                       | 15      | 1       | 6       |
| Interest Cost                                                                                  | 1,82                                 | 3,28    | 3,67    | 7,02    | 2,02                                            | 1,96    | 1,81    | 2,44    | 3                              | —       | —       | —       | 12                                       | 13      | 55      | 1,03    |
| Expected Return of Plan Asset                                                                  | —                                    | —       | —       | —       | —                                               | —       | —       | —       | —                              | —       | —       | —       | —                                        | —       | —       | —       |
| Actuarial loss/ (gain) recognized in the year                                                  | (5,82)                               | (12,77) | 2,84    | (6,54)  | 60                                              | 54      | 2,03    | (1,16)  | (1)                            | 18      | —       | —       | (9)                                      | 71      | 6,94    | 5,26    |
| Expense/(gain) Recognized in statement of Profit / Loss                                        | (4,00)                               | (9,49)  | (17,14) | 48      | 2,62                                            | 2,50    | (2,15)  | 1,28    | 20                             | 35      | —       | —       | 25                                       | 99      | 7,50    | 6,35    |

Notes :

- Charge for the year included in Pension and Gratuity (Schedule XIV)
- Charge for the year included in Workmen and Staff Welfare (Schedule XIV)
- Charge for the year included in Salaries, Wages, Compensation and Bonus (Schedule XIV)
- Provision written back included in Other Income (Schedule XIII)

| Principal Actuarial Assumptions | Pension (Rs.'000) |       |       |       | Medical Insurance (Rs.'000) |       |       |       | Gratuity (Rs.'000) |       |       |       | Leave Encashment (Rs.'000) |       |       |       |
|---------------------------------|-------------------|-------|-------|-------|-----------------------------|-------|-------|-------|--------------------|-------|-------|-------|----------------------------|-------|-------|-------|
|                                 | 10-11             | 09-10 | 08-09 | 07-08 | 10-11                       | 09-10 | 08-09 | 07-08 | 10-11              | 09-10 | 08-09 | 07-08 | 10-11                      | 09-10 | 08-09 | 07-08 |
| Discount Rate                   | 8                 | 8     | 8     | 8     | 8                           | 8     | 8     | 8     | 8                  | NA    | NA    | 8     | 8                          | 8     | 8     | 8     |
| Inflation Rate                  | NA                | NA    | NA    | NA    | NA                          | NA    | NA    | 5     | 5                  | NA    | NA    | 5     | 5                          | 5     | 5     | 5     |
| Return of Asset                 | —                 | —     | —     | —     | —                           | —     | —     | —     | —                  | —     | —     | —     | —                          | —     | —     | —     |



The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

Since the Company has adopted Accounting Standard 15 (Revised 2005) on Employee benefits during in the year 2007-08. Figures for four financial years are available and disclosed.

There are no employees in the rolls of the subsidiaries.

The share of the company in respect of its joint venture, D1 Williamson Magor Bio fuel Limited is as follows :

|                                          | 31st March, 2011<br>Rs. '000 | 31st March, 2010<br>Rs. '000 |
|------------------------------------------|------------------------------|------------------------------|
| (i) Contribution to Provident Fund       | 60                           | 71                           |
| (ii) Contribution to Superannuation Fund | 71                           | 83                           |

D1 Williamson Magor Bio Fuel Limited has provided liability for gratuity and leave encashment under defined benefit plan on the basis of actuarial valuation which has been arrived at by using Projected Unit Credit Method and the discount rate used in such valuation is 8.50%.

5. Disclosures in respect of related parties as defined in Accounting Standard(AS)-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI), with whom transactions have taken place during the year are noted below -

a) **Associate Companies :**

Babcock Borsig Limited  
Kilburn Engineering Limited  
Eveready Industries India Limited

b) **Company having significant influence :**

Metals Centre Limited

c) **Key Management Personnel :** Mr. D. Pal Choudhury

d) **Subsidiaries of Associates -** Subsidiaries of Eveready Industries India Limited

- 1) Novener SAS - 80%
- 2) Uniross SA - 97.3% (through Novenor S.A.S)
- 3) Uniross Batteries SAS - 100% (through Uniross S.A)
- 4) Industrial Uniross Batteries (Pty) Ltd., - 100% (through Uniross Batteries S.A.S)
- 5) Uniross Batteries GmbH - 100% (through Uniross Batteries S.A.S)
- 6) Uniross Batteries Limited - 100% (through Uniross Batteries S.A.S)
- 7) Zhongshan Uniross Industry Co. Ltd. - 100% (through Uniross Batteries S.A.S)
- 8) Everfast Rechargeables Limited - 100% (through Uniross Batteries S.A.S)
- 9) Idea Power Limited - 70% (through Novener & 30% Everfast Rechargeable Limited)
- 10) Rechargeable Online SAS - 100% (through Uniross Batteries Limited)
- 11) Celltax Limited - 100% (through Uniross Batteries Limited))
- 12) Logness Batteries Corp. - 100% (through Uniross Batteries Limited))
- 13) Uniross Batteries Corp. - 100% (through Uniross Batteries Limited))
- 14) North American Battery Corp. - 100% (through Uniross Batteries Limited))
- 15) Multiplier Industries Corp. - 100% (through Uniross Batteries Limited))
- 16) Everspark Hongkong Private Ltd. - 100%

**Subsidiary of babcock Borsig Limited :** International Developers & Engineering Associates Limited - 100%



**Nature of transactions**

|                                                 | Year    | Associates<br>Rs.'000 | Key<br>Management<br>Personnel<br>Rs.'000 | Subsidiaries<br>of<br>Associates<br>Rs.'000 | Total<br>Rs.'000 |
|-------------------------------------------------|---------|-----------------------|-------------------------------------------|---------------------------------------------|------------------|
| Dividend                                        | 2010-11 | 148,57                | —                                         | —                                           | 148,57           |
|                                                 | 2009-10 | 86,38                 | —                                         | —                                           | 86,38            |
| Rental Income                                   | 2010-11 | 10,08                 | —                                         | —                                           | 10,08            |
|                                                 | 2009-10 | 10,08                 | —                                         | —                                           | 10,08            |
| Maintenance Services                            | 2010-11 | 7,16                  | —                                         | —                                           | 7,16             |
|                                                 | 2009-10 | 7,20                  | —                                         | —                                           | 7,20             |
| Other Consultancy Services                      | 2010-11 | 2,04,00               | —                                         | —                                           | 2,04,00          |
|                                                 | 2009-10 | 2,04,00               | —                                         | —                                           | 2,04,00          |
| Interest on Inter Corporate Loan taken          | 2010-11 | —                     | —                                         | —                                           | —                |
|                                                 | 2009-10 | 39,30                 | —                                         | —                                           | 39,30            |
| Provision for debts/advances<br>written back    | 2010-11 | —                     | —                                         | —                                           | —                |
|                                                 | 2009-10 | 6,88                  | —                                         | —                                           | 6,88             |
| Remuneration                                    | 2010-11 | —                     | 6,24                                      | —                                           | 6,24             |
|                                                 | 2009-10 | —                     | 5,40                                      | —                                           | 5,40             |
| <b>Outstanding as on<br/>Balance Sheet date</b> |         |                       |                                           |                                             |                  |
| Investments                                     | 2010-11 | 1,53,99,30            | —                                         | —                                           | 1,53,99,30       |
|                                                 | 2009-10 | 1,59,19,05            | —                                         | —                                           | 1,59,19,05       |
| <b>Receivable</b>                               |         |                       |                                           |                                             |                  |
| Debtors                                         | 2010-11 | 1,17,05               | —                                         | —                                           | 1,17,05          |
|                                                 | 2009-10 | 89,68                 | —                                         | —                                           | 89,68            |
| Loans and Advances                              | 2010-11 | 1,86                  | —                                         | —                                           | 1,86             |
|                                                 | 2009-10 | 1,83                  | —                                         | —                                           | 1,83             |
| <b>Payables</b>                                 |         |                       |                                           |                                             |                  |
| Interest on Inter                               | 2010-11 | —                     | —                                         | —                                           | —                |
| Corporate Loan taken                            | 2009-10 | 35,37                 | —                                         | —                                           | 35,37            |



## 6. Earning Per Share (EPS)

|                                                                     | 31st March, 2011 | 31st March, 2010 |
|---------------------------------------------------------------------|------------------|------------------|
| Profit/(Loss) after Tax as per Profit & Loss Account (Rs. thousand) | (5,78,54)        | 32,08,79         |
| Average number of Equity Shares (Face Value Rs. 10 each)            | 10,95,63,60      | 10,95,63,60      |
| Basic and Diluted EPS (in Rupees)                                   | (5,28)           | 29.29            |

7. The Company has unabsorbed depreciation and carried forward business losses available for set off under Income Tax Act, 1961. However, in view of inability to assess future taxable income, the extent of deferred tax assets which may be adjusted in subsequent years is not ascertainable with virtual certainty at this stage, and accordingly the deferred tax asset has been recognised only to the extent of deferred tax liability.

|                                                                               | 31st March, 2011<br>Rs.'000 | 31st March, 2010<br>Rs. '000 |
|-------------------------------------------------------------------------------|-----------------------------|------------------------------|
| Deferred Tax assets and liabilities are attributable to the following items : |                             |                              |
| Liabilities :                                                                 |                             |                              |
| Depreciation                                                                  | 35,75                       | 38,86                        |
| Assets :                                                                      |                             |                              |
| Unabsorbed Business Losses                                                    | 17,92,58                    | 11,75,75                     |
| Unabsorbed Depreciation                                                       | 34,81                       | 25,00                        |
| Unabsorbed Capital Losses                                                     | 38,59                       | 39,49                        |
| Recognised to the extent of Liability                                         | 35,75                       | 38,86                        |

8. The Company is registered as a Non-Banking Financial Company and is primarily engaged in holding shares in its group companies. The Company does not have any reportable segment as envisaged in Accounting Standard in AS 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).
9. Based on notification no. DNBS.223/CGM(US)-2011 dated January 17, 2011, provision has been made for standard assets at 0.25 percent of the balance of such assets on 31st March, 2011 which has been included in Schedule XIV and the total provision has been disclosed separately as Contingent Provision against Standard Assets' in Schedule XI.
10. Pursuant to the requirements of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007, the Company has made an application to The Reserve Bank of India seeking extension for regularization of the requirements relating to concentration of investment and exposure norms in a phased manner. Accordingly, the Company has sold certain shares to dilute its concentration of investments in the previous year to some extent and has recovered a substantial portion of its loan exposure during the year.

In the meantime the Reserve Bank of India vide its Notification No.DNBS(PD)CC. No.197/03.10.001/2010-11 dated 12th August, 2010 and No.DNBS(PD)CC. No.206/03.10.001/2010-11 dated 5th January, 2011 has come out with a





new category of NBFC which is known as Systemically Important Core Investment Company. Based on the audited accounts for the year ended 31st March, 2011 the Company will apply to the Reserve Bank of India for the conversion of its status from Systemically Important Non Deposit Taking Non Banking Financial Company to Systemically Important Non Deposit Taking Core Investment Company as a result of which the Company need not dilute its exposure in terms of Investments and loans as mentioned above.

11. Eveready Industries India Limited (EIL), one of the associates of the Company, acquired a controlling stake in Novenor SAS in July 2009. As at March 31, 2011, EIL has an investment of Rs.41,10,00 (in thousands) and has received an amount aggregating to Rs.17,31,73 (in thousands). Novenor SAS incurred a loss of Rs.52,36 (in thousands) for the year ended 31st March 2011 and as at that date its accumulated losses of Rs.67,24,48 (in thousands) exceeded its Networth. The operations and the organisational structure of Novenor SAS are currently in the process of restructuring of which substantial part has been completed during the year ended March 31, 2011. The benefits and results of such restructuring would be forthcoming in the following years. The management is of the view that on the account of its long-term involvement in Novenor SAS, no provision is required on this account at this stage.
12. Expert opinion was received whereby the working life of brand "Eveready" was estimated at more than 100 years. However, as a measure of prudence, amortisation period of the brand has been kept at 40 years only.
13. The figures for the previous year have been regrouped and re-arranged wherever necessary.

#### Signatures to Schedules I to XVII

For LOVELOCK & LEWES  
Firm Registration No.301056E  
*Chartered Accountants*  
PARTHA MITRA  
*Partner*  
Membership No. 50553

A. KHAITAN - *Director*  
T. R. SWAMINATHAN - *Director*  
H. U. SANGHAVI - *Secretary*

Kolkata, 30th August, 2011





## WILLIAMSON MAGOR & CO. LIMITED

Registered Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata 700 001

### NOTICE

NOTICE is hereby given that the Annual General Meeting of the Company will be held on Thursday, 29th September, 2011 at the Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, 6, Netaji Subhas Road, Kolkata 700 001, at 11.00 a.m. to transact the following business :

1. To receive and adopt the Audited Accounts of the Company for the Financial Year ended 31st March, 2011 and the Reports of the Directors and the Auditors thereon.
2. To appoint Directors in the places of Messrs. R. S. Jhavar, Bharat Bajoria and H. M. Parekh who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolution :

#### AS AN ORDINARY RESOLUTION

4. "RESOLVED that pursuant to the provisions of Sections 198, 269 and 309 read with Sections 387 and 388 of the Companies Act, 1956 ('the Act') and Schedule XIII thereto, approval of the Members be and is hereby accorded to the reappointment of Mr. D. Pal Choudhury as the Manager and to the remuneration payable to him as Manager for a period of one year with effect from 1st April, 2011 upon the terms and conditions as set out in the Company's letter dated 1st April 2011 addressed to Mr. D. Pal Choudhury, a copy whereof duly initialed by the Chairman for the purpose of identification is placed before the Meeting.

RESOLVED further that pursuant to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 approval of the Members be and is hereby accorded to the payment of the same remuneration as per terms as set out in the aforesaid letter dated 1st April 2011 to Mr. D. Pal Choudhury as minimum remuneration in the event of the Company having no profits or inadequate profits during the financial year ending 31st March, 2012."

Registered Office :  
Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani,  
Kolkata - 700 001  
Date : 30th August, 2011

By Order of the Board  
WILLIAMSON MAGOR & CO. LIMITED  
H. U. SANGHAVI  
*Company Secretary*

#### NOTES :

1. **A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata 700 001 not less than forty-eight hours before the Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2011 to 29th September, 2011 (both days inclusive).
3. The information as required to be provided in terms of the Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be reappointed is annexed hereto.

4. The Securities and Exchange Board of India (SEBI) vide Circular Ref. No.MRD/DoP/Cir-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions. Thereafter, vide Circular No.MRD/DoP/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transactions involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
5. Members who are holding shares in physical form are requested to notify change in address if any, to the Company's Share Transfer Agent quoting their Folio Number. Shareholders holding shares in dematerialized form, should intimate change of their address, if any, to their Depository Participant and also their e-mail id to the Company or its Share Transfer Agent.
6. A Member desirous of getting any information on the accounts of the Company is requested to forward his queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.
7. The Ministry of Corporate Affairs vide its Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has undertaken a 'Green Initiative' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this Green Initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Maheshwari Datamatics Private Limited, the Registrar and Share Transfer Agent of the Company.
8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to the item of Special Business is annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)  
OF THE COMPANIES ACT, 1956.**

**ITEM NO. 4**

Section 269 of the Companies Act, 1956 ('the Act') provides that every public limited company having a paid up share capital of Rs.5 crore or more shall have a Managing or Wholtime Director or Manager. Accordingly, Mr. D. Pal Choudhury has been reappointed as the Manager of the Company by the Board of Directors of the Company ('the Board') for a period of one year with effect from 1st April 2011 at a remuneration and upon the terms and conditions set out in the Company's letter dated 1st April 2011 addressed to Mr. D. Pal Choudhury, the material terms of which are as follows :

**Period :** 1 (one) year with effect from 1st April 2011.

**Remuneration :** Salary Rs.45,000/- per month, reimbursement of Conveyance Expenses upto a maximum of Rs.10,000/- per month. Incentives not exceeding Rs.100,000/- per annum in the aggregate as may be granted by the Board of Directors at its sole discretion.

**Minimum Remuneration :** In the event of loss or inadequacy of profits of the Company in the Financial Year ending 31st March 2012 the aforesaid remuneration will be treated and paid as the Minimum Remuneration subject to the provisions of Section II of Part II of Schedule XIII to the Act.

**Nature of duties :** He shall subject to the superintendence, control and direction of the Board perform such duties and exercise such powers which have been or may from time to time be entrusted to or vested in him by the Board.

**Other Conditions :** The appointment is terminable by one month's Notice from either side.

The reappointment of Mr. D. Pal Choudhury and his above remuneration requires the approval of the Members of the Company in General Meeting pursuant to Part III of Schedule XIII to the Act. The above terms as to remuneration including Minimum Remuneration have been approved by the Remuneration Committee of the Board at its Meeting held on 1st April, 2011. The Resolution set out in item No.4 of the convening Notice has to be considered accordingly and the Board recommends its adoption.

A copy of the letter referred to in the said Resolution will be available for inspection by the Members of the Company at its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata 700001 on any working day prior to the date of the Meeting between 10.00 a.m. and 12.00 noon and will also be available at the Meeting.

No Director of the Company is concerned or interested in the said resolution.

#### **PARTICULARS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT**

**1. Name of Director : MR. RAMA SHANKAR JHAWAR**

Age : 72 years

Qualification : B. Com., LLB; FCA; ACMA

Expertise : Mr. R. S. Jhawar has been associated with WM Group in various capacities for about 5 decades.

During his tenure of employment with Williamson Magor & Co. Limited, he has held senior positions in Finance and General Management and gained valuable experience in corporate finance, lending, investment and other aspects of corporate management. Mr. Jhawar was a Wholtime Director of Williamson Magor & Co. Limited till 31st March, 2008.

He possesses considerable experience in Tea Industry. He was the Chairman of Indian Tea Association for two consecutive terms and was also the Vice Chairman of the Tea Board.

Other Directorships :

**Name of Company**

Williamson Financial Services Ltd.

The Standard Batteries Ltd.

Metals Centre Ltd.

Dufflaghur Investments Ltd.

Queens Park Property Co. Ltd.

Cosepa Fiscal Industries Ltd.

Asian Hotels (East) Ltd.

**Committee Memberships, if any, with position**

Shareholders' Grievance Committee, Chairman

Remuneration Committee and Audit Committee, Member

Remuneration Committee, Member

Audit Committee and Shareholders'

Grievance Committee, Member

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**2. Name of Director : MR. BHARAT BAJORIA**

Age : 58 years

Qualification : B. Sc. (Hons.)

Expertise : Mr. Bajoria is associated with the Tea Industry since 1975 and during his long career of over 3 decades has gathered considerable experience in all aspects of tea plantation business. Mr. Bajoria is the Managing Director of Teesta Valley Tea Co. Ltd. and The Bormah Jan Tea Co. (1936) Ltd. and he is having Directorships in other Companies. As a leader of the Indian Tea Industry, Mr. Bajoria held in the past the position of Chairman of Indian Tea Association and Consultative Committee of Plantation Association. Mr. Bajoria was also the Chairman of Darjeeling Planters Association and Special Committee for Generic Tea Promotion in India. Mr. Bajoria is a Member of Indian Chamber of Commerce.

Other Directorships :

| <b>Name of Company</b>                 | <b>Committee Memberships, if any, with position</b>                                               |
|----------------------------------------|---------------------------------------------------------------------------------------------------|
| Banarhat Investment Co. Pvt. Ltd.      |                                                                                                   |
| The Bormah Jan Tea Co. (1936) Ltd.     |                                                                                                   |
| Birdie Trading Pvt. Ltd.               |                                                                                                   |
| Teesta Valley Tea Co. Ltd.             |                                                                                                   |
| Teesta Valley Exports Ltd.             |                                                                                                   |
| McLeod & Co. Limited                   |                                                                                                   |
| Speedways International Pvt. Ltd.      |                                                                                                   |
| Trishul Co. Pvt. Ltd.                  |                                                                                                   |
| McLeod Russel India Ltd.               | Remuneration Committee, Chairman<br>Audit Committee and Shareholders' Grievance Committee, Member |
| Globe (India) Ltd.                     |                                                                                                   |
| Dhunseri Petrochem & Tea Ltd.          | Audit Committee, Member                                                                           |
| The Budge Budge Investment Co. Pvt. Lt |                                                                                                   |

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3. Name of Director : **MR. H. M. PAREKH**
- Age : 74 years
- Qualification : B. Com (Hons)
- Expertise : Mr. H. M. Parekh has over 51 years of experience in the Tea Industry. Retired as Chairman of J. Thomas & Co. Pvt. Ltd., world's largest tea broking Company. He was the Chief Executive Officer of Project India Blend Ltd., and is currently a Marketing Consultant to some top tea producing Companies.

Other Directorships :

| <b>Name of Company</b>                 | <b>Committee Memberships, if any, with position</b>                                                                           |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| The Methoni Tea Co. Ltd.               |                                                                                                                               |
| Rossel Tea Ltd.                        | Shareholders Grievance & Share Transfer Committee, Chairman<br>Remuneration Committee and Audit Committee, Member             |
| Diana Tea Co. Ltd.                     | Remuneration Committee and Audit Committee, Member                                                                            |
| The Grob Tea Co. Ltd.                  |                                                                                                                               |
| Gillanders Arbuthnot & Company Ltd.    | Share Transfer & Shareholders'/Investors' Grievance Committee, Chairman<br>Remuneration Committee and Audit Committee, Member |
| Peria Karamalai Tea & Produce Co. Ltd. | Remuneration Committee, Chairman<br>Audit Committee, Member                                                                   |
| BMG Enterprises Ltd.                   |                                                                                                                               |
| Rasoi Limited                          | Audit Committee, Chairman<br>Shareholders' / Investors' Grievance Committee and<br>Remuneration Committee, Member             |
| Quality Tea Plantations Pvt. Ltd.      |                                                                                                                               |
| Trans Global Logistics Pvt. Ltd.       |                                                                                                                               |



## WILLIAMSON MAGOR & CO. LIMITED

*Registered Office :*  
FOUR MANGOE LANE  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA - 700 001

### PROXY

I/We .....  
of ..... being a member/members  
of WILLIAMSON MAGOR & CO. LIMITED, hereby appoint .....  
..... of .....  
or failing him ..... of .....  
or failing him ..... of .....  
as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting to be held at the  
Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, 6, N. S. Road, Kolkata 700 001 on  
Thursday, the 29th September, 2011 and at any adjournment thereof.

Dated this..... day of .....2011.

R.F.No./Client ID No. ....

Signature

Affix  
Revenue  
Stamp

**Note :** A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and  
vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective,  
must be received by the Company not less than 48 hours before the time for holding the Meeting.



## WILLIAMSON MAGOR & CO. LIMITED

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING  
HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

|                |               |
|----------------|---------------|
| Name & Address | R.F. No.      |
|                | Client ID No. |
|                | D.P. ID No.   |

I hereby record my presence at the Annual General Meeting held at the Williamson Magor Hall of The Bengal Chamber of  
Commerce and Industry, 6, N. S. Road, Kolkata 700 001 on Thursday, the 29th September, 2011 at 11.00 a.m.

SIGNATURE OF THE SHAREHOLDER/PROXY

**Note :** Shareholder/Proxy holder desiring to attend the Meeting are requested to bring their copy of the Annual  
Report for reference at the Meeting.