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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

METALS CENTRE LIMITED

BORELLI TEA HOLDINGS LIMITED (U.K.)

PHU BEN TEA COMPANY LIMITED (VIETNAM)

RWENZORI TEA INVESTMENTS LIMITED

McLEOD RUSSEL UGANDA LIMITED



FIVE YEAR FINANCIAL SUMMARY

(Rupees in Lakh)

| | 2009-2010 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|--|-----------|-----------|-----------|-----------|-----------|
| Total Income | 2,731.04 | 2,081.80 | 2,210.53 | 4,410.22 | 5,545.54 |
| Expenses | 3,062.78 | 2,558.39 | 2,294.75 | 1,218.02 | 1,632.53 |
| Profit/(Loss) Before Taxation | (331.74) | (476.59) | (84.22) | 3,192.20 | 3,913.01 |
| Taxation - Current | — | — | — | 130.00 | — |
| - Earlier years (net of write back) | — | 123.18 | (24.08) | — | — |
| - Deferred | — | — | — | — | (8.39) |
| - Fringe Benefit Tax (net of write back) | 1.79 | (4.11) | (8.44) | 6.50 | 7.43 |
| Profit/(Loss) after Taxation | (329.95) | (357.52) | (116.74) | 3,055.70 | 3,913.97 |
| Transfer to Statutory Reserve | — | — | — | 611.14 | 782.80 |
| Retained Profits/(Loss) | (329.95) | (357.52) | (116.74) | 2,444.56 | 3,131.17 |
| Funds Employed | 32,162.48 | 35,982.36 | 33,534.95 | 29,444.48 | 20,892.58 |
| Employment of Funds | | | | | |
| Net Block of Fixed Assets | 6,891.38 | 7,039.36 | 7,142.87 | 7,258.31 | 7,400.59 |
| Investments | 20,590.25 | 20,624.93 | 19,277.63 | 15,786.24 | 13,139.32 |
| Net Current Assets | 4,680.85 | 8,318.07 | 7,114.45 | 6,399.93 | 352.67 |



REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2010

The Directors have pleasure in presenting the Annual Report with the Audited Accounts of your Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

| | (Rs. in Thousands) | |
|--|--------------------|------------|
| | 2009-2010 | 2008-2009 |
| Profit before Depreciation and Interest | 18,72,46 | 15,93,24 |
| Less : a) Depreciation | 21,59 | 22,65 |
| b) Interest | 21,82,61 | 20,47,18 |
| Profit/(Loss) before Taxation | (3,31,74) | (4,76,59) |
| Provision for Taxation : | | |
| a) Current Tax | — | — |
| b) Earlier years (net off write back) | — | 1,23,18 |
| c) Fringe Benefit Tax (net off write back) | 1,79 | (4,11) |
| Profit/(Loss) after Taxation | (3,29,95) | (3,57,52) |
| Loss brought forward from previous years | (24,92,94) | (21,35,42) |
| Balance carried forward to Balance Sheet | (28,22,89) | (24,92,94) |

OPERATIONS

The Company during the year under review earned interest income of Rs.9.23 crore, dividend on trade investments of Rs.3.50 crore and profit on sale of long term investments of Rs.2.33 crore.

The total income of your Company was Rs.27.31 crore as against Rs.20.82 crore earned in the previous year. The company has suffered a loss of Rs.3.30 crore during the year under review as against a loss of Rs.3.58 crore in the previous year.

DIVIDEND

On account of the loss sustained by the Company 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 in July 2006 under a 50:50 Joint Venture Agreement between Williamson Magor & Co. Ltd., (WML) 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 16.44% of equity capital in D1WML.

As a clean fuel, alternate to fossil fuel, the market for bio diesel has been increasing globally at a faster rate. The global production of bio diesel during the year 2008 at 11.1 Million MT registered a growth of 23% over previous year.

There has been an acute shortage of bio diesel feedstock and D1WML has developed about 132,000 hectares of plantation at different stages of maturity. The company has observed 2009-10 as the year of consolidation of plantation and estimates about 60% of the farms are duly maintained by the farmers to produce commercial crop.

The initial harvest of oilseed on young plantation carried out during 2009-10 is being used for extension and consolidation. D1WML expects sub-commercial harvest during 2010-11 for oil expelling and commercial harvest in 2011-12. The company has acquired



about 28 acres of land in Balipara Industrial Growth Centre, Assam for setting up a bio diesel processing unit.

SUBSIDIARY COMPANIES

The Annual Report and Accounts of Woodside Parks Limited and Majerhat Estates & Developers Limited, Subsidiaries of the Company, as on 31st March 2010 are annexed to this Report in accordance with the provisions of Section 212 of the Companies Act, 1956

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 India Limited, Kilburn Engineering Limited and Babcock Borsig Limited and one Joint Venture Company namely D1WML 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. A. Khaitan, Padam Kumar Khaitan and Dr. Raghavachari Srinivasan 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 2010 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.

For and on behalf of the Board

A. KHAITAN – *Director*

R. S. JHAWAR – *Director*

Kolkata, 13th August, 2010

ANNEXURE TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

After the year of economic recession all over the world, signs of recovery were seen in 2009-10. The impact of recession was not as much on the Indian Economy, as our economy was relatively protected by better monitoring and handling of credit policy and comparatively lower dependence on exports. On account of these factors as well as faster fiscal and monetary measures by the Government of India and the Reserve Bank of India, the revival of our economy has been faster than many in the West. While Indian GDP is poised for growth @ 8.5% this year, the main cause for concern for the present is the high rate of inflation which the Government and Reserve Bank of India are trying to mitigate through fiscal measures.

With the revival of the economy, the Government is considering withdrawal of stimulus packages in a phased manner. Despite increase in repo and reverse repo rates three times in the recent past by the Reserve Bank of India, the liquidity available in the system is still comfortable. While the commercial banks have increased their rates of interest on deposits, most of them are yet to do so in respect of lendings. Funds have started flowing in from the Foreign Investors into the Indian Equity Market. The expectation of a good economic growth coupled with a positive outlook of the FIIs have pushed stock indices up to a thirty month high level. With all these, the environment for the companies engaged in the financial sector is considered to be favourable.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The principal business of your company is investments and lending of funds. With the economic revival, most of the investee companies have started doing well and declaring higher dividends, which should boost income of your Company. Recovery of loans and interest is also expected to be easier.

The Company is a part of the Williamson Magor Group possessing good infrastructure and carries a good reputation in the Corporate World. High rate of inflation is a major cause of concern for the country, the industry as also for your Company. If inflation cannot be contained, there is a possibility of interest rates to go up and liquidity being sucked by Reserve Bank of India further through



fiscal measures. Such a scenario might pose threat to the companies engaged in the Financial Sector.

The Global Economy is still not fully out of the crisis. Any major negative news could again drag down the market. However, as most of the investments held by your Company are on long term basis, any temporary fall in the market is unlikely to have impact on your Company's operations.

OUTLOOK

The earnings of the Company in the current year are expected to improve on account of higher dividends being declared by some of the investee companies. Recovery of loans together with interest is also expected to be better in the current year. In view of these, your Directors are reasonably hopeful of improved performance in the current year, barring unforeseen circumstances.

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 pursuant to the Listing Agreement 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.

Kolkata, 13th August 2010

For and on behalf of the Board
A. KHAITAN – *Director*
R. S. JHAWAR – *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 |

RESEARCH AND DEVELOPMENT Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION Nil

FOREIGN EXCHANGE EARNINGS & OUTGO

Total Foreign Exchange :

| | |
|--------|---------------|
| Earned | Nil |
| Outgo | Rs. 4.17 lakh |

For and on behalf of the Board

A. KHAITAN – *Director*

R. S. JHAWAR – *Director*

Kolkata, 13th August 2010



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 one third 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 2010, 6 Board Meetings were held on 28.04.2009, 03.06.2009, 30.06.2009, 28.07.2009, 27.10.2009 and 22.01.2010 and the Annual General Meeting was held on 28.08.2009.

(iii) Particulars of Directors as on 31st March, 2010 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 28.08.2009 | 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 | 6 | 6 | NO | 6 | — | 1 |
| MR. D. KHAITAN | NON-EXECUTIVE VICE-CHAIRMAN | 6 | 2 | NO | 7 | — | 1 |
| MR. A. KHAITAN | NON-EXECUTIVE | 6 | 5 | YES | 7 | 1 | 2 |
| MR. T.R. SWAMINATHAN | NON-EXECUTIVE & INDEPENDENT | 6 | 4 | YES | 3 | 3 | 4 |
| MR. R.S. JHAWAR | NON-EXECUTIVE | 6 | 5 | YES | 7 | 1 | 2 |
| MR. PADAM KUMAR KHAITAN | NON-EXECUTIVE | 6 | 5 | NO | 10 | 2 | 2 |
| DR. R. SRINIVASAN | NON-EXECUTIVE & INDEPENDENT | 6 | 6 | YES | 7 | 4 | 8 |
| MR. G. MOMEN | NON-EXECUTIVE & INDEPENDENT | 6 | 4 | YES | 8 | 1 | 6 |
| MR. B. BAJORIA | NON-EXECUTIVE & INDEPENDENT | 6 | 5 | YES | 8 | - | 2 |
| MR. H. M. PAREKH | NON-EXECUTIVE & INDEPENDENT | 6 | 6 | YES | 8 | 2 | 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 was reconstituted by the Board of Directors of the Company at its meeting held on 28th April 2009 and it comprised Messrs. T.R. Swaminathan, Dr. R. Srinivasan, Mr. Padam Kumar Khaitan 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

Five Meetings of the Audit Committee were held during the financial year ended 31st March 2010 and the attendance of the Members is as follows:

| Name of Member of the Audit Committee | Whether attended the Meetings held on | | | | |
|--|---------------------------------------|------------|------------|------------|------------|
| | 28.04.2009 | 03.06.2009 | 28.07.2009 | 27.10.2009 | 22.01.2010 |
| MR. T. R. SWAMINATHAN | YES | YES | NO | YES | YES |
| MR. PADAM KUMAR KHAITAN | YES | YES | YES | YES | NO |
| DR. R. SRINIVASAN | YES | YES | YES | YES | YES |
| MR. H. M. PAREKH | NO | 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 was reconstituted by the Board of Directors of the Company on 31st March 2009 and it comprised 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. Two Meeting of the Remuneration Committee were held on 01.04.2009 and 31.03.2010 during the financial year ended 31st March, 2010.

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 2009-2010 to the Non-Executive Directors of the Company are as under :

| Name of Director | Sitting Fees Paid (Rs.) | | No. of Shares held as on 31.3.2010 |
|--------------------------|-------------------------|--------------------|------------------------------------|
| | Board Meetings | Committee Meetings | |
| MR. B. M. KHAITAN | 60,000 | — | 12,840 |
| MR. D. KHAITAN | 20,000 | — | — |
| MR. A. KHAITAN | 50,000 | — | — |
| MR. T. R. SWAMINATHAN | 40,000 | 80,000 | 2,340 |
| MR. R. S. JHAWAR | 50,000 | — | — |
| MR. PADAM KUMAR KHAITAN* | 50,000 | 60,000 | — |
| DR. R. SRINIVASAN | 60,000 | 70,000 | — |
| MR. G. MOMEN | 40,000 | 20,000 | — |
| MR. B. BAJORIA | 50,000 | 20,000 | — |
| MR. H. M. PAREKH | 60,000 | 40,000 | — |
| TOTAL | 4,80,000 | 2,90,000 | |

* 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 2009-2010, 3 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 2009-2010 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 2010 and the attendance of the Members is as follows :

| Name of Member of the Shareholders' Grievance Committee | Whether attended the Meetings held on | |
|---|---------------------------------------|------------|
| | 30.09.2009 | 31.03.2010 |
| MR. T.R. SWAMINATHAN | YES | YES |
| MR. PADAM KUMAR KHAITAN | YES | NO |
| 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 |
|----------------|------------|------------|--|
| 31.03.2007 | 31.07.2007 | 10.30 A.M. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry. 6, N. S. Road, Kolkata - 700 001 |
| 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 |

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

- i) 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.12 of Schedule XVI to the Accounts in the Annual Report.
- ii) 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.
- iii) Presently, the Company does not have a whistle blower policy.
- iv) 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

- i) The Half-yearly results are published in the newspapers in terms of Clause 41 of the Listing Agreement and not sent to the Shareholders.
- ii) The Quarterly results, Half-yearly results and Annual Audited results are published in the Financial Express and Aajkal (Vernacular).



- iii) The Company displays the financial results and certain other information on its web site : 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
- 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 2009-2010

Date and Time : 29th September 2010 at 10.30 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 2010 |
| First Quarter Results (30th June) | : Mid August 2010 |
| Annual General Meeting | : Last week of September 2010 |
| Second Quarter Results (30th September) | : Mid November 2010 |
| Third Quarter Results (31st December) | : Mid February 2011 |
| Financial Reporting for the year ending 31st March 2011 | : End May 2011 |

iv) Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from 21st September 2010 to 29th September 2010 (both days inclusive).

v) Dividend

The Board of Directors of the Company has not recommended any dividend for the year ended 31st March, 2010.

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 2010-2011 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 |

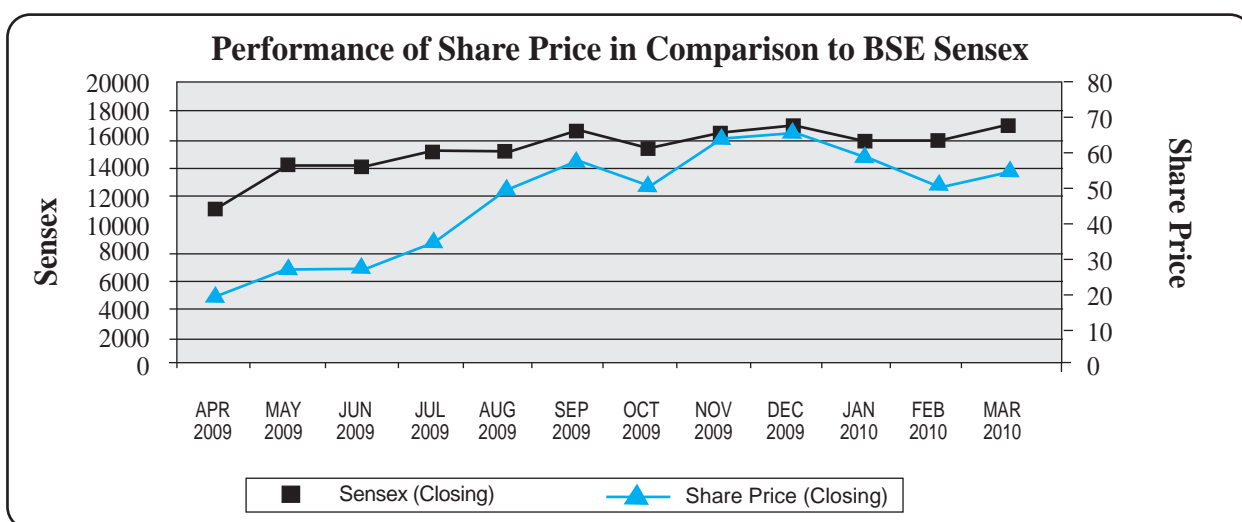


vii) Stock Price Data :

| Month | BOMBAY STOCK EXCHANGE LTD. | | | | NATIONAL STOCK EXCHANGE | |
|----------------|----------------------------|---------|---------------------------|------------------|-------------------------|---------|
| | High Rs. | Low Rs. | Share Price (closing) Rs. | Sensex (closing) | High Rs. | Low Rs. |
| April 2009 | 25.80 | 19.40 | 20.50 | 11430.25 | 25.70 | 19.50 |
| May 2009 | 31.75 | 20.60 | 28.50 | 14625.25 | 32.40 | 19.65 |
| June 2009 | 33.50 | 26.00 | 28.45 | 14493.84 | 32.90 | 25.70 |
| July 2009 | 38.60 | 26.95 | 36.40 | 15670.31 | 38.00 | 27.40 |
| August 2009 | 53.40 | 34.70 | 51.95 | 15666.64 | 53.95 | 34.30 |
| September 2009 | 65.00 | 46.75 | 60.20 | 17126.84 | 65.00 | 46.10 |
| October 2009 | 60.90 | 51.85 | 52.35 | 15896.28 | 62.50 | 52.00 |
| November 2009 | 69.45 | 47.40 | 66.55 | 16926.22 | 69.65 | 46.30 |
| December 2009 | 72.10 | 59.75 | 68.05 | 17464.81 | 71.85 | 59.00 |
| January 2010 | 85.70 | 56.15 | 60.90 | 16357.96 | 86.00 | 56.25 |
| February 2010 | 64.50 | 50.10 | 52.20 | 16429.55 | 64.00 | 50.00 |
| March 2010 | 61.00 | 52.45 | 57.00 | 17527.77 | 60.25 | 52.65 |

viii) Performance in comparison to BSE Sensex :

Share Price Performance (April 2009 to March 2010)
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, sub-division and consolidation to a Share Transfer Committee comprising Messrs. B.M. Khaitan, D. Khaitan, T.R. Swaminathan and R.S. Jhavar 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, 2010

| 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) | — | — | — |
| 5 | FII's | — | — | — |
| 6 | Bodies Corporate | 311 | 699985 | 06.39 |
| 7 | NRI's / OCB's | 41 | 81955 | 00.75 |
| 8 | Resident Individuals | 7060 | 2978817 | 27.19 |
| | Total | 7422 | 10956360 | 100.00 |

x(b) Distribution of Shareholding as on 31st March, 2010

| Size of holding | No. of holders | Percentage | No. of Shares | Percentage |
|-----------------|----------------|---------------|-----------------|---------------|
| 1 to 500 | 6452 | 86.93 | 620367 | 05.66 |
| 501 to 1000 | 460 | 06.20 | 379806 | 03.47 |
| 1001 to 2000 | 253 | 03.41 | 379030 | 03.46 |
| 2001 to 3000 | 88 | 01.19 | 226396 | 02.07 |
| 3001 to 4000 | 47 | 00.63 | 169188 | 01.54 |
| 4001 to 5000 | 35 | 00.47 | 164770 | 01.50 |
| 5001 to 10000 | 49 | 00.66 | 350515 | 03.20 |
| 10001 and above | 38 | 00.51 | 8666288 | 79.10 |
| Total | 7422 | 100.00 | 10956360 | 100.00 |

As on 31st March, 2010, 95.32% of the Company's total shares representing 10443682 Shares were held in the dematerialized form and the balance 4.68% representing 512678 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, 2010 has been placed before the Board at the Meeting held on 13th August 2010.

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

ii) Appointment of Common Agency for Share Registry Work :

In accordance with the SEBI directive vide Circular No.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

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

Kolkata, 13th August 2010

For and on behalf of the Board

A. KHAITAN – *Director*

R. S. JHAWAR – *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, 2010.

Kolkata, 13th August 2010

R. S. JHAWAR
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, 2010, 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

PARTHA MITRA
Partner
Membership No. 50553

Kolkata, 13th August, 2010



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, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (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, 2010;



- (ii) in the case of the Profit and Loss Account, of the loss 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, 13th August, 2010

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, 2010]

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 loans to a company 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. 1,03,21 lakhs and Rs.21,00 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 amounts 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 loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company had taken unsecured loans, from five companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 25,65 lakhs and Rs. Nil respectively.
- (f) 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.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable except for two companies where interest was outstanding at the balance sheet date. All overdue interest has subsequently been paid.
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 as at 31st March, 2010 which have not been deposited on account of 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 and interest thereon | 45.80 and interest thereon | 2004-05, 2005-06 | Commissioner of Service Tax, Kolkata |

8. The Company has accumulated losses not exceeding 50 percent of its net worth as at 31st March, 2010 and it has incurred cash losses in the financial year ended on that date and 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 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.

Kolkata, 13th August, 2010

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



BALANCE SHEET

AS AT 31ST MARCH 2010

| | Schedule No. | 31st March, 2010 | | 31st March, 2009 | |
|---|--------------|-------------------|--------------------------|-------------------|--------------------------|
| | | Rs. '000 | Rs.'000 | Rs. '000 | Rs.'000 |
| I. SOURCES OF FUNDS | | | | | |
| Shareholders' Funds | | | | | |
| Capital | I | 10,95,64 | | 10,95,64 | |
| Reserves & Surplus | II | <u>1,79,75,10</u> | 1,90,70,74 | <u>1,84,29,73</u> | 1,95,25,37 |
| Loan Funds | III | | | | |
| Secured Loans | | 69,96,41 | | 1,00,71,84 | |
| Unsecured Loans | | <u>60,95,33</u> | <u>1,30,91,74</u> | <u>63,85,15</u> | <u>1,64,56,99</u> |
| Total | | | <u>3,21,62,48</u> | | <u>3,59,82,36</u> |
| II. APPLICATION OF FUNDS | | | | | |
| Fixed Assets | IV | | | | |
| Gross Block | | 90,40,06 | | 90,53,51 | |
| Less: Depreciation | | <u>21,48,68</u> | | <u>20,14,15</u> | |
| Net Block | | | 68,91,38 | | 70,39,36 |
| Investments | V | | 2,05,90,25 | | 2,06,24,93 |
| Current Assets, Loans and Advances | | | | | |
| Sundry Debtors | VI | 1,16,61 | | 1,86,26 | |
| Other Current Assets | VII | 5,23,46 | | 7,23,72 | |
| Cash and Bank Balances | VIII | 13,65,82 | | 2,55,06 | |
| Loans and Advances | IX | <u>29,07,69</u> | | <u>78,07,53</u> | |
| | | | <u>49,13,58</u> | | <u>89,72,57</u> |
| Less: Current Liabilities and Provisions | X | | | | |
| Liabilities | | 1,82,06 | | 5,81,13 | |
| Provisions | | <u>50,67</u> | | <u>73,37</u> | |
| | | | <u>2,32,73</u> | | <u>6,54,50</u> |
| Net Current Assets | | | 46,80,85 | | 83,18,07 |
| Profit & Loss Account Debit Balance | | 28,22,89 | | 24,92,94 | |
| Less: General Reserve as per Contra | | <u>28,22,89</u> | — | <u>24,92,94</u> | — |
| Total | | | <u>3,21,62,48</u> | | <u>3,59,82,36</u> |
| Significant Accounting Policies | XV | | | | |
| Notes on Accounts | XVI | | | | |

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

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

Kolkata, 13th August, 2010



PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2010

| | Schedule No. | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------|-----------------------------|-----------------------------|
| INCOME | | | |
| Income from Operations | XI | 26,91,81 | 20,22,31 |
| Other Income | XII | 39,23 | 59,49 |
| | | <u>27,31,04</u> | <u>20,81,80</u> |
| EXPENDITURE | | | |
| Expenses | XIII | 8,58,58 | 4,88,56 |
| Interest | XIV | 21,82,61 | 20,47,18 |
| Depreciation | | 21,59 | 22,65 |
| | | <u>30,62,78</u> | <u>25,58,39</u> |
| Profit / (Loss) before Taxation | | (3,31,74) | (4,76,59) |
| Provision for Taxation : | | | |
| Current Tax | | | |
| - current year | | — | — |
| - earlier years (net of write back) | | — | 1,23,18 |
| Deferred Tax | | — | — |
| Fringe Benefit Tax | | | |
| - current year | | — | (4,37) |
| - earlier years (net of write back) | | 1,79 | 26 |
| | | <u>(3,29,95)</u> | <u>(3,57,52)</u> |
| Profit / (Loss) after Taxation | | (3,29,95) | (3,57,52) |
| Balance brought forward from previous year | | (24,92,94) | (21,35,42) |
| Balance carried forward | | <u>(28,22,89)</u> | <u>(24,92,94)</u> |
| Basic and Diluted Earnings per share | | (3.01) | (3.26) |
| Significant Accounting Policies | XV | | |
| Notes on Accounts | XVI | | |

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, 13th August, 2010

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


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

| | 31st March, 2010 (Rs.'000) | 31st March, 2009 (Rs.'000) |
|--|-------------------------------|-------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(loss) before tax and extraordinary items | (3,31,74) | (4,76,59) |
| Adjustment for : | | |
| Depreciation | 21,59 | 22,65 |
| Dividend Income on investments | (3,49,68) | (1,40,86) |
| Profit on sale of investments | (2,32,97) | — |
| Interest on fixed loan | 21,67,71 | 20,44,03 |
| Provision for Doubtful debts | 6,46 | 7,73 |
| Provision for Doubtful advances | 3,03 | 74 |
| Provision for Diminution in Value of Investments (net) | (35,81) | 49,43 |
| Provision for retirement benefit written back | (9,50) | (29,64) |
| Provision for doubtful debts/advances written back | (4,84,10) | (12,04) |
| Bad debts/advance written off | 38,85 | — |
| Loss on Assets Scrapped | 1,04 | — |
| Liabilities written back | (11,57) | — |
| Provision for retirement benefits | 3,85 | 17,85 |
| Loss on non conversion of share warrants | 2,61,00 | — |
| Interest on Income Tax Refund | (17,66) | (27,61) |
| Operating profit before working capital changes | 10,30,50 | 14,55,69 |
| Adjustment for : | | |
| Trade and other receivables | 51,51,42 | (26,29,15) |
| Sundry creditors and other liabilities | (3,28,44) | (89,81) |
| Provision for retirement benefits | (13,62) | (38,81) |
| Cash generated from operations | 58,39,86 | (13,02,08) |
| Interest received on refund of income tax | 17,66 | 12,35 |
| Direct tax refund (net) | 1,91,45 | 1,89,85 |
| Net cash from operating activities | 60,48,97 | (10,99,88) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (1,49) | (13,39) |
| Sale of fixed assets | 2,16 | — |
| Sale of investments | 3,03,46 | — |
| Dividend Income on investments | 3,49,68 | 1,40,86 |
| Net cash from Investing activities | 6,53,81 | 1,27,47 |



| | 31st March, 2010 (Rs.'000) | 31st March, 2009 (Rs.'000) |
|---|-------------------------------|-------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowings | — | 10,00,00 |
| Repayment of long term borrowings | (30,75,43) | (17,97,12) |
| Proceeds from short term borrowings | 1,21,60,00 | 66,10,00 |
| Repayment of short term borrowings | (1,24,80,00) | (29,35,00) |
| Interest paid on fixed loans | (21,96,59) | (18,95,60) |
| Net Cash used in financing activities | (55,92,02) | 9,82,28 |
| Net increase/ (decrease) in cash and cash equivalents | 11,10,76 | 9,87 |
| Cash and cash equivalents (Opening Balance) | 2,55,06 | 2,45,19 |
| Cash and cash equivalents (Closing Balance) | 13,65,82 | 2,55,06 |

Notes to the Cash Flow Statement for the year ended 31st March, 2010 :

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, 13th August, 2010

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



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|---|------------------------------|-----------------------------|
| 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 |
| | <u>25,00,00</u> | <u>25,00,00</u> |
| 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 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 | | |
| | <u>10,95,64</u> | <u>10,95,64</u> |
| | | |
| | 31st March, 2010 Rs. '000 | 31st March, 2009 Rs.'000 |
| SCHEDULE II | | |
| RESERVES & SURPLUS | | |
| Capital Reserve | 65,18 | 65,18 |
| Revaluation Reserve | | |
| As per last Account | 66,94,03 | 68,25,27 |
| Less: Withdrawal on account of depreciation on amount added on revaluation | <u>1,24,68</u> | <u>1,31,24</u> |
| | 65,69,35 | 66,94,03 |
| | <u>66,34,53</u> | <u>67,59,21</u> |



| | 31st March, 2010 | | 31st March, 2009 | |
|--|------------------|-------------------|------------------|-------------------|
| | Rs. '000 | Rs.'000 | Rs.'000 | Rs.'000 |
| SCHEDULE II (Contd.) | | | | |
| Revenue Reserves | | | | |
| General Reserve | | | | |
| As per last Account | 1,17,52,22 | | 1,17,52,22 | |
| Less : Profit & Loss Account as per Contra | 28,22,89 | 89,29,33 | 24,92,94 | 92,59,28 |
| Statutory Reserve | | | | |
| As per last Account | | 23,66,24 | | 23,66,24 |
| Pension Reserve | | | | |
| As per last Account | | 45,00 | | 45,00 |
| | | <u>1,13,40,57</u> | | <u>1,16,70,52</u> |
| | | <u>1,79,75.10</u> | | <u>1,84,29,73</u> |
| SCHEDULE III | | | | |
| LOAN FUNDS | | | | |
| Secured Loans | | | | |
| Term Loans | | | | |
| Other than Banks | | 69,96,41 | | 1,00,71,84 |
| | | <u>69,96,41</u> | | <u>1,00,71,84</u> |

Notes : The above includes :

- i) loans from HDFC secured by way of
 - mortgage of certain immovable properties of the Company
 - pledge of shares of Eveready Industries India Limited and McLeod Russel India Ltd.(Refer Note 2 of Schedule V)
- ii) loans from IL&FS Financial Services Limited secured by way of
 - corporate guarantee from McLeod Russel India Limited
 - pledge of shares of Eveready Industries India Limited and shares of McLeod Russel India Limited (Refer Note 2 of Schedule V)
- iii) loans from ICICI Home Finance Ltd secured by way of
 - mortgage of certain immovable properties by way of a parri passu charge created in favour of other lenders. The creation of the said charge is pending.
 - pledge of shares of McLeod Russel India Ltd., McNally Bharat Engineering Co. Ltd. and Kilburn Engineering Ltd. (Refer Note 2 of Schedule V)

Unsecured Loans

Short Term Loans

From Other than Banks
Interest accrued and due

| | | | |
|----------|----------|----------|----------|
| 59,20,00 | | 36,75,00 | |
| 1,30,32 | 60,50,32 | 8,03 | 36,83,03 |

Long Term Loans

From Other than Banks
Interest accrued and due

| | | | |
|-------|-------------------|----------|-------------------|
| — | | 25,65,00 | |
| 45,01 | 45,01 | 1,37,12 | 27,02,12 |
| | <u>60,95,33</u> | | <u>63,85,15</u> |
| | <u>1,30,91,74</u> | | <u>1,64,56,99</u> |

SCHEDULE IV

FIXED ASSETS

| | GROSS BLOCK AT COST OR VALUATION | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------|-----------------------------------|--------------------------------------|---|-----------------------------------|-----------------------------------|------------------------------------|---|-----------------------------------|-----------------------------------|
| | As at 31st March 2009 Rs. '000 | Addition during the year Rs. '000 | Disposal/ Adjustment during the year Rs. '000 | As at 31st March 2010 Rs. '000 | As at 31st March 2009 Rs. '000 | Provision for the year Rs. '000 | Deduction on account of disposal etc. Rs. '000 | As at 31st March 2010 Rs. '000 | As at 31st March 2009 Rs. '000 |
| Land-Freehold | 43,24,71 | — | — | 43,24,71 | — | — | — | 43,24,71 | 43,24,71 |
| Buildings | 44,70,84 | — | — | 44,70,84 | 18,58,43 | 1,30,62 | — | 24,81,79 | 26,12,41 |
| Plant & Machinery | 1,24,93 | 1,18 | 6,86 | 1,19,25 | 48,22 | 9,99 | 4,77 | 65,81 | 76,71 |
| Motor Vehicles | 20,68 | — | 11 | 20,57 | 13,45 | 1,87 | 8 | 5,33 | 7,23 |
| Furniture & Fittings | 68,41 | 31 | 7,92 | 60,80 | 61,45 | 2,23 | 6,84 | 3,96 | 6,96 |
| Electric Installation | 32,20 | — | 5 | 32,15 | 27,74 | 61 | 5 | 3,85 | 4,46 |
| Water Supply | 11,74 | — | — | 11,74 | 4,86 | 95 | — | 5,93 | 6,88 |
| Total | 90,53,51 | 1,49 | 14,94 | 90,40,06 | 20,14,15 | 1,46,27 | 11,74 | 68,91,38 | 70,39,36 |
| <i>Previous Year</i> | <i>90,03,13</i> | <i>50,38</i> | <i>—</i> | <i>90,53,51</i> | <i>18,60,26</i> | <i>1,53,89</i> | <i>—</i> | <i>20,14,15</i> | <i>70,39,36</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 were written up by Rs.82,53,31 thousand and disclosed under Revaluation Reserve in that year.

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

Equity Shares - fully paid-up

| | 31st March, 2010 | | 31st March, 2009 | |
|---|------------------|----------|------------------|----------|
| | 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 |
| Kilburn Engineering Limited (Refer Note 2 below) | 4,319,043 | 10,69,56 | 4,319,043 | 10,69,56 |
| \$ Eveready Industries India Limited (Rs. 5 each) (Refer Note 2 below) | 16,756,841 | 93,59,01 | 16,756,841 | 93,59,01 |
| \$ McLeod Russel India Limited (Rs. 5 each) (Refer Note 2 below) | 11,649,946 | 67,17,38 | 11,771,645 | 67,87,55 |
| 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 (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 |

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 | | | | |
| Essar Shipping Limited | — | — | 300 | 33 |
| J J Leasing & Hiring Limited | 1,000 | 10 | 1,000 | 10 |
| Marigold Glass Industries Limited (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 | 106,500 | 1,07 |
| ½% Woodlands Hospital and Medical Research Centre Ltd. | 1,39 | 9 | 1,39 | 9 |



| | 31st March, 2010 | | 31st March, 2009 | |
|---|------------------|-------------------|------------------|-------------------|
| | Nos. | Rs.'000 | Nos. | Rs.'000 |
| 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) | 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 & 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 & Developers Limited | 3,000,000 | 3,00,00 | 3,000,000 | 3,00,00 |
| Total Investments | | 2,12,36,07 | | 2,13,06,57 |
| Less : Provision for Diminution in value of investments | | 6,45,82 | | 6,81,64 |
| | | 2,05,90,25 | | 2,06,24,93 |
| Aggregate value of Quoted Investments | | 1,96,57,64 | | 1,97,28,14 |
| Unquoted Investments | | 15,78,43 | | 15,78,43 |
| | | 2,12,36,07 | | 2,13,06,57 |
| Market Value of Quoted Investments | | 4,99,72,63 | | 1,22,39,45 |

Notes :

- All shares except as indicated by \$ are of Rs.10 each fully paid-up.
- 80,69,947 shares of Eveready Industries India Limited, 82,25,949 shares of Mcleod Russel India Limited, 25,08,013 shares of Babcock Borsig Limited, 30,00,000 shares of Kilburn Engineering Limited and 9,00,000 shares of McNally Bharat Engineering Co. Limited have been pledged with banks and financial institutions against financial assistance taken by the Company and others.



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|---|-----------------------------|-----------------------------|
| SCHEDULE VI | | |
| SUNDRY DEBTORS | | |
| Unsecured | | |
| Debts outstanding for a period exceeding six months | | |
| Considered good | 5,35 | 67,38 |
| Considered doubtful | 3,74,98 | 3,89,17 |
| Other Debts - considered good | 1,11,26 | 1,18,88 |
| | 4,91,59 | 5,75,43 |
| Less : Provision for Doubtful Debts | 3,74,98 | 3,89,17 |
| | 1,16,61 | 1,86,26 |
| SCHEDULE VII | | |
| OTHER CURRENT ASSETS | | |
| Interest Receivable - | | |
| Considered good | 5,23,46 | 7,23,72 |
| Considered doubtful * | 7,65,47 | 7,84,06 |
| | 12,88,93 | 15,07,78 |
| Less : Provision for Doubtful Receivables | 7,65,47 | 7,84,06 |
| | 5,23,46 | 7,23,72 |
| * Includes due from subsidiary companies | 4,09,99 | 4,27,99 |
| SCHEDULE VIII | | |
| CASH AND BANK BALANCES | | |
| Cash in hand | 63 | 93 |
| With Scheduled Banks - | | |
| On Current Accounts | 13,63,01 | 2,51,95 |
| On Deposit Accounts | 55 | 55 |
| On Redeemed Preference Share Accounts | 1,63 | 1,63 |
| | 13,65,82 | 2,55,06 |



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|---|-----------------------------|-----------------------------|
| SCHEDULE IX | | |
| LOANS AND ADVANCES | | |
| Advances recoverable in cash or in kind or for value to be received - unsecured | | |
| Considered good | 1,63,58 | 5,37,66 |
| Considered doubtful | 4,94,20 | 7,25,59 |
| Intercompany Deposits | | |
| Considered good | 21,30,00 | 65,31,00 |
| Considered doubtful | 9,73,65 | 11,83,65 |
| Excise, Customs and Port Trust Authorities (considered doubtful) | 12 | 12 |
| Deposits - considered good | 34,76 | 35,10 |
| - considered doubtful | 24 | 68 |
| Advance Tax (Net of Provision Rs.22,28,17 thousand) (Previous Year Rs.22,28,17 thousand) | 5,79,35 | 7,03,77 |
| | 43,75,90 | 97,17,57 |
| Less: Provision for Doubtful Advances | 14,68,21 | 19,10,04 |
| | 29,07,69 | 78,07,53 |
| Notes: | | |
| Advance to a firm in which a director is a partner | 1,54 | 4,81 |
| Amount due from subsidiaries - | | |
| Majerhat Estates & Developers Limited | 9,74,50 | 9,74,50 |
| Maximum amount outstanding during the year | | |
| Majerhat Estates & Developers Limited | 9,74,50 | 10,50,50 |
| SCHEDULE X | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Liabilities | | |
| Sundry Creditors * | 29,84 | 55,07 |
| Security Deposits | 25,96 | 48,24 |
| Other Liabilities | 95,19 | 3,87,69 |
| Interest Accrued but not due | 31,07 | 90,13 |
| | 1,82,06 | 5,81,13 |
| * Refer Note 3 of Schedule XVI | | |
| Provisions | | |
| For Retirement Benefits | 53,80 | 73,07 |
| Fringe Benefit Tax (Net of advance tax Rs.14,15 thousand, Previous Year Rs.12,50 thousand) | (3,13) | 30 |
| | 50,67 | 73,37 |



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| SCHEDULE XI | | |
| INCOME FROM OPERATIONS | | |
| * Maintenance Services | 1,36,16 | 1,39,14 |
| * Rental Income | 1,38,65 | 1,39,83 |
| * Other Consultancy Services | 3,24,00 | 3,72,00 |
| Dividends on Long Term Trade Investments | 3,49,68 | 1,40,86 |
| Interest on Inter Corporate Deposits | 9,23,46 | 12,18,41 |
| Interest on Bank Fixed Deposit | — | 3 |
| Profit on Sale of Long Term Trade Investments (Net) | 2,32,97 | — |
| Provisions written back (Net of Bad Debts/ Advances written off of Rs.38.85, previous year Rs. Nil) | 4,45,25 | 12,04 |
| Provision for diminution in investments written back | 1,41,64 | — |
| | <u>26,91,81</u> | <u>20,22,31</u> |
| * Tax deducted at source | 53,00 | 74,98 |
| SCHEDULE XII | | |
| OTHER INCOME | | |
| Interest on Income Tax Refund * | 17,66 | 27,61 |
| Provision for retirement benefit written back ** | 9,50 | 29,64 |
| Liability written back | 11,57 | — |
| Miscellaneous Income | 50 | 2,24 |
| | <u>39,23</u> | <u>59,49</u> |
| * Includes Rs.Nil for the year 2009-10 in respect of prior period, previous year Rs.15,26 thousand | | |
| ** Includes Rs.Nil for the year 2009-10 in respect of prior period, previous year Rs.23,65 thousand | | |
| SCHEDULE XIII | | |
| EXPENSES | | |
| Salaries, Wages, Compensation and Bonus | 49,46 | 41,26 |
| Contribution to Provident and Other Funds | 1,80 | 2,38 |
| Pension and Gratuity | 3,85 | 6,51 |
| Establishment and General Expenses | 40,71 | 32,55 |
| Travelling Expenses | 32,99 | 37,16 |
| Workmen and Staff Welfare | 28,58 | 29,25 |



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| SCHEDULE XIII | | |
| EXPENSES (Contd.) | | |
| Directors' Fees | 7,70 | 6,80 |
| Financial Charges | 47,03 | 17,97 |
| Insurance | 5,05 | 15,87 |
| Rent | 11,73 | 8,77 |
| Rates and Taxes | 53,42 | 18,16 |
| Legal & Professional | 64,24 | 76,29 |
| Power and Fuel | 41,57 | 39,14 |
| Repair to Buildings | 47,57 | 47,11 |
| Repair to Machinery | 84 | 1,38 |
| General Repairs and Renewals | 38,68 | 44,06 |
| Audit Fee | 6,00 | 6,00 |
| Loss for Assets Scrapped | 1,04 | — |
| Provision for Doubtful Debts | 6,46 | 7,73 |
| Provision for Doubtful Advance | 3,03 | 74 |
| Provision for Diminution in the value of Investments | 105,83 | 49,43 |
| Loss due to non-payment of dues for convertible warrants | 261,00 | — |
| | <u><u>8,58,58</u></u> | <u><u>4,88,56</u></u> |
| SCHEDULE XIV | | |
| INTEREST | | |
| Fixed Loans | 21,67,71 | 20,44,03 |
| Others | 14,90 | 3,15 |
| | <u><u>21,82,61</u></u> | <u><u>20,47,18</u></u> |

SCHEDULE XV**SIGNIFICANT ACCOUNTING POLICIES****FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

- (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 diminutions 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 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 XVI
NOTES ON ACCOUNTS

| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| 1. Claims against the Company not acknowledged as debt | | |
| Claims against the Company not acknowledged as debt | 93 | 93 |
| 2. Contingent Liabilities for : | | |
| (a) Sales Tax matters under dispute | 41,98 (Note i) | 41,98 |
| (b) Excise matters under dispute | 7,11 (Note ii) | 7,11 |
| (c) Service Tax Matters under dispute | 45,80 (Note iii) | — |
| (d) Guarantees given for loans granted to companies within the group | 63,50 | 6,84,47 |

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

Notes :

- Represents sales tax levied on income from license fees pending before Commissioner of Commercial Taxes, West Bengal.
 - Representing claim in respect of Interest on Excise Duty pending before the Hon'ble High Court at Chennai.
 - Representing demand as per Show Cause Notice issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. Demand also includes the interest for delayed payment of the taxes which has not been quantified in the demand notice.
- In absence of information available with the Company with regard to registration of parties under the Micro, Small and medium enterprises Development Act 2006, no disclosure has been made in respect of such companies, if any.
 - Depreciation charged to the Profit and Loss Account is net of withdrawal from Revaluation Reserve to the extent of Rs. 1,24,68 thousand (*Previous year - Rs. 1,31,24 thousand*).

| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| 5. Other Directors' Remuneration : | | |
| Fee | 7,70 | 6,80 |
| 6. Remuneration paid/payable to Manager : | | |
| Salary & Allowances | 4,20 | 4,20 |
| Perquisites | 1,20 | 84 |
| | <u>5,40</u> | <u>5,04</u> |
| 7. Pension paid to former directors during the year | — | 1,34 |
| 8. 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 | 9,75 | 9,65 |
| b) Fees for Audit u/s 44AB of the Income Tax Act, 1961 | 1,75 | 1,75 |
| c) In respect of expenses | — | 2,66 |
| 9. Expenditure incurred in Foreign Currency : | | |
| Pension to Non-Residents | 4,17 | 6,86 |



10. 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.

11. 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 2010 was Rs.1,14 thousand (*previous year- Rs.1,41 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 2010 was Rs. 66 thousand (*Previous year – Rs. 97 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.

(b) Medical Insurance Premium Re-imburement (Unfunded)

The Company has a scheme of re-imburement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit.

(c) Gratuity

Gratuity benefits accrue to employees completing five years of service bases on their respective salaries and tenure of employment subject to a maximum limit of Rs. 10 lakhs.

(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, 2010.

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

12. 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) **Key Management Personnel :** Mr. B M Khaitan
 Mr. Deepak Khaitan
 Mr. A Khaitan
 Mr. D Pal Choudhury

Nature of transactions

| | Year | Subsidiaries | Associates | Key Management Personnel | Total |
|--|---------|--------------|------------|--------------------------|----------|
| | | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Dividend | 2009-10 | — | 86,38 | — | 86,38 |
| | 2008-09 | — | — | — | — |
| Rental Income | 2009-10 | — | 10,08 | — | 10,08 |
| | 2008-09 | — | 9,60 | — | 9,60 |
| Maintenance Services | 2009-10 | — | 7,20 | — | 7,20 |
| | 2008-09 | — | 6,08 | — | 6,08 |
| Other Consultancy Services | 2009-10 | — | 2,04,00 | — | 2,04,00 |
| | 2008-09 | — | 2,52,00 | — | 2,52,00 |
| Inter Corporate Loan given | 2009-10 | — | — | — | — |
| | 2008-09 | 26,00 | — | — | 26,00 |
| Inter Corporate Loan taken | 2009-10 | — | — | — | — |
| | 2008-09 | — | 10,00,00 | — | 10,00,00 |
| Interest on Inter Corporate Loan taken | 2009-10 | — | 39,30 | — | 39,30 |
| | 2008-09 | — | 1,13,73 | — | 1,13,73 |



| | | | | | |
|--|---------|---------|------------|------|------------|
| Provision on debts/advances written back | 2009-10 | 18,00 | 6,88 | — | 24,88 |
| | 2008-09 | 7,95 | 4,09 | — | 12,04 |
| Provision of debts/advances during the year | 2009-10 | — | — | — | — |
| | 2008-09 | 18 | 4,12 | — | 4,30 |
| Sitting Fees | 2009-10 | — | — | 1,30 | 1,30 |
| | 2008-09 | — | — | 1,40 | 1,40 |
| Remuneration | 2009-10 | — | — | 5,40 | 5,40 |
| | 2008-09 | — | — | 5,04 | 5,04 |
| Outstanding as on Balance Sheet date | | | | | |
| Investments | 2009-10 | 5,20,00 | 1,08,01,91 | — | 1,13,21,91 |
| | 2008-09 | 5,20,00 | 1,08,01,91 | — | 1,13,21,91 |
| Provision for Diminution in the value of Investments | 2009-10 | 2,78,84 | — | — | 2,78,84 |
| | 2009-09 | 2,77,69 | — | — | 2,77,69 |
| Receivables | | | | | |
| Inter Corporate Loan given | 2009-10 | 9,73,65 | — | — | 9,73,65 |
| | 2008-09 | 9,73,65 | — | — | 9,73,65 |
| Interest on Inter Corporate Loan given | 2009-10 | 4,09,99 | — | — | 4,09,99 |
| | 2008-09 | 4,27,99 | — | — | 4,27,99 |
| Debtors | 2009-10 | — | 89,68 | — | 89,68 |
| | 2008-09 | — | 1,14,18 | — | 1,14,18 |
| Loans and Advances | 2009-10 | 85 | 1,83 | — | 2,68 |
| | 2008-09 | 85 | 27,53 | — | 28,38 |
| Provisions for Doubtful Debts | 2009-10 | — | — | — | — |
| | 2008-09 | — | 4,12 | — | 4,12 |
| Provision for Doubtful Advances | 2009-10 | 9,74,50 | — | — | 9,74,50 |
| | 2008-09 | 9,74,50 | — | — | 9,74,50 |
| Provision for Other Current Assets | 2009-10 | 4,09,99 | — | — | 4,09,99 |
| | 2008-09 | 4,27,99 | — | — | 4,27,99 |
| Payables | | | | | |
| Inter Corporate Loan taken | 2009-10 | — | — | — | — |
| | 2008-09 | — | 17,00,00 | — | 17,00,00 |
| Interest on Inter Corporate Loan taken | 2009-10 | — | 35,37 | — | 35,37 |
| | 2008-09 | — | 87,96 | — | 87,96 |
| Guarantees | 2009-10 | — | 63,50 | — | 63,50 |
| | 2008-09 | — | 6,20,97 | — | 6,20,97 |

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

Outstanding Payable as at 31st March, 2010 - Rs. Nil

(Previous year : Rs.2,66,82 thousand)

Investment outstanding as at 31st March, 2010 - 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 | - | 16.44% (Previous year - 19.19%) |
| Country of Incorporation | - | India |

Company’s Financial with Joint Venture:

| Company’s Financial | Proportionate interest in Joint Venture | |
|----------------------------------|---|--|
| | 31st March 2010 Amount (Rs’000) | 31 st March 2009 Amount (Rs’000) |
| Assets: | | |
| Fixed Assets (Net Block) | 7,89 | 8,89 |
| Current Assets, Loans & Advances | | |
| Inventory | 1,73 | 4,15 |
| Cash & Bank Balances | 94,57 | 8,13 |
| Other Current Assets | 1,20 | — |
| Loans & Advances | 4,44,57 | 5,42,07 |
| | | 6,87,21 |
| | | 7,08,38 |
| Liabilities | 74,24 | 1,08,47 |
| Income | | |
| Other Income | 22,50 | 8,88 |
| Expenditure | | |
| Expenses | 2,01,64 | 1,77,25 |
| Depreciation | 2,65 | 2,84 |
| | | 1,80,09 |

13. Earning Per Share (EPS)

| | 31st March, 2010 | 31st March, 2009 |
|---|------------------|------------------|
| Profit/(Loss) after Tax as per Profit & Loss Account (Rs. thousand) | (3,29,95) | (3,57,52) |
| Average number of Equity Shares (Face Value Rs. 10 each) | 1,09,56,360 | 1,09,56,360 |
| Basic and Diluted EPS (in Rupees) | (3.01) | (3.26) |

14. 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, 2010 Rs.'000 | 31st March, 2009 Rs. '000 |
|--|-----------------------------|------------------------------|
| Deferred Tax assets and liabilities are attributable to the following items : | | |
| Liabilities : | | |
| Depreciation | | |
| Assets : | 38,86 | 1,04 |
| Unabsorbed Business Losses | 11,75,75 | 10,15,85 |
| Unabsorbed Depreciation | 25,00 | 21,30 |
| Unabsorbed Capital Losses | 39,49 | 39,49 |
| Tax effect of opening liability pursuant to Transitional provision of AS-15 (Revised 2005) | — | — |
| Recognised to the extent of | 38,86 | 1,04 |
| | — | — |
| | — | — |

15. 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).
16. 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 regularisation 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 to some extent and recovered a substantial portion of its loan exposure during the year.
17. 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, 13th August, 2010



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 0

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 2 3 9 5 2 1

Total Assets

3 2 3 9 5 2 1

Sources of Funds

Paid-Up Capital

1 0 9 5 6 4

Reserve & Surplus

1 7 9 7 5 1 0

Secured Loans

6 9 9 6 4 1

Unsecured Loans

6 0 9 5 3 3

Application of Funds

Net Fixed Assets

6 8 9 1 3 8

Investments

2 0 5 9 0 2 5

Net Current Assets

4 6 8 0 8 5

Misc. Expenditure

N I L

Accumulated Losses

N I L

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

Turnover

2 7 3 1 0 4

Total Expenditure

3 0 6 2 7 8

+ - Profit/Loss Before Tax

3 3 3 1 7 4

+ - Profit/Loss After Tax

3 3 2 9 9 5

Earning Per Share in Rs.

3 . 0 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 & 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, 13th August, 2010



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.

| Name of the Subsidiary Companies | Extent of Interest (All shares are fully paid-up) | | For the Financial year of the Subsidiaries | <i>For the previous Financial Years since becoming subsidiaries</i> |
|---------------------------------------|--|----------------------------|--|---|
| | | | (Rs. '000) | (Rs. '000) |
| Woodside Parks Limited | 100% | Equity Share of Rs.10 each | (52) | (4,98,75) |
| Majerhat Estates & Developers Limited | 100% | Equity Share of Rs.10 each | (42) | (58,42) |

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, 13th August, 2010

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



FINANCIAL YEAR 2009-2010

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 | 7,027.48 |
| (d) Inter-corporate loans and borrowings | 6,095.33 |
| (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 | 6,156.42 |
| (3) Break-up of Leased Assets and other assets counting towards AFC activities | |
| (i) Lease assets including lease rentals under sundry debtors : | |
| (a) Financial lease (net of Lease Terminal Adjustment and advance from Lessee) | N/A |
| (b) Operating lease | N/A |



| | (Rs. in lakh) |
|---|-----------------------|
| | Amount 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 | Amount net of provision | | |
|---------------------------------|-------------------------|-----------------|-----------------|
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | — | — | — |
| (b) Companies in the same group | — | — | — |
| (c) Other related parties | — | 94.45 | 94.45 |
| 2. Other than related parties | — | 3,453.31 | 3,453.31 |
| Total | — | <u>3,547.76</u> | <u>3,547.76</u> |

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

| Category | Market value/ Break-up or fair value or NAV | Book value (Net of Provision) |
|---------------------------------|--|-------------------------------------|
| 1. Related Parties | | |
| (a) Subsidiaries | 241.16 | 241.16 |
| (b) Companies in the same group | — | — |
| (c) Other related parties | 13,575.66 | 10,801.90 |
| 2. Other than related parties | 38,094.11 | 9,547.19 |
| Total | <u>51,910.93</u> | <u>20,590.25</u> |

(7) Other Information

| Particulars | Amount |
|---|----------|
| (i) Gross Non-Performing Assets (a+b) | 2,609.25 |
| (a) Related parties | 1,378.20 |
| (b) Other than related parties | 1,231.05 |
| (ii) Net Non-Performing Assets (a+b) | 0.58 |
| (a) Related parties | — |
| (b) Other than related parties | 0.58 |
| (iii) Assets acquired in satisfaction of debt | — |



Financial Year 2009-2010

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 (%) | 52.73% | 45.39% |
| ii) CRAR - Tier I Capital (%) | 40.91% | 35.27% |
| iii) CRAR - Tier II Capital (%) | 11.82% | 10.12% |

(B) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

| | 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 |
|--------------------------------|---------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|-------------------------|--------------|-------|
| Liabilities | | | | | | | | | |
| Borrowings from Banks | — | — | — | — | — | — | — | — | — |
| Market borrowings Institutions | 1.04 | 1.05 | 3.92 | 9.85 | 16.20 | 15.34 | 4.71 | 17.86 | 69.97 |
| Market borrowings Others | 21.00 | 7.40 | 2.50 | 27.80 | 0.50 | — | — | — | 59.20 |
| Assets | | | | | | | | | |
| Advances | 2.21 | 1.30 | 4.05 | 9.28 | 11.72 | 0.09 | 1.05 | 5.78 | 35.48 |
| Investments * | — | — | — | — | — | — | — | — | — |

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

WOODSIDE PARKS LIMITED

DIRECTORS

A. KHAITAN
PADAM KUMAR KHAITAN
M. R. PASARI
K. K. BAHETI

AUDITORS

MESSRS. KABIRAJ & CO.
Chartered Accountants

BANKERS

ING VYSYA BANK LIMITED
HDFC BANK LTD.

REGISTERED OFFICE

FOUR MANGOE LANE
SURENDRA MOHAN GHOSH SARANI
KOLKATA - 700 001.



WOODSIDE PARKS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2010

The Directors submit their Report and the Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

| | Rs. in '000 |
|---|------------------|
| Profit/(Loss) for the year | (52) |
| Loss brought forward from previous year | <u>(4,98,75)</u> |
| Loss carried forward | <u>(4,99,27)</u> |

DIVIDEND

On account of accumulated losses your Directors regret their inability to recommended any dividend for the year under review.

DIRECTORS

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

Pursuant to the provisions of the Articles of Association of the Company Mr. Padam Kumar Khaitan retires by rotation and, being eligible, offers himself for re-appointment.

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 and for preventing and detecting fraud and other irregularities.
- (iv) that the Annual Accounts have been prepared on a going concern basis.

AUDITORS

Messrs. Kabiraj & Co., Chartered Accountants, the Auditors of the Company, retire and, being eligible, shall subject to Section 224(2) of the Companies Act, 1956 be re-appointed.

The Company did not have any employee during the period under review.

Kolkata, 28th April, 2010

On behalf of the Board

M. R. PASARI }
K. K. BAHETI } Directors

WOODSIDE PARKS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF WOODSIDE PARKS LIMITED

1. We have audited the attached Balance Sheet of WOODSIDE PARKS LIMITED as at 31st March, 2010, and the annexed Profit and Loss Account for the year ended on that date. 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 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. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - II. 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 ;
 - III. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account ;
 - IV. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956 ;
 - V. Based on information received from Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of amended Section 274 (1) (g) of the Companies Act, 1956 ;
 - VI. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the schedules annexed and read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - b) In the case of the Profit & Loss Account, of the loss for the year ended on that date.

Place : Kolkata
Dated : April 28, 2010

For Kabiraj & Co.
Chartered Accountants
S. KABIRAJ
Partner
Membership No. 50879

WOODSIDE PARKS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of Woodside Parks Limited)

- i) There was no fixed asset of the Company during the year and therefore clause 4(i) is not applicable to the Company.
- ii) According to the information and explanations given to us, the Company did not have any inventory during the year under audit and as such provisions of this clause are not applicable.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties as covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, sub clauses (b) to (d) of this clause are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of building materials and other assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct the major weaknesses in internal control system.
- v) According to the information and explanations given to us the transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 are duly entered.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder.
- vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- viii) Provisions of Section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix)
 - a) According to the information and explanations given to us, the Company is not coming under the purview of Provident Fund Act, ESI Act and Sales Tax Act and the Company did not have any liability for Income Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty and for Investor Education Protection Fund or any cess. The Company is regular in depositing other material statutory dues applicable on it .
 - b) According to the information and explanations given to us, no undisputed awards payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and cess which have not been deposited on account of any dispute.
- x) The Company has accumulated losses at the end of the year amounting to Rs. 499.27 lacs and the Company has incurred cash losses during the year under audit and there was also cash loss in the immediately preceding financial year. The accumulated loss is more than the networth of the Company.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders and therefore Clause 4 (xi) of the Order is not applicable to the Company.

WOODSIDE PARKS LIMITED

- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities and therefore Clause 4 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund / Society and therefore Clause 4 (xiii) of the Order is not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures or other investments and therefore Clause 4 (xiv) of the Order is not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore Clause 4 (xv) of the Order is not applicable to the Company.
- xvi) The Company has not availed any term loan during the year and therefore Clause 4 (xvi) of the Order is not applicable to the Company.
- xvii) The Company has not raised any fund on short term basis during the year for using the same for long term investment and therefore Clause 4 (xvii) of the Order is not applicable to the Company.
- xviii) The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore Clause 4 (xviii) of the Order is not applicable to the Company.
- xix) The Company has not issued any debentures and therefore Clause 4 (xix) of the Order is not applicable to the Company.
- xx) The Company has not raised any money by public issue during the year and therefore Clause 4 (xx) of the Order is not applicable to the Company.
- xxi) According to the information or explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Kolkata
Dated : April 28, 2010

For Kabiraj & Co.
Chartered Accountants
S. KABIRAJ
Partner
Membership No. 50879

WOODSIDE PARKS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

| | Schedule No. | As at 31st March, 2010 | | As at 31st March, 2009 | |
|--|-----------------|---------------------------|-----------------------|---------------------------|-----------------------|
| | | Rs. '000 | Rs.'000 | Rs. '000 | Rs.'000 |
| SOURCES OF FUNDS | | | | | |
| Shareholders' Funds | | | | | |
| Capital | I | 2,20,00 | | 2,20,00 | |
| Reserves & Surplus | II | <u>1</u> | 2,20,01 | <u>1</u> | 2,20,01 |
| Loan Funds | | | | | |
| Unsecured Loans | III | | <u>2,86,09</u> | | <u>3,04,09</u> |
| Total | | | <u>5,06,10</u> | | <u>5,24,10</u> |
| APPLICATION OF FUNDS | | | | | |
| Current Assets, Loans & Advances | | | | | |
| Sundry Debtors | | — | | 19,05 | |
| Cash and Bank Balances | IV | 1,65 | | 1,13 | |
| Loans and Advances | V | <u>9,79</u> | | <u>9,79</u> | |
| | | 11,44 | | 29,97 | |
| Less : Current Liabilities & Provisions | | | | | |
| Liabilities | VI | 3,41 | | 3,42 | |
| Provisions | | <u>1,20</u> | | <u>1,20</u> | |
| | | 4,61 | | 4,62 | |
| Net Current Assets | | | 6,83 | | 25,35 |
| Profit and Loss Account | | | 4,99,27 | | 4,98,75 |
| Total | | | <u>5,06,10</u> | | <u>5,24,10</u> |
| Notes on Accounts | VIII | | | | |

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 KABIRAJ & CO.
Chartered Accountants

Kolkata, 28th April, 2010

S. KABIRAJ
Partner

M. R. PASARI }
K. K. BAHETI } *Directors*

WOODSIDE PARKS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Schedule No. | 31st March, 2010 Rs. '000 | 31st March, 2009 Rs. '000 |
|--|-----------------|------------------------------|------------------------------|
| INCOME | | | |
| Interest | | — | 3 |
| | | <u>—</u> | <u>3</u> |
| | | <u><u>—</u></u> | <u><u>3</u></u> |
| EXPENDITURE | | | |
| Expenses | VII | 52 | 2,01 |
| | | <u>52</u> | <u>2,01</u> |
| | | <u><u>52</u></u> | <u><u>2,01</u></u> |
| Profit/(Loss) before Taxation | | (52) | (1,98) |
| Less : Deferred tax reversed | | — | (31,69) |
| | | <u>(52)</u> | <u>29,71</u> |
| Add : Excess provision for I. T. for earlier year | | — | 23 |
| | | <u>(52)</u> | <u>29,94</u> |
| Loss brought forward | | (4,98,75) | (5,28,69) |
| Loss carried forward | | <u>(4,99,27)</u> | <u>(4,98,75)</u> |
| | | <u><u>(4,99,27)</u></u> | <u><u>(4,98,75)</u></u> |

Notes on Accounts VIII

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 KABIRAJ & CO.
Chartered Accountants

Kolkata, 28th April, 2010

S. KABIRAJ
Partner

M. R. PASARI }
K. K. BAHETI } Directors

WOODSIDE PARKS LIMITED

| | 31st March, 2010 Rs.'000 | <i>31st March, 2009</i> <i>Rs.'000</i> |
|--|-----------------------------|---|
| SCHEDULE I | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 1,000 11% Redeemable Cumulative Preference Shares of Rs. 100 each | 1,00 | 1,00 |
| 1,49,90,000 Equity Shares of Rs. 10 each | <u>14,99,00</u> | <u>14,99,00</u> |
| | <u>15,00,00</u> | <u>15,00,00</u> |
| Issued and Subscribed | | |
| 22,00,001 Equity Shares of Rs. 10 each fully paid-up. Of these : | 2,20,00 | 2,20,00 |
| a) 22,00,001 shares are held by Williamson Magor & Co. Ltd., the holding company | | |
| b) out of shares held under (a) 40,000 shares were allotted as fully paid up pursuant to a contract without payment being received in cash | <u>2,20,00</u> | <u>2,20,00</u> |
| SCHEDULE II | | |
| RESERVES AND SURPLUS | | |
| Capital Redemption Fund | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |
| SCHEDULE III | | |
| UNSECURED LOANS | | |
| Interest accrued and due on loans from the Holding Company | 1,80,00 | 1,98,00 |
| Interest accrued and due on loans from others | <u>1,06,09</u> | <u>1,06,09</u> |
| | <u>2,86,09</u> | <u>3,04,09</u> |

WOODSIDE PARKS LIMITED

| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|---|-----------------------------|-----------------------------|
| SCHEDULE IV | | |
| CASH AND BANK BALANCES | | |
| Cash in hand | 1 | 1 |
| With Scheduled Bank On Current Account | 1,64 | 1,12 |
| | <u>1,65</u> | <u>1,13</u> |
| | | |
| SCHEDULE V | | |
| LOANS AND ADVANCES | | |
| Advance Tax | 5,79 | 5,79 |
| Tax deducted at source | 4,00 | 4,00 |
| | <u>9,79</u> | <u>9,79</u> |
| | | |
| SCHEDULE VI | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Sundry Creditors | 3,41 | 3,42 |
| | <u>3,41</u> | <u>3,42</u> |
| | | |
| SCHEDULE VII | | |
| EXPENSES | | |
| Rates & Taxes | 10 | 1,38 |
| Filing Fee | 3 | 3 |
| Legal Charges | 21 | 40 |
| Auditors' Remuneration : | | |
| For Statutory Audit | 15 | 15 |
| Office Expenses | 3 | 3 |
| Miscellaneous Expenses | — | 2 |
| | <u>52</u> | <u>2,01</u> |

WOODSIDE PARKS LIMITED

SCHEDULE VIII

NOTES ON ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

- a) The Financial Statements have been prepared in accordance with the Accounting Standards specified under Section 211(3C) of the Companies Act, 1956 and relevant presentational requirements of the Companies Act, 1956.
 - b) **Accounting Convention**
The financial statements have been prepared in accordance with historical cost convention.
 - c) **Income and expenditure are accounted for on accrual basis.**
2. Deferred tax has been accounted for in accordance with the requirements of Accounting Standard - 22 and as required by the said standard.

Keeping in view the past trends and the prevailing condition, the management is of the view that the adequate taxable income may not be available so as to set off the deferred taxable asset created on carry forward losses. Hence, deferred tax asset is not created out of carry forward losses.

3. Figures for the previous year have been re-arranged and re-grouped wherever necessary.

Kolkata, 28th April, 2010

M. R. PASARI }
K. K. BAHETI } *Directors*



WOODSIDE PARKS LIMITED

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | | | | | | | | | | | | | | | | |
|---|--|---|-----------------------|---|---|---|--|---|--|---|---|---|---|---|---|---|---|
| I. Registration Details | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">0</td></tr> </table> | 3 | 4 | 8 | 4 | 0 | State Code | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">1</td></tr> </table> | 2 | 1 | | | | | | | |
| 3 | 4 | 8 | 4 | 0 | | | | | | | | | | | | | |
| 2 | 1 | | | | | | | | | | | | | | | | |
| Balance Sheet Date | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">1</td></tr> </table> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">3</td></tr> </table> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">0</td></tr> </table> | 3 | 1 | 0 | 3 | 2 | 0 | 1 | 0 | | | | | | | | |
| 3 | 1 | | | | | | | | | | | | | | | | |
| 0 | 3 | | | | | | | | | | | | | | | | |
| 2 | 0 | 1 | 0 | | | | | | | | | | | | | | |
| II. Capital raised during the year (Amount in Rs. Thousands) | | | | | | | | | | | | | | | | | |
| | Public Issue | | Right Issue | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | | | N | I | L | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | | | N | I | L | | |
| | | | N | I | L | | | | | | | | | | | | |
| | | | N | I | L | | | | | | | | | | | | |
| | Bonus Issue | | Private Placement | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | | | N | I | L | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | | | N | I | L | | |
| | | | N | I | L | | | | | | | | | | | | |
| | | | N | I | L | | | | | | | | | | | | |
| III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) | | | | | | | | | | | | | | | | | |
| | Total Liabilities | | Total Assets | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">1</td></tr> </table> | | 5 | 1 | 0 | 7 | 1 | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">1</td></tr> </table> | | 5 | 1 | 0 | 7 | 1 | | |
| | 5 | 1 | 0 | 7 | 1 | | | | | | | | | | | | |
| | 5 | 1 | 0 | 7 | 1 | | | | | | | | | | | | |
| Sources of Funds | Paid-Up Capital | | Reserve & Surplus | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr> </table> | | 2 | 2 | 0 | 0 | 0 | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td></tr> </table> | | | | | | 1 | | |
| | 2 | 2 | 0 | 0 | 0 | | | | | | | | | | | | |
| | | | | | 1 | | | | | | | | | | | | |
| | Secured Loans | | Unsecured Loans | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> | | | | | | | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">6</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">9</td></tr> </table> | | 2 | 8 | 6 | 0 | 9 | | |
| | | | | | | | | | | | | | | | | | |
| | 2 | 8 | 6 | 0 | 9 | | | | | | | | | | | | |
| Application of Funds | Net Fixed Assets | | Investments | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> | | | | | | | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | Net Current Assets | | Misc. Expenditure | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">6</td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">3</td></tr> </table> | | | | 6 | 8 | 3 | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | | | N | I | L | | |
| | | | 6 | 8 | 3 | | | | | | | | | | | | |
| | | | N | I | L | | | | | | | | | | | | |
| | Accumulated Losses | | | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">7</td></tr> </table> | | 4 | 9 | 9 | 2 | 7 | | | | | | | | | | |
| | 4 | 9 | 9 | 2 | 7 | | | | | | | | | | | | |
| IV. Performance of the Company (Amount in Rs. Thousands) | | | | | | | | | | | | | | | | | |
| | Turnover | | Total Expenditure | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> | | | | | | | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">2</td></tr> </table> | | | | | 5 | 2 | | |
| | | | | | | | | | | | | | | | | | |
| | | | | 5 | 2 | | | | | | | | | | | | |
| | Profit/Loss Before Tax | | Profit/Loss After Tax | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">(</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">)</td></tr> </table> | | | | (| 5 | 2 |) | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">(</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">)</td></tr> </table> | | | | (| 5 | 2 |) |
| | | | (| 5 | 2 |) | | | | | | | | | | | |
| | | | (| 5 | 2 |) | | | | | | | | | | | |
| | Earning Per Share in Rs. | | Dividend rate % | | | | | | | | | | | | | | |
| | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | N | I | L | | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td></tr> </table> | | N | I | L | | | | | | |
| | N | I | L | | | | | | | | | | | | | | |
| | N | I | L | | | | | | | | | | | | | | |
| V. Generic Names of principal Products | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">O</td><td style="width: 20px; height: 20px;">T</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">C</td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">B</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">E</td></tr> </table> | | | N | O | T | | A | P | P | L | I | C | A | B | L | E |
| N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | |
| Products of Company | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">O</td><td style="width: 20px; height: 20px;">T</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">C</td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">B</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">E</td></tr> </table> | | | N | O | T | | A | P | P | L | I | C | A | B | L | E |
| N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | |
| Item Code No. (ITC Code) | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">O</td><td style="width: 20px; height: 20px;">T</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">C</td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">B</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">E</td></tr> </table> | | | N | O | T | | A | P | P | L | I | C | A | B | L | E |
| N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | |
| Product Description | <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">O</td><td style="width: 20px; height: 20px;">T</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">P</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">C</td><td style="width: 20px; height: 20px;">A</td><td style="width: 20px; height: 20px;">B</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;">E</td></tr> </table> | | | N | O | T | | A | P | P | L | I | C | A | B | L | E |
| N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | |

Kolkata, 28th April, 2010

M. R. PASARI }
K. K. BAHETI } *Directors*



MAJERHAT ESTATES LIMITED

DIRECTORS

K. K. BAHETI

A. GUHA SARKAR

D. PAL CHOUDHURY

AUDITORS

SAMANTA & CO.

Chartered Accountants

BANKERS

UNITED BANK OF INDIA

REGISTERED OFFICE

FOUR MANGOE LANE

SURENDRA MOHAN GHOSH SARANI

KOLKATA - 700 001.

MAJERHAT ESTATES & DEVELOPERS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2010

The Directors submit their Report and the Accounts of the Company for the year ended 31st March, 2010 :

FINANCIAL RESULTS

| | Rs. |
|---|--------------------|
| Profit/(Loss) for the year | (41,806) |
| Loss brought forward from previous year | (58,42,631) |
| Loss carried forward | <u>(58,84,437)</u> |

DIRECTORS

Pursuant to the provisions of the Articles of Association of the Company Mr. A. Guha Sarkar retires by rotation and, being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

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.

AUDITORS

Messrs. Samanta & Company, Chartered Accountants, the Auditors of the Company, retire and, being eligible, shall subject to Section 224(2) of the Companies Act, 1956 be re-appointed.

Since the Company is not engaged in manufacturing activity and had no transaction in foreign exchange, it has nothing to report pursuant to Section 217(1)(e) of the Companies Act, 1956 relating to conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo.

The Company did not have any employee during the period under review.

For and on behalf of the Board
MAJERHAT ESTATES & DEVELOPERS LIMITED

Kolkata, 25th May, 2010

K. K. BAHETI }
A. GUHA SARKAR } Directors

MAJERHAT ESTATES & DEVELOPERS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of MAJERHAT ESTATES & DEVELOPERS LIMITED as at 31st March, 2010 and the annexed Profit & Loss Account for the year ended on that date annexed thereto. 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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to the above, we report that :
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts have been kept by the Company as required by law so far as appears from our examination of those books.
 - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the requirements of the Accounting Standard referred to in Sub-Section 3C of section 211 of the Companies Act.
 - v) In our opinion, and based on information and explanations given to us, none of the Directors are disqualified as on 31st March 2010, from being appointed as Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required 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, 2010
 - (ii) in the case of Profit & Loss Account, of the loss for the year ended on that date.

Place : Kolkata
Date : 25th May, 2010

For SAMANTA & CO.
Chartered Accountants
S. K. SAMANTA
Proprietor
Membership No.9317
FRN No - 306025E

MAJERHAT ESTATES & DEVELOPERS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of **MAJERHAT ESTATES AND DEVELOPERS LIMITED** on the Financial Statement for the year ended 31st March, 2010)

- 1) The Company has no Fixed Assets. Therefore clauses (i)(a), (i)(b), (i)(c) of Paragraph 4 are not applicable to the Company.
- 2) The Company does not have any Stock of inventory. Therefore clauses (ii)(a), (ii)(b), (ii)(c) of Paragraph 4 are not applicable to the Company.
- 3) The Company has taken unsecured loan from its Holding Company and the rate of interest and other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.
- 4) In our opinion, the Company has an internal control system commensurate with its size and nature of its business. There has been no continuing failure to correct major weakness in internal control.
- 5) There have been no transactions that are needed to be entered in a register in pursuance of Sec. 301 of the Act. Therefore clauses (v)(a) and (v)(b) of Paragraph 4 are not applicable to the Company.
- 6) The Company has not accepted deposits from the public under the provisions of Sec. 58A and Sec. 58AA of the Act and the rules framed thereunder.
- 7) In our opinion, the internal audit system of the Company is commensurate with the size and nature of its business.
- 8) There is no amount outstanding as on 31st March, 2010 in respect of undisputed Income Tax, Sales Tax, Custom Duty and Excise Duty which was due for more than six months from the date they become payable.
- 9) The accumulated losses of the Company at the end of the Financial Year are less than 50% of its net worth and it has incurred cash losses during the financial year and in the financial year immediately preceding such financial year.
- 10) The Company does not default in repayment of dues to a Financial Institution or Bank or debenture-holder. During the year the Company has not taken any loan from the Financial Institution or Bank or issued any debenture.
- 11) The Company has granted loans and advances and repayment of principal and interest are as per arrangement with the Company.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- 13) The Company has not dealt or traded in shares, securities, debentures and other investments during the year.
- 14) The Company has not obtained any term loans during the year.
- 15) In our opinion, no funds raised on short terms basis have been used for long term by the Company and vice versa.
- 16) The Company has not issued any shares and debentures during the year.
- 17) There is no case of fraud noticed or reported during the year on the basis of representation made by the Company.

Place : Kolkata
Date : 25th May, 2010

For SAMANTA & CO.
Chartered Accountants
S. K. SAMANTA
Proprietor
Membership No.9317
FRN No - 306025E

MAJERHAT ESTATES & DEVELOPERS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

| | Schedule No. | As at 31st March, 2010 | | As at 31st March, 2009 | |
|--|-----------------|---------------------------|---------------------|---------------------------|---------------------|
| | | Rs. | Rs. | Rs. | Rs. |
| SOURCES OF FUNDS | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | I | | 3,00,00,000 | | 3,00,00,000 |
| Unsecured Loan | II | | 16,69,13,684 | | 16,69,13,684 |
| Total | | | 19,69,13,684 | | 19,69,13,684 |
| Application of funds | | | | | |
| Current Assets, Loans & Advances | | | | | |
| Cash & Bank Balances | III | | 88,684 | | 1,32,990 |
| Other Current Assets | IV | | 909,319 | | 9,09,319 |
| Loans & Advances | V | | 19,34,61,297 | | 19,34,61,297 |
| | | | 19,44,59,300 | | 19,45,03,606 |
| Less : Current Liabilities & Provisions | VI | | 34,30,053 | | 34,32,553 |
| Net Current Assets | | | 19,10,29,247 | | 19,10,71,053 |
| Profit & Loss Account | | | 58,84,437 | | 58,42,631 |
| Total | | | 19,69,13,684 | | 19,69,13,684 |
| Significant Accounting Policies & Notes on Accounts | VII | | | | |

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 Samanta & Co.
Chartered Accountants

Place : Kolkata
Date : 25th May, 2010

S. K. SAMANTA
Proprietor
Membership No. 9317
FRN No - 306025E

K. K. BAHETI
D. PALCHOUDHURY } Directors

MAJERHAT ESTATES & DEVELOPERS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Schedule No. | 31st March, 2010 Rs. | 31st March, 2009 Rs. |
|--|-----------------|-------------------------|-------------------------|
| INCOME | | | |
| Interest (Gross) | | — | — |
| EXPENDITURE | | | |
| Filing Fee | | 3,000 | 2,500 |
| Rates & Taxes | | 9,850 | — |
| Bank Charges | | 211 | 60 |
| Audit Fee | | 3,000 | 3,000 |
| Legal & Professional | | 25,745 | 24,264 |
| Interest | | — | 1,48,124 |
| Miscellaneous Expenses | | — | — |
| | | <u>41,806</u> | <u>1,77,948</u> |
| Profit / (Loss) before Taxation | | (41,806) | (1,77,948) |
| Provision for Taxation | | — | — |
| Profit / (Loss) after Taxation | | <u>(41,806)</u> | <u>(1,77,948)</u> |
| Profit / (Loss) brought forward from previous year | | (58,42,631) | (56,64,683) |
| Profit / (Loss) carried forward | | <u>(58,84,437)</u> | <u>(58,42,631)</u> |

Significant Accounting Policies & Notes on Accounts

VI

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 Samanta & Co.
Chartered Accountants

Place : Kolkata
Date : 25th May, 2010

S. K. SAMANTA
Proprietor
Membership No. 9317
FRN No - 306025E

K. K. BAHETI
D. PALCHOUDHURY } Directors

MAJERHAT ESTATES & DEVELOPERS LIMITED

| | 31st March, 2010 Rs. | 31st March, 2009 Rs. |
|--|-------------------------|-------------------------|
| SCHEDULE I | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 50,00,000 Equity Shares of Rs. 10/- each | 5,00,00,000 | 5,00,00,000 |
| | <u>5,00,00,000</u> | <u>5,00,00,000</u> |
| Issued and Subscribed | | |
| 30,00,000 Equity Shares of Rs. 10/- each fully paid-up in cash (all the shares are held by Williamson Magor & Co. Limited - the Holding Company except 7 shares held by it along with its nominee). | 3,00,00,000 | 3,00,00,000 |
| | <u>3,00,00,000</u> | <u>3,00,00,000</u> |
| SCHEDULE II | | |
| UNSECURED LOAN | | |
| From Holding Company | 9,73,65,000 | 9,73,65,000 |
| Interest accrued and due | 6,95,48,684 | 6,95,48,684 |
| | <u>16,69,13,684</u> | <u>16,69,13,684</u> |
| SCHEDULE III | | |
| CASH AND BANK BALANCE | | |
| With Scheduled Banks | | |
| On Current Account | 88,684 | 1,32,990 |
| | <u>88,684</u> | <u>1,32,990</u> |
| SCHEDULE IV | | |
| OTHER CURRENT ASSETS | | |
| Interest Accrued on Deposits | 5,70,319 | 5,70,319 |
| Interest Receivable from others | 3,39,000 | 3,39,000 |
| | <u>9,09,319</u> | <u>9,09,319</u> |
| SCHEDULE V | | |
| LOANS & ADVANCES | | |
| Advance recoverable in cash or in kind or for value to be received | | |
| Considered good | 17,81,50,000 | 17,81,50,000 |
| Other Advances : | | |
| Interest Receivable | 1,15,80,177 | 1,15,80,177 |
| Tax deducted at source | 37,31,120 | 37,31,120 |
| | <u>19,34,61,297</u> | <u>19,34,61,297</u> |

MAJERHAT ESTATES & DEVELOPERS LIMITED

| | 31st March, 2010 Rs. | 31st March, 2009 Rs. |
|---|-------------------------|-------------------------|
| SCHEDULE VI | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Current Liabilities | | |
| Sundry Creditors | 27,14,838 | 27,17,338 |
| Interest Accrued | 7,03,115 | 7,03,115 |
| Tax deducted at source | — | — |
| Provisions | | |
| Provision for Tax | 12,100 | 12,100 |
| | <u><u>34,30,053</u></u> | <u><u>34,32,553</u></u> |

SCHEDULE VII SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(A) **Significant Accounting Policies :**

a) **Accounting Convention**

The accompanying financial statements have been prepared in accordance with historical cost convention.

b) **Income and Expenditure :**

Income and Expenditure are accounted for on accrual basis.

(B) **Notes on Accounts :**

a) Loans and advance include deposit of Rs. 17,81,50,000/-.

b) The figures for the previous year have been rearranged and re-grouped wherever necessary.

c) Notes annexed to form part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010.

d) **Related Party disclosures :**

Related parties with whom there were transactions during the year are listed below -

Holding Company - the Company is a wholly owned subsidiary of Williamson Magor & Co. Limited.

(Rupees)

| | |
|----------------------------------|--------------|
| Advance received during the year | — |
| Other payables outstanding | 16,69,99,115 |

Signatures to Schedules I to VI

Place : Kolkata
Date : 25th May, 2010

K. K. BAHETI }
D. PALCHOUHURY } *Directors*

MAJERHAT ESTATES & DEVELOPERS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

| | | | | |
|---|---|---|---|---|
| 5 | 9 | 5 | 6 | 9 |
|---|---|---|---|---|

State Code

| | |
|---|---|
| 2 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

| | | | |
|---|---|---|---|
| 2 | 0 | 1 | 0 |
|---|---|---|---|

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

Public Issue

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Rights Issue

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Bonus Issue

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Private Placement (Rs.)

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

III. Details of Mobilisation and Development of Funds(Amount in Rs. Thousands)

Total Liabilities

Sources of Funds

| | | | | | | |
|--|---|---|---|---|---|---|
| | 2 | 0 | 0 | 3 | 4 | 4 |
|--|---|---|---|---|---|---|

Total Assets

| | | | | | | |
|--|---|---|---|---|---|---|
| | 2 | 0 | 0 | 3 | 4 | 4 |
|--|---|---|---|---|---|---|

Paid-Up Capital (Rs.)

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 3 | 0 | 0 | 0 | 0 |
|--|--|---|---|---|---|---|

Reserves & Surplus

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Secured Loans

Application of Funds

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Unsecured Loans

| | | | | | | |
|--|---|---|---|---|---|---|
| | 1 | 6 | 6 | 9 | 1 | 4 |
|--|---|---|---|---|---|---|

Net Fixed Assets

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Investments

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Net Current Assets

| | | | | | | |
|--|---|---|---|---|---|---|
| | 1 | 9 | 1 | 0 | 2 | 9 |
|--|---|---|---|---|---|---|

Misc. Expenditure

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Accumulated Losses

| | | | | | | |
|--|--|--|---|---|---|---|
| | | | 5 | 8 | 4 | 2 |
|--|--|--|---|---|---|---|

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

Total Income

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

Total Expenditure

| | | | | | | |
|--|--|--|--|--|---|---|
| | | | | | 4 | 2 |
|--|--|--|--|--|---|---|

Loss before Tax

| | | | | | | |
|--|--|--|--|--|---|---|
| | | | | | 4 | 2 |
|--|--|--|--|--|---|---|

Loss after Tax

| | | | | | | |
|--|--|--|--|--|---|---|
| | | | | | 4 | 2 |
|--|--|--|--|--|---|---|

Earning Per Share in Rs.

| | | | | | |
|---|---|---|---|---|---|
| (| 0 | . | 0 |) | 1 |
|---|---|---|---|---|---|

Dividend rate %

| | | |
|---|---|---|
| N | I | L |
|---|---|---|

V. Generic Names of Three principal Products/Services of the Company

Item Code

Product Description

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

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

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

Place : Kolkata
Date : 25th May, 2010

K. K. BAHETI
D. PALCHOUDHURY } *Directors*



AUDITORS' REPORT ON THE 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, 2010, 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 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) 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 2505.99 lakhs and net assets of Rs.2287.60 lakhs as at 31st March, 2010 and total revenues of Rs 22.50 lakhs, net loss of Rs.182.78 lakhs and net cash flows amounting to Rs 87.68 lakhs for the year ended and (ii) two associate companies which constitute net profit of Rs.2899.70 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) 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 the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in the case of the consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

Kolkata, 13th August, 2010

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



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

| | Schedule No. | 31st March, 2010 | | 31st March, 2009 | |
|--|-----------------|------------------|-------------------|------------------|-------------------|
| | | Rs. '000 | Rs.'000 | Rs.'000 | Rs.'000 |
| I. SOURCES OF FUNDS | | | | | |
| Shareholders' Funds | | | | | |
| Capital | I | 10,95,64 | | 10,95,64 | |
| Reserves & Surplus | II | 2,47,90,32 | 2,58,85,96 | 2,30,35,45 | 2,41,31,09 |
| Loan Funds | III | | | | |
| Secured Loans | | 69,96,41 | | 1,00,71,84 | |
| Unsecured Loans | | 62,01,43 | 1,31,97,84 | 64,91,24 | 1,65,63,08 |
| Total | | | 3,90,83,80 | | 4,06,94,17 |
| II. APPLICATION OF FUNDS | | | | | |
| Fixed Assets | IV | | | | |
| Gross Block | | 93,08,18 | | 93,18,89 | |
| Less : Depreciation | | 21,56,60 | | 20,20,74 | |
| Net Block | | | 71,51,58 | | 72,98,15 |
| Investments | V | | 2,48,66,26 | | 2,25,50,06 |
| Current Assets, Loans and Advances | | | | | |
| Inventories | VI | 1,73 | | 4,15 | |
| Sundry Debtors | VII | 1,16,61 | | 2,05,32 | |
| Other Current Assets | VIII | 6,49,55 | | 8,48,61 | |
| Cash and Bank Balances | IX | 14,62,93 | | 2,65,65 | |
| Loans and Advances | X | 51,78,85 | | 1,02,70,77 | |
| | | 74,09,67 | | 1,15,94,50 | |
| Less : Current Liabilities and Provisions | XI | | | | |
| Liabilities | | 2,92,36 | | 6,74,59 | |
| Provision | | 51,35 | | 73,95 | |
| | | 3,43,71 | | 7,48,54 | |
| Net Current Assets | | | 70,65,96 | | 1,08,45,96 |
| Total | | | 3,90,83,80 | | 4,06,94,17 |
| Significant Accounting Policies | XVI | | | | |
| Notes on Accounts | XVII | | | | |

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, 13th August, 2010

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



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

| | Schedule No. | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------|-----------------------------|-----------------------------|
| INCOME | | | |
| Income from operation | XII | 26,31,72 | 20,14,36 |
| Other Income | XIII | 50,55 | 6,37,30 |
| | | 26,82,27 | 26,51,66 |
| EXPENDITURE | | | |
| Expenses | XIV | 10,06,71 | 6,67,91 |
| Interest | XV | 21,82.67 | 20,48,69 |
| Depreciation (includes share of Joint Venture Rs.2,65 thousand, <i>previous year Rs.2,84 thousand</i>) | | 24,24 | 25,48 |
| | | 32,13,62 | 27,42,08 |
| Profit / (Loss) before Taxation | | (5,31,35) | (90,42) |
| Provision for Taxation : | | | |
| Current Tax | | | |
| Current year | | — | — |
| Earlier years (net of write back) | | — | 1,23,40 |
| Deferred Tax | | — | 3,169 |
| Fringe Benefit Tax | | | |
| Current year | | — | (5,91) |
| Earlier years (net of write back) | | 1,79 | 26 |
| Profit / (Loss) after Taxation | | (5,29,56) | 59,02 |
| Share of earnings from Associates * | | 37,38,35 | 28,11,76 |
| | | 32,08,79 | 28,70,78 |
| Balance brought forward from previous year | | 7,94,96 | (20,75,82) |
| Un-appropriated balance carried forward | | 40,03,75 | 7,94,96 |
| Basic and Diluted Earnings per share (Rs.) | | 29.29 | 26.20 |

* Includes Rs.8,37,02 thousand on transfer from Reserves on account of adjustments relating to previous years

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, 13th August, 2010

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


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

| | 31st March, 2010 (Rs.'000) | 31st March, 2009 (Rs.'000) |
|--|-------------------------------|-------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(loss) before tax and extraordinary items | (5,31,35) | (90,42) |
| Adjustment for : | | |
| Depreciation | 24,24 | 25,48 |
| Profit on sale of investment | (2,32,97) | — |
| Dividend income on investments | (3,49,68) | (1,40,86) |
| Profit on disposal of fixed assets | 1,04 | — |
| Interest on fixed loans | 21,67,77 | 20,45,54 |
| Provision for Doubtful debts | 6,46 | 7,73 |
| Provision for Doubtful advances | 3,03 | 56 |
| Provision for Farmer's Assistance | 60,16 | 7,372 |
| Provision for Diminution in Value of Investments (net) | (36,96) | 49,43 |
| Provision for retirement benefit written back | (9,50) | (29,64) |
| Provision for doubtful debts/advances written back | (4,74,24) | (4,09) |
| Bad debts/advances written off | 92,12 | — |
| Liabilities written back | (11,59) | (5,68,90) |
| Provision for retirement benefits | 4,26 | 18,16 |
| Loss on non conversion of share warrants | 2,61,00 | — |
| Interest on Income Tax Refund | (17,66) | (27,61) |
| Operating profit before working capital changes | 9,56,13 | 13,59,10 |
| Adjustment for : | | |
| Inventories | 1,83 | (3,70) |
| Trade and other receivables | 52,07,85 | (29,50,96) |
| Sundry Creditors and other liabilities | (3,47,29) | (64,71) |
| Provision for retirement benefits | (13,62) | (38,81) |
| Cash generated from operations | 58,04,90 | (16,99,08) |
| Interest received on refund of income tax | 17,66 | 12,35 |
| Direct tax refund (net) | 1,91,43 | 1,63,89 |
| Net cash from operating activities | 60,13,99 | (15,22,84) |



| | 31st March, 2010 (Rs.'000) | 31st March, 2009 (Rs.'000) |
|---|-------------------------------|-------------------------------|
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (4,41) | (18,41) |
| Sale of fixed assets | 2,16 | — |
| Dividend income on investments | 3,49,68 | 1,40,86 |
| Sale of investments | 3,03,46 | — |
| Purchase of investments | — | — |
| Net cash from investing activities | 6,50,89 | 1,22,45 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowings | — | 10,00,00 |
| Repayment of long term borrowings | (30,75,43) | (17,97,12) |
| Proceeds from short term borrowings | 1,21,60,00 | 66,10,00 |
| Repayment of short term borrowings | (1,24,80,00) | (29,35,00) |
| Proceeds from issue of shares of Joint Venture (including share premium) | 1,43,64 | 4,26,18 |
| Interest paid on fixed loans | (22,14,65) | (19,05,06) |
| Net Cash used in financing activities | (54,66,44) | 13,99,00 |
| Net increase/ (decrease) in cash and cash equivalents | 11,98,44 | (1,39) |
| Cash and cash equivalents (Opening Balance) | 2,65,65 | 2,73,95 |
| Less : Cash attributable to reduction in share of joint venture from previous year | 1,16 | 6,91 |
| Cash and cash equivalents (Closing Balance) | 14,62,93 | 2,65,65 |

Notes to the Cash Flow Statement for the year ended 31st March, 2010 :

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

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

Kolkata, 13th August, 2010



SCHEDULE I

SHARE CAPITAL

Authorised –

| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|---|-----------------------------|-----------------------------|
| 125,000 Preference Shares of Rs. 100/- each | 1,25,00 | 1,25,00 |
| 2,37,50,000 Equity Shares of Rs.10/- each | 23,75,00 | 23,75,00 |
| | <u>25,00,00</u> | <u>25,00,00</u> |

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 | | |
| | <u>10,95,64</u> | <u>10,95,64</u> |



SCHEDULE II RESERVES & SURPLUS

| | General Reserve Rs. '000 | Revaluation Reserve Rs. '000 | Capital Reserve (Note 1) Rs. '000 | Capital Redemption Reserve Rs. '000 | Securities Premium Rs. '000 | Statutory Reserve Rs. '000 | Pension Reserve Rs. '000 | Amalgamation Reserve Rs. '000 | Foreign Currency Translation Reserve Rs. '000 | Total Rs. '000 |
|---|-----------------------------|---------------------------------|--------------------------------------|--|--------------------------------|-------------------------------|-----------------------------|----------------------------------|--|-------------------|
| Balance as per last account | 113,37,93 | 58,65,94 | 14,69,46 | 1,45 | 4,72,97 | 29,41,63 | 45,00 | 69,26 | — | 222,03,64 |
| Less : Withdrawal on account of depreciation on amount added on revaluation | — | 1,24,68 | — | — | — | — | — | — | — | 1,24,68 |
| Less : Withdrawal on account of depreciation on amount added on revaluation in associates | — | 5,83,76 | — | — | — | — | — | — | — | 5,83,76 |
| Add/(less) : Share of associates on consolidation | (2,60,19) | — | 1,30,61 | (1,44) | (2,99) | (5,75,39) | — | — | (95,48) | (8,04,88) |
| Add : Share of Joint Venture on consolidation | — | — | — | — | 28,11 | — | — | — | — | 28,11 |
| Total | 110,77,74 | 51,57,50 | 16,00,07 | 1 | 4,98,09 | 23,66,24 | 45,00 | 69,26 | (95,48) | 2,07,18,43 |
| Add : Profit & Loss Account (Note 2) | | | | | | | | | | 40,71,89 |
| Balance as at 31.3.2010 | | | | | | | | | | 247,90,32 |

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.31,29 thousand arising out of change in share of joint venture from the previous year and current year's share of joint venture : Rs.1,81,84 thousand.



SCHEDULE III

LOAN FUNDS

Secured Loans

Term Loans

From other than Banks

31st March, 2010
Rs.'000

31st March, 2009
Rs.'000

69,96,41

1,00,71,84

69,96,41

1,00,71,84

Notes : The above includes :

- i) loans from HDFC secured by way of
 - mortgage of certain immovable properties of the Company
 - pledge of shares of Eveready Industries India Limited and McLeod Russel India Limited (Refer Note 2 of Schedule V)
- ii) loans from IL&FS Financial Services Limited secured by way of
 - corporate guarantee from McLeod Russel India Limited
 - pledge of shares of Eveready Industries India Limited and shares of McLeod Russel India Limited (Refer Note 2 of Schedule V)
- iii) loans from ICICI Home Finance Ltd secured by way of
 - mortgage of certain immovable properties by way of a parri passu charge created in favour of other lenders. The creation of the said charge is pending.
 - pledge of shares of McLeod Russel India Ltd., McNally Bharat Engineering Co. Ltd. and Kilburn Engineering Ltd. (Refer Note 2 of Schedule V)

Unsecured Loans

Short Term Loans

From Other than Banks

Interest accrued and due

59,20,00

36,75,00

2,36,41

1,14,11

61,56,41

37,89,11

Long Term Loans

From Other than Banks

Interest accrued and due

—

25,65,00

45,02

1,37,13

45,02

27,02,13

62,01,43

64,91,24

1,31,97,84

1,65,63,08

SCHEDULE IV

FIXED ASSETS

| | GROSS BLOCK AT COST OR VALUATION | | | | DEPRECIATION | | | NET BLOCK | |
|-----------------------|-----------------------------------|--------------------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|---|-----------------------------------|-----------------------------------|
| | As at 31st March 2009 Rs. '000 | Addition during the year Rs. '000 | Disposal/ Adjustment during the year Rs. '000 | As at 31st March 2010 Rs. '000 | As at 31st March 2009 Rs. '000 | Provision for the year Rs. '000 | Deduction on account of disposal etc. Rs. '000 | As at 31st March 2010 Rs. '000 | As at 31st March 2009 Rs. '000 |
| Goodwill | 2,49,90 | 2,41 | — | 2,52,31 | — | — | — | 2,52,31 | 2,49,90 |
| Land-Freehold | 47,00,30 | — | — | 47,00,30 | — | — | — | 47,00,30 | 47,00,30 |
| Buildings | 40,95,25 | — | — | 40,95,25 | 18,58,44 | 1,30,62 | — | 19,89,06 | 22,36,81 |
| Plant & Machinery | 1,26,95 | 1,54, | 7,15 | 1,21,34 | 49,41 | 10,09 | 4,94 | 54,56 | 77,54 |
| Motor Vehicles | 29,15 | 1,74 | 1,32 | 29,57 | 16,52 | 3,31 | 52 | 19,31 | 12,63 |
| Furniture & Fittings | 73,40 | 1,13 | 9,01 | 65,52 | 63,77 | 3,34 | 7,55 | 59,56 | 9,63 |
| Electric Installation | 32,20 | — | 5 | 32,15 | 27,74 | 61 | 5 | 28,30 | 4,46 |
| Water Supply | 11,74 | — | — | 11,74 | 4,86 | 95 | — | 5,81 | 6,88 |
| Total | 93,18,89 | 6,82 | 17,53 | 93,08,18 | 20,20,74 | 1,48,92 | 13,06 | 21,56,60 | 72,98,15 |
| Previous Year | 90,63,16 | 2,63,18 | 7,45 | 93,18,89 | 18,66,47 | 1,56,72 | 2,45 | 20,20,74 | 72,98,15 |

Notes :

1. Goodwill includes Rs.2,52,31 thousand on account of 16.44% 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.
2. Net Book Value as on 31st March, 2010 includes Rs.7,89 thousand (previous year Rs.8,89 thousand) representing share of Joint Venture.

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

Equity Shares - fully paid-up

| | 31st March, 2010 | | 31st March, 2009 | |
|---|------------------|----------|------------------|----------|
| | Nos. | Rs.'000 | Nos. | Rs.'000 |
| WPI Limited | 80 | 1 | 80 | 1 |
| McNally Bharat Engineering Company Limited. | 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) (Refer Note 2 below) | 11,649,946 | 67,17,38 | 11,771,645 | 67,87,55 |
| 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 (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 | — |

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 | | | | |
| Essar Shipping Limited | — | — | 3,00 | 33 |
| J. J. Leasing & Hiring Limited | 10,00 | 10 | 10,00 | 10 |
| Marigold Glass Industries Limited (formerly 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 | 106,500 | 1,07 |
| ½% Woodlands Hospital and Medical Research Centre Ltd. | 1,39 | 9 | 1,39 | 9 |

Preference Shares — fully paid-up

| | | | | |
|--|---------|-------|---------|-------|
| India General Navigation & Railway Company Limited (in Voluntary Liquidation)(Rs.424) | 228 | — | 228 | — |
| Equity Shares - fully paid-up | | | | |
| \$ Arvindnagar Goodwill & Co-operative Housing Society Limited of Rs.50 each (Rs.250) | 5 | — | 5 | — |
| \$ Seema Apartments Co-operative Housing 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 (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 :**

- All shares except as indicated by \$ are of Rs.10 each fully paid-up.
- 80,69,947 shares of Eveready Industries India Limited, 82,25,949 shares of Mcleod Russel India Limited, 25,08,013 shares of Babcock Borsig Limited, 30,00,000 shares of Kilburn Engineering Limited and 9,00,000 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. Investments in Associates

Kilburn Engineering Ltd.

Share in net assets on acquisition

Add : Goodwill on acquisition

Cost of acquisition

Add: share in profit/(loss)/reserves after acquisition

Babcock Borsig Limited

Share in net assets on acquisition

Add : Goodwill on acquisition

Cost of acquisition

Add: share in profit/(loss)/reserves after acquisition

Eveready Industries India Limited

Share in net assets on acquisition

Less : Capital Reserve on acquisition

Cost of acquisition

Add: share in profit/(loss)/reserves after acquisition

| | 31st March, 2010 | | 31st March, 2009 | |
|--|------------------|-------------------|------------------|-------------------|
| | Nos. | Rs.'000 | Nos. | Rs.'000 |
| | 16,756,841 | 1,02,32,16 | 16,756,841 | 79,47,15 |
| | 4,319,043 | 43,97,03 | 4,319,043 | 44,00,35 |
| | 2,508,013 | 12,89,86 | 2,508,013 | 12,21,83 |
| | | 2,52,33,23 | | 229,54,01 |
| | | 3,66,97 | | 4,03,95 |
| | | 2,48,66,26 | | 2,25,50,06 |
| | | 1,96,57,64 | | 2,16,47,08 |
| | | 55,75,59 | | 13,06,93 |
| | | 2,52,33,23 | | 2,29,54,01 |
| | | 4,99,72,63 | | 1,22,39,45 |

| | 31st March, 2010 | | 31st March, 2009 | |
|--|------------------|-------------------|------------------|-----------------|
| | | Rs.'000 | | Rs.'000 |
| | | 14,46 | | 14,46 |
| | | 10,55,10 | | 10,55,10 |
| | | 10,69,56 | | 10,69,56 |
| | | 33,27,47 | | 33,30,79 |
| | | 43,97,03 | | 44,00,35 |
| | | 2,62,77 | | 2,62,77 |
| | | 1,10,57 | | 1,10,57 |
| | | 3,73,34 | | 3,73,34 |
| | | 9,16,52 | | 8,48,49 |
| | | 12,89,86 | | 12,21,83 |
| | | 1,40,67,17 | | 1,40,67,17 |
| | | 47,08,16 | | 47,08,16 |
| | | 93,59,01 | | 93,59,01 |
| | | 8,73,15 | | (14,11,86) |
| | | 1,02,32,16 | | 79,47,15 |



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| SCHEDULE VI | | |
| INVENTORY - AT COST | | |
| Stock of Stores - share of joint venture | 1,73 | 4,15 |
| | <u>1,73</u> | <u>4,15</u> |
| SCHEDULE VII | | |
| SUNDRY DEBTORS | | |
| Unsecured | | |
| Debts outstanding for a period exceeding six months | | |
| Considered good | 5,35 | 86,43 |
| Considered doubtful | 3,74,98 | 3,89,17 |
| Other Debts - considered good | 1,11,26 | 1,18,89 |
| | <u>4,91,59</u> | <u>5,94,49</u> |
| Less : Provision for Doubtful Debts | 3,74,98 | 3,89,17 |
| | <u>1,16,61</u> | <u>2,05,32</u> |
| SCHEDULE VIII | | |
| OTHER CURRENT ASSETS | | |
| Interest Receivable - | | |
| Considered good | 6,49,55 | 8,48,61 |
| Considered doubtful | 3,61,78 | 3,62,37 |
| | 10,11,33 | 12,10,98 |
| Less : Provision for Doubtful Receivables | 3,61,78 | 3,62,37 |
| | <u>6,49,55</u> | <u>8,48,61</u> |
| Share of Joint Venture included above : Rs.1,20 (<i>previous year: Rs.Nil</i>) | | |
| SCHEDULE IX | | |
| CASH AND BANK BALANCES | | |
| Cash in hand | 1,09 | 94 |
| With Scheduled Banks - | | |
| On Current Accounts | 14,04,58 | 2,62,53 |
| On Deposit Accounts | 55,63 | 55 |
| On Redeemed Preference Share Accounts | 1,63 | 1,63 |
| | <u>14,62,93</u> | <u>2,65,65</u> |
| Share of Joint Venture included above : Rs.94,57 thousand (<i>previous year: Rs.8,13 thousand</i>) | | |



| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| SCHEDULE X | | |
| LOANS AND ADVANCES | | |
| Advances recoverable in cash or in kind or for value to be received - unsecured | | |
| Considered good | 6,06,98 | 29,55,11 |
| Considered doubtful | 6,59,44 | 8,57,89 |
| Inter corporate Deposits | | |
| Considered good | 39,11,50 | 65,31,00 |
| Considered doubtful | — | 2,10,00 |
| Excise, Customs and Port Trust Authorities (considered doubtful) | 12 | 12 |
| Deposits - considered good | 34,76 | 35,10 |
| considered doubtful | 24 | 68 |
| Advance Tax (Net of Provision Rs.22,29,49 thousand) (Previous Year Rs.22,29,49 thousand) | 6,25,61 | 7,49,56 |
| | 58,38,65 | 113,39,46 |
| Less: Provision for Doubtful Advances | 6,59,80 | 10,68,69 |
| | 51,78,85 | 102,70,77 |
| Share of Joint Venture included above : Rs.4,44,57 thousand (previous year: 6,87,21 thousand) | | |
| SCHEDULE XI | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Liabilities | | |
| Sundry Creditors | 59,55 | 84,81 |
| Security Deposits | 25,96 | 48,24 |
| Other Liabilities | 1,68,75 | 4,44,38 |
| Interest accrued but not due on loans | 38,10 | 97,16 |
| | 2,92,36 | 6,74,59 |
| Share of Joint Venture included above : Rs.73,56 thousand (previous year: 1,07,89 thousand) | | |
| Provisions | | |
| For Retirement Benefits | 54,48 | 73,38 |
| Fringe Benefit Tax (Net of advance tax Rs.14,15 thousand) (Previous Year Rs.12,50 thousand) | (3,13) | 57 |
| | 51,35 | 73,95 |
| Share of Joint Venture included above : Rs.68 thousand (previous year: 58 thousand) | | |

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

| | |
|---|--|
| * Services | |
| * Rental Income | |
| * Recovery of Establishment Expenses | |
| Dividends on Long Term Trade Investment | |
| Interest on Inter Corporate Deposits | |
| Interest on Bank Fixed Deposit | |
| Profit on Sale of Long Term Trade Investments | |
| Provisions written back (Net of Bad Debts/ | |
| Advances written off Rs.92,12 thousand, <i>Previous year Rs.Nil</i>) | |
| Provision for diminution in investments written back | |
| | |
| * Tax deducted at source | |
| Share of Joint Venture included above : Rs.(42,09) thousand (<i>previous year: Rs.Nil</i>) | |

31st March, 2010

Rs.'000

1,36,16

1,38,65

3,24,00

3,49,68

9,23,46

3,04

2,32,97

3,82,12

1,41,64**26,31,72**

53,00

31st March, 2009

Rs.'000

1,39,14

1,39,83

3,72,00

1,40,86

12,18,41

3

—

4,09

—**20,14,36**

74,98

SCHEDULE XIII**OTHER INCOME**

| | |
|--|--|
| Interest on Income Tax Refund * | |
| Provision for retirement benefit written back ** | |
| Liabilities written back | |
| Sale of manure/jatropha Plant | |
| Miscellaneous Income | |

17,66

9,50

11,59

11,30

50

50,55

27,61

29,64

5,68,90

8,88

2,27

6,37,30

* Includes Rs.Nil (*previous year : 15,26, thousand*) for prior period
Includes Rs. Nil (*previous year : 23,65 thousand*) for prior period

** Share of Joint Venture included above : Rs.11,32 thousand
(*previous year: Rs.8,88 thousand*)

SCHEDULE XIV**EXPENSES**

| | |
|---|--|
| Salaries, Wages, Compensation and Bonus | |
| Contribution to Provident and other funds | |
| Pension and Gratuity | |
| Establishment and General Expenses | |
| Travelling Expenses | |
| Workmen and Staff Welfare | |
| Directors' Fees | |
| Financial Charges | |
| Insurance | |
| Rent | |
| Rates and Taxes | |
| Legal & Professional | |
| Power and Fuel | |
| Repair to Buildings | |
| Repair to Machinery | |
| General Repairs and Renewals | |
| Audit Fee | |
| Loss on Assets Scrapped | |
| Consumption of Stores | |
| Nursery & Agro Facilitation Charges | |

63,62

3,34

4,06

64,69

45,67

28,91

7,70

47,03

5,05

13,81

53,64

74,60

41,57

47,57

84

40,34

7,00

1,04

11,81

6,41

53,98

3,74

6,68

43,56

55,30

30,21

6,80

17,97

15,86

9,71

19,57

91,32

39,14

47,11

1,38

45,52

7,14

—

25,70

2,96

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

| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|--|-----------------------------|-----------------------------|
| Freight | 2,68 | 12,82 |
| Provision for Doubtful Debts | 6,46 | 7,73 |
| Provision for Doubtful Advance | 3,03 | 56 |
| Provision for Diminution in the value of Investments | 1,04,68 | 49,43 |
| Provision for Farmers Assistance | 60,16 | 73,72 |
| Loss due to non payment of dues for convertible warrants | 2,61,00 | — |
| | 10,06,71 | 6,67,91 |

Share of Joint Venture included above : Rs.1,48,37 thousand
(previous year: Rs.1,77,25 thousand)

SCHEDULE XV**INTEREST**

| | 31st March, 2010 Rs.'000 | 31st March, 2009 Rs.'000 |
|-------------|-----------------------------|-----------------------------|
| Fixed Loans | 21,67,77 | 20,44,05 |
| Others | 14,90 | 4,64 |
| | 21,82,67 | 20,48,69 |

Share of Joint Venture included above : Rs.5 thousand
(previous year: Rs.2 thousand)

SCHEDULE XVI**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010****1. Principles of consolidation :**

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21(AS 21) on Consolidated Financial Statements, Accounting Standard 23 (AS 23) on "Accounting for Investments in Associates" and Accounting Standard 27 (AS 27) on "Accounting for Investments in Joint Venture in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

The consolidated financial statements pertain to Williamson Magor & Company Limited (the Company), its wholly owned subsidiaries and includes the share/ interest in its joint venture company and associate companies; the details of which are given below:

| Name of the Company | Country of Incorporation | % of ownership interest held as on 31st March, 2010 | % of ownership interest held as on 31st March, 2009 |
|---------------------------------------|--------------------------|---|---|
| Subsidiaries | | | |
| Woodside Parks Limited | India | 100% | 100% |
| Majerhat Estates & Developers Limited | India | 100% | 100% |
| Joint Venture | | | |
| D1 Williamson Magor Bio Fuel Limited | India | 16.44% | 19.19% |
| Associates | | | |
| Babcock Borsig Limited | India | 36.66% | 36.66% |
| Kilburn Engineering Limited | India | 32.58% | 32.11% |
| Eveready Industries India Limited | India | 23.05% | 23.05% |

- i) The financial statements of the holding Company and its subsidiaries have been combined on line by line basis by adding together the book value of like items of assets, liabilities, incomes and expenses, after eliminating the intra group balances and intra group



transactions. The Company's interest in its joint venture company, M/s D1 Williamson Magor Bio Fuel Limited has been consolidated using the proportionate consolidation method whereby a venture's share of each of the assets, liabilities, incomes and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

- ii) 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.
- iii) Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost, identifying goodwill/ capital reserve as the case may be arising at the time of acquisition and adjusted thereafter for the post acquisition change in the Group's share of net assets.
- iv) In applying the equity and proportionate consolidation method, adjustments, being impracticable, have not been made in the financial statements of the associates and joint venture company for differences in accounting policies as compared to those of the holding company.

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. Fixed assets and depreciation

Tangible fixed assets are stated at cost of acquisition or 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. Certain assets amounting to Rs.69 thousand (Gross Block) of the joint venture and Rs. 13,39,176 thousand (Gross Block) of two associates is provided under straight line method/ or at the 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.

4. 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.

5. 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.

6. 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.

7. Services/ rental income

These are accounted for based on business arrangements in existence.

8. Lease rent

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

9. 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.

10. 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.

11. Borrowing Costs

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

12. 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 2010 Rs.'000 | 31st March 2009 Rs.'000 |
|---|----------------------------|----------------------------|
| Claims against the Company not acknowledged as debt | 93 | 93 |

2) Contingent Liabilities for:

| | | |
|--|---------------------|-------------------|
| (a) Sales Tax matters under dispute | 41,98 (Note i) | 41,98 (Note i) |
| (b) Excise matters under dispute | 7,11 (Note ii) | 7,11 (Note ii) |
| (c) Sales Tax Matters under dispute | 45,80 (Note iii) | — |
| (d) Guarantees given for loans granted to companies within the group | 63,50 | 6,84,47 |

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 issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. Demand also includes the interest for delayed payment of the taxes which has 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.

In regard to any future obligation arising due to shortfall between the interest to be paid on provident fund scheme and the interest earned on investment, pending the issuance of a Guidance Note from the Institute of Actuaries of India, the actuary has expressed his inability to reliably measure the same.

The total amount contributed by the company to the Fund for the year ended 31st March 2010 was Rs.1,14 thousand (*previous year Rs.1,41 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 2010 was Rs. 66 thousand (Previous year – Rs.97 thousand).

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

The Company has an informal practice of paying pension to certain categories of retired employees and in certain cases to their surviving spouses.

(b) Medical Insurance Premium Re-imbursalment (Unfunded)

The Company has a scheme of re-imbursalment of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit.

(c) Leave Encashment

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, 2010.

| Changes in present value of defined benefit obligations during the year ended 31st March 2010. | Pension (Rs.'000) | | | Medical Insurance (Rs.'000) | | | Gratuity (Rs.'000) | | | Leave Encashment (Rs.'000) | | |
|--|-------------------|---------|---------|-----------------------------|---------|---------|--------------------|---------|---------|----------------------------|---------|---------|
| | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 |
| Opening Present Value of obligation | 45,65 | 76,21 | 89,55 | 24,54 | 29,10 | 29,69 | — | — | — | 2,88 | 18,36 | 12,01 |
| Provision Written Back | — | (23,65) | — | — | (5,99) | — | — | — | — | — | — | — |
| Interest Cost | 3,28 | 3,67 | 7,02 | 1,96 | 1,81 | 2,44 | — | — | — | 13 | 55 | 1,03 |
| Current Service Cost | — | — | — | — | — | — | 17 | — | — | 15 | 1 | 6 |
| Benefits Paid | (9,34) | (13,42) | (13,82) | (1,84) | (2,41) | (1,87) | — | — | — | (2,44) | (22,98) | — |
| Actuarial loss (gain) on obligations | (12,77) | 2,84 | (6,54) | 54 | 2,03 | (1,16) | 18 | — | — | 71 | 6,94 | 5,26 |
| Closing Present Value of obligation | 26,81 | 45,65 | 76,21 | 25,20 | 24,54 | 29,10 | 35 | — | — | 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) | | |
|---|-------------------|---------|---------|-----------------------------|---------|---------|--------------------|---------|---------|----------------------------|---------|---------|
| | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 |
| Present Value of obligation | 26,81 | 45,65 | 76,21 | 25,20 | 24,54 | 29,10 | 35 | — | — | 1,43 | 2,88 | 18,36 |
| Fair value of Plan Asset | — | — | — | — | — | — | — | — | — | — | — | — |
| Net Asset/(Liability) recognized in Balance Sheet | (26,81) | (45,65) | (76,21) | (25,20) | (24,54) | (29,10) | (35) | — | — | (1,43) | (2,88) | (18,36) |

| Expense Recognized in Profit and Loss Account | Pension (Rs.'000) (Note i and iv) | | | Medical Insurance (Rs.'000) (Note ii and iv) | | | Gratuity (Rs.'000) (Note i) | | | Leave Encashment (Rs.'000) (Note iii) | | |
|---|--------------------------------------|---------|---------|---|---------|---------|--------------------------------|---------|---------|--|---------|---------|
| | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 |
| Provision Written Back | — | (23,65) | — | — | (5,99) | — | — | — | — | — | — | — |
| Current Service Cost | — | — | — | — | — | — | 17 | — | — | 15 | 1 | 6 |
| Interest Cost | 3,28 | 3,67 | 7,02 | 1,96 | 1,81 | 2,44 | — | — | — | 13 | 55 | 1,03 |
| Expected Return of Plan Asset | — | — | — | — | — | — | — | — | — | — | — | — |
| Actuarial loss/ (gain) recognized in the year | (12,77) | 2,84 | (6,54) | 54 | 2,03 | (1,16) | 18 | — | — | 71 | 6,94 | 5,26 |
| Expense / (gain) recognized in statement of Profit / Loss | (9,50) | (17,14) | 48 | 2,50 | (2,15) | 1,28 | 35 | — | — | 1,00 | 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) | | |
|---------------------------------|-------------------|---------|---------|-----------------------------|---------|---------|--------------------|---------|---------|----------------------------|---------|---------|
| | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 | 2009-10 | 2008-09 | 2007-08 |
| Discount Rate | 8 | 8 | 8 | 8 | 8 | 8 | 8 | — | — | 8 | 8 | 8 |
| Inflation Rate | — | — | — | — | — | — | 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, only figures for two 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, 2010 Rs. '000 | 31st March, 2009 Rs. '000 |
|--|------------------------------|------------------------------|
| (i) Contribution to Provident Fund | 71 | 69 |
| (ii) Contribution to Superannuation Fund | 97 | 67 |

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%.

5. Disclosures in respect of related parties as defined in Accounting Standard (AS)-18 "Related Party Disclosures"

| | |
|--|--------------------------------------|
| a) Associate Companies : | b) Key Management Personnel : |
| Babcock Borsig Limited | Mr. B M Khaitan |
| Kilburn Engineering Limited | Mr. Deepak Khaitan |
| Eveready Industries India Limited | Mr. A Khaitan |
| b) Company having significant influence - Metals Centre Limited | Mr. D Pal Choudhury |

Nature of transactions

| Nature of transactions | Year | Associates | Key Management Personnel | Total |
|--|---------|------------|--------------------------|---------|
| | | Rs.'000 | Rs.'000 | Rs.'000 |
| Dividend | 2009-10 | 86,38 | — | 86,38 |
| | 2008-09 | — | — | — |
| Rental Income | 2009-10 | 7,20 | — | 7,20 |
| | 2008-09 | 9,60 | — | 9,60 |
| Maintenance Services | 2009-10 | 7,20 | — | 7,20 |
| | 2008-09 | 6,08 | — | 6,08 |
| Other Consultancy Services | 2009-10 | 2,04,00 | — | 2,04,00 |
| | 2008-09 | 2,52,00 | — | 2,52,00 |
| Purchase of Investments | 2009-10 | — | — | — |
| | 2008-09 | — | — | — |
| Provision for debts/advances during the year | 2009-10 | — | — | — |
| | 2008-09 | 4,12 | — | 4,12 |
| Provision on debts/advances written back | 2008-09 | 6,88 | — | 6,88 |
| | 2008-09 | 4,09 | — | 4,09 |



| | | | | |
|---|---------|------------|------|------------|
| Inter Corporate Loan taken | 2009-10 | — | — | — |
| | 2008-09 | 10,00,00 | — | 10,00,00 |
| Interest on Inter Corporate Loan taken | 2009-10 | — | — | — |
| | 2008-09 | 1,13,73 | — | 1,13,73 |
| Sitting Fees | 2009-10 | — | 1,30 | 1,30 |
| | 2008-09 | — | 1,40 | 1,40 |
| Remuneration (Short term employee benefits) | 2009-10 | — | 5,40 | 5,40 |
| | 2008-09 | — | 5,04 | 5,04 |
| Outstanding as on Balance Sheet date | | | | |
| Investments | 2009-10 | — | — | — |
| | 2008-09 | 1,08,01,91 | — | 1,08,01,91 |
| Receivables | | | | |
| Debtors | 2009-10 | 89,68 | — | 89,68 |
| | 2008-09 | 1,14,18 | — | 1,14,18 |
| Loans and Advances | 2009-10 | — | — | — |
| | 2008-09 | 27,53 | — | 27,53 |
| Provisions for Doubtful Debts | 2009-10 | — | — | — |
| | 2008-09 | 4,12 | — | 4,12 |
| Payables | | | | |
| Inter Corporate Loan taken | 2009-10 | — | — | — |
| | 2008-09 | 17,00,00 | — | 17,00,00 |
| Interest on Inter Corporate Loan taken | 2009-10 | — | — | — |
| | 2008-09 | 87,96 | — | 87,96 |
| Guarantees | | | | |
| | 2009-10 | 63,50 | — | 63,50 |
| | 2008-09 | 6,20,97 | — | 6,20,97 |

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

Outstanding Payable as at 31st march, 2010 - Rs.Nil
(Previous year : Rs.2,66,82 thousand)

Investment outstanding as at 31st March, 2010 - Rs.5,99,99



6. Earning Per Share (EPS)

| | 31st March, 2010 | 31st March, 2009 |
|---|------------------|------------------|
| Profit/(Loss) after Tax as per Profit & Loss Account (Rs. thousand) | 32,08,79 | 28,70,78 |
| Average number of Equity Shares (Face Value Rs. 10 each) | 1,09,56,360 | 1,09,56,360 |
| Basic and Diluted EPS (in Rupees) | 29.29 | 26.20 |

7. The financial year ending of Babcock Borsig Limited has changed from 30th September to 31st March in the current year. The results of Babcock Borsig Limited upto 30th September 2008 were considered in the consolidated financial statements for the year ended 2008-09. Hence, results of 18 months upto 31st March 2010 has been considered in the consolidated financial statements for the current year.
8. 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, 2010 Rs. '000 | 31st March, 2009 Rs. '000 |
|--|------------------------------|------------------------------|
| Deferred Tax assets and liabilities are attributable to the following items : | | |
| Liabilities : | | |
| Depreciation | 38,86 | 1,04 |
| Assets : | | |
| Unabsorbed Business Losses | 11,75,75 | 10,15,85 |
| Unabsorbed Depreciation | 25,00 | 21,30 |
| Unabsorbed Capital Losses | 39,49 | 39,49 |
| Tax effect of opening liability pursuant to Transitional provision of AS-15 (Revised 2005) | — | — |
| Recognised to the extent of | 38,86 | 1,04 |
| | — | — |

- 9) 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 AS 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.



- 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 regularisation 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 to some extent and recovered a substantial portion of its loan exposure during the year.
- 11) 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*
R. S. JHAWAR - *Director*
H. U. SANGHAVI - *Secretary*

Kolkata, 13th August, 2010



Notes :

