

WILLIAMSON MAGOR & CO. LIMITED

ANNUAL REPORT AND ACCOUNTS 2012 - 2013



ESTD. 1868



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**DIRECTORS**

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

MANAGER

D. PAL CHOUDHURY

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

GROUP COMPANIES

EVEREADY INDUSTRIES INDIA LIMITED

McLEOD RUSSEL INDIA LIMITED

WOODSIDE PARKS LIMITED

MAJERHAT ESTATES & DELVELOPERS LIMITED

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

KILBURN ENGINEERING LIMITED

McNALLY BHARAT ENGINEERING CO. LIMITED

WILLIAMSON FINANCIAL SERVICES LIMITED

BABCOCK BORSIG LIMITED

DUFFLAGHUR INVESTMENTS LIMITED

METALS CENTRE LIMITED

UNITED MACHINE CO. LIMITED

ICHAMATI INVESTMENTS LIMITED

THE STANDARD BATTERIES LIMITED

BORELLI TEA HOLDINGS LIMITED (U.K.)

PHU BEN TEA COMPANY LIMITED (VIETNAM)

RWENZORI TEA INVESTMENTS LIMITED

McLEOD RUSSEL UGANDA LIMITED

McLEOD RUSSEL MIDDLE EAST DMCC (DUBAI)



FIVE YEAR FINANCIAL SUMMARY

| | 2012-13 | 2011-12 | 2010-11 | 2009-2010 | 2008-09 |
|--|-----------|-----------|-----------|-----------|-----------|
| Total Income | 3,854.10 | 5,731.35 | 2,542.33 | 2,731.04 | 2,081.80 |
| Expenses | 3,331.51 | 4,830.59 | 2,529.90 | 3,062.78 | 2,558.39 |
| Profit/(Loss) Before Taxation | 522.59 | 900.76 | 12.43 | (331.74) | (476.59) |
| Taxation - Current | 85.00 | 350.00 | — | — | — |
| - Earlier years (net of write back) | (3.56) | (34.14) | — | — | 123.18 |
| - Deferred | — | — | — | — | — |
| - Fringe Benefit Tax (net of write back) | — | — | (0.25) | 1.79 | (4.11) |
| Profit/(Loss) after Taxation | 441.15 | 584.90 | 12.18 | (329.95) | (357.52) |
| Transfer to Statutory Reserve | 88.23 | 116.98 | 2.43 | — | — |
| Retained Profits/(Loss) | 352.92 | 467.92 | 9.75 | (329.95) | (357.52) |
| Funds Employed | 34,388.52 | 35,199.94 | 33,996.14 | 32,162.48 | 35,982.36 |
| Employment of Funds | | | | | |
| Net Block of Fixed Assets | 4,840.66 | 5,480.30 | 6,753.98 | 6,891.38 | 7,039.36 |
| Investments | 22,166.61 | 22,423.65 | 20,590.25 | 20,590.25 | 20,624.93 |
| Net Current Assets | 7,381.25 | 7,295.99 | 6,651.91 | 4,680.85 | 8,318.07 |



REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

The Directors have pleasure in presenting the Annual Report with the Audited Accounts of your Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. in Thousands)

| | 2012-2013 | 2011-2012 |
|--|------------|------------|
| Profit before Depreciation and Interest | 14,08,29 | 8,00,96 |
| Less : a) Depreciation | 13,56 | 16,00 |
| b) Interest | 24,31,87 | 28,42,35 |
| Profit/(Loss) before Taxation | (10,37,14) | (20,57,39) |
| Exceptional item | 15,59,73 | 29,58,15 |
| Profit/(Loss) before Taxation | 5,22,59 | 9,00,76 |
| Tax Expense : | | |
| Current Tax | 85,00 | 3,50,00 |
| Provision written back for earlier years (net) | (3,56) | (34,14) |
| Profit/(Loss) after Taxation | 4,41,15 | 5,84,90 |
| Less : Transferred to Statutory Reserve | 88,23 | 1,16,98 |
| | 3,52,92 | 4,67,92 |
| Add : Transfer from Pension Reserve | — | 45,00 |
| Loss brought forward from previous years | (23,00,22) | (28,13,14) |
| Balance carried forward to Balance Sheet | (19,47,30) | (23,00,22) |

OPERATIONS

During the year under review the Company posted a net profit of Rs.4.41 Crore as compared to Rs.5.85 Crore earned in the previous year which was primarily on account of lower income from sale of property being exceptional item as compared to the earlier year. However, the Company was able to reduce its finance costs to the tune of Rs.4 Crore during the year under review.

DIVIDEND

On account of the accumulated loss, your Directors regret their inability to recommend any dividend for the year under review.

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

D1 Williamson Magor Bio Fuel Limited (D1WML) was incorporated under a 50:50 joint venture agreement between the Company and D1 Oils Trading Ltd. UK to facilitate development of Jatropa Plantation under contract farming arrangements for production of bio diesel from Jatropa oilseeds. Your Company presently holds 15.70% of equity capital of D1WML.

D1WML has abandoned most of the plantations in the North East on account of excessive growth of weed damaging Jatropa plantation to a great extent. The Plantation in Jharkhand however is gradually becoming productive. It is now expected that the Company is likely to procure oil seeds at sub-commercial scale till 2015 and on a commercial scale thereafter mainly at Jharkhand. The longer gestation period for Jatropa plantation and the poor yield as compared to initial indication has been a global phenomenon and most of the Companies engaged in this business are adversely affected. In view of abandonment of the



plantations in the North East your Company has made an appropriate provision in the Accounts against the investments made by it in D1WML.

SUBSIDIARY COMPANIES

The Company disposed of its 51% Shareholding in its 100% subsidiaries namely Woodside Parks Limited and Majerhat Estates & Developers Limited on 19th March, 2013. As a consequence the aforesaid two companies ceased to be subsidiary companies of the company with effect from the said date.

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. B. M. Khaitan, A. Khaitan and Padam Kumar Khaitan 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 2013 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 ('the Act') your Directors confirm as under :

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed with no material departures ;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period ;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- (iv) that the directors had prepared the annual accounts 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.

24th May, 2013
Kolkata

For and on behalf of the Board

A. KHAITAN – Director

R.S. JHAWAR – Director

ANNEXURE TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2012-13 was a difficult year for the Indian Economy. Growth rate for GDP of the country is estimated to fall below 5.5% while the inflation remained high. Current account deficit reached an alarming level on account of fall in exports and reduction in the inflow of foreign investment. Foreign Exchange fluctuation also added to the concerns and estimates had to be revised. Slow down was evident in many industries. On account of inflation prevailing very high it was difficult for Reserve Bank of India to cut the policy rates making way for reduction of interest rate for the borrowers although it was able to cut the repo rate twice @ 25 basis points during the financial year. However, the commercial banks could not pass on the benefits to the borrowers. In a situation like this the Companies operating in the finance and investment sector had a difficult time.

In a not so good scenario some positive signs are being noticed in the economy in the recent months. Reserve Bank has reduced the repo rate by another 25 basis points while reviewing its policy this month. Crude oil and certain other commodity prices have fallen in the global market. The market is expecting another rate cut shortly in view of wholesale price index falling below 5%. The corporate sector in general and the Companies engaged in finance and investment sector in particular are keenly waiting for the rate cut on the expectation that the benefits of such reduction will be passed on to the ultimate borrowers.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Your Company being a Non-Banking Financial Company, is primarily engaged in the business of making investments and giving loans to various bodies corporates. The major part of the loans and investments made by the Company are in the Group Companies. Some of the Companies where the Company holds sizeable shares declared good dividend in the last year and they are expected to repeat the same in this year too. The Company also expects timely recovery of loans with interest thereon from its borrowers. Being a part of the Williamson Magor Group, the Company is in a position to derive benefits from the Group infrastructure and the reputation that the Group enjoys in the corporate world.

The Company has considerable investments in the shares of a few listed Companies. In a volatile market the Company is exposed to the risk of fluctuation in share prices. This, however, is not likely to affect the working of the Company as a major part of the said investments are held on a long term basis and temporary fluctuations of those shares in the stock market do not have much financial implication to the Company.

The Company being a Member of Credit Information Bureau (India) Limited ('CIBIL'), a credit information company pursuant to the Credit Information Companies (Regulation) Act, 2005 will be in a position to avail of the financial data of its Members who



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

OUTLOOK

Earnings of the Company depend on the performance of the Companies where the Company has invested funds in equities or given loans. With some positive signs in the economy it is expected that the said Companies will perform better in the current year and will pay better dividends and repay the loans with interest in time. If there is a rate cut by the Reserve Bank that will have a beneficial effect on the Company in the form of reduced interest burden. Barring unforeseen circumstances the Company is expected to continue to do well in the current year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Moreover, the KYC Norms (i.e. Know Your Customers Norms) and the Revised 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.

24th May, 2013
Kolkata

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 |

FORM B

| | |
|--------------------------|-----|
| RESEARCH AND DEVELOPMENT | Nil |
|--------------------------|-----|

| | |
|--|-----|
| TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION | Nil |
|--|-----|

FOREIGN EXCHANGE EARNINGS & OUTGO

Total Foreign Exchange :

| | |
|--------|----------------|
| Earned | Nil |
| Outgo | Rs. 6.22 lakhs |

24th May, 2013
Kolkata

For and on behalf of the Board

A. KHAITAN – Director

R.S. JHAWAR – Director



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

(i) Composition

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

(ii) Board Meetings and Annual General Meeting

During the year ended 31st March 2013, five Board Meetings were held on 09.05.2012, 29.06.2012, 27.07.2012, 30.10.2012, and 25.01.2013 and the Annual General Meeting was held on 20.09.2012.

(iii) Particulars of Directors as on 31st March, 2013 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 20.09.2012 | No. of Directorships in other public limited companies(*) | No. of Committee positions held in other public limited companies(**) | |
|-------------------------|-----------------------------|-----------------------|----------|--|---|---|---------------|
| | | Held during the year | Attended | | | As Chairman | As Member (#) |
| MR. B. M. KHAITAN | NON-EXECUTIVE CHAIRMAN | 5 | 4 | NO | 5 | — | 1 |
| MR. D. KHAITAN | NON-EXECUTIVE VICE-CHAIRMAN | 5 | 1 | NO | 7 | — | 1 |
| MR. A. KHAITAN | NON-EXECUTIVE | 5 | 5 | YES | 7 | 1 | 2 |
| MR. T.R. SWAMINATHAN | NON-EXECUTIVE & INDEPENDENT | 5 | 4 | NO | 3 | 3 | 4 |
| MR. R.S. JHAWAR | NON-EXECUTIVE | 5 | 4 | YES | 7 | 1 | 4 |
| MR. PADAM KUMAR KHAITAN | NON-EXECUTIVE | 5 | 4 | YES | 9 | 2 | 3 |
| DR. R. SRINIVASAN | NON-EXECUTIVE & INDEPENDENT | 5 | 5 | NO | 7 | 3 | 7 |
| MR. G. MOMEN | NON-EXECUTIVE & INDEPENDENT | 5 | 3 | YES | 10 | 1 | 7 |
| MR. B. BAJORIA | NON-EXECUTIVE & INDEPENDENT | 5 | 4 | NO | 7 | - | 3 |
| MR. H. M. PAREKH | NON-EXECUTIVE & INDEPENDENT | 5 | 2 | YES | 8 | 4 | 8 |

(#) Including Chairmanship.

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

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



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

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

3. AUDIT COMMITTEE

i) Composition

The Audit Committee of the Board as on 31st March 2013 consisted of Mr. T.R. Swaminathan, Mr. Padam Kumar Khaitan, Dr. R. Srinivasan and Mr. H. M. Parekh. Mr. T.R. Swaminathan a Non-Executive Independent Director, having adequate financial and accounting qualification and background, is the Chairman of the Audit Committee. Mr. H. U. Sanghavi, Company Secretary, acts as the Secretary of the Audit Committee. The Statutory Auditors are invitees to the Meetings of the Audit Committee. The Chairman of the Audit Committee did not attend the AGM due to unavoidable circumstances.

ii) Attendance

Five Meetings of the Audit Committee were held during the financial year ended 31st March 2013 and the attendance of the Members is as follows:

| Name of Member of the Audit Committee | Whether attended the Meetings held on | | | | |
|--|---------------------------------------|------------|------------|------------|------------|
| | 09.05.2012 | 29.06.2012 | 27.07.2012 | 30.10.2012 | 25.01.2013 |
| MR. T. R. SWAMINATHAN | YES | NO | YES | YES | YES |
| MR. PADAM KUMAR KHAITAN | YES | YES | YES | YES | NO |
| DR. R. SRINIVASAN | YES | YES | YES | YES | YES |
| MR. H. M. PAREKH | YES | NO | YES | NO | NO |

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 :

- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - Matters required to be included in the Directors' Responsibility Statement, as required for the report of the Board of Directors.
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - 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.
- Reviewing with the management, the quarterly financial statements before submission to the Board.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- 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 weaknesses, if any.
 - (n) Recommending appointment, removal and terms of remuneration of Internal Auditor.
- (iv) **Subsidiary**
The minutes of the Board Meetings, the financial statements as well as the significant transactions of the unlisted subsidiary Companies were placed once in a year before the Board for review

4. REMUNERATION COMMITTEE

i) Composition

The Remuneration Committee of the Board as on 31st March 2013 consisted of Dr. R. Srinivasan, Mr. T.R. Swaminathan, Mr. Padam Kumar Khaitan and Mr. B. Bajoria. Dr. R. Srinivasan is the Chairman of the Remuneration Committee. The Remuneration Committee approves the remuneration payable to the Managerial Personnel appointed pursuant to Section 269 of the Companies Act, 1956.

ii) Attendance

One Meeting of the Remuneration Committee was held on 04.04.2012 during the financial year ended 31st March 2013 and the attendance of the Members is as follows :

| Name of Member of the Remuneration Committee | Whether attended the Meeting held on 04.04.2012 |
|--|---|
| Dr. R. SRINIVASAN | YES |
| MR. T. R. SWAMINATHAN | YES |
| MR. PADAM KUMAR KHAITAN | YES |
| MR. BHARAT BAJORIA | YES |

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 2012-2013 to the Non-Executive Directors of the Company are as under :

| Name of Director | Sitting Fees Paid (Rs.) | | No. of Shares held as on 31.3.2013 |
|--------------------------|-------------------------|--------------------|------------------------------------|
| | Board Meetings | Committee Meetings | |
| MR. B. M. KHAITAN | 40,000 | — | 12,840 |
| MR. D. KHAITAN | 10,000 | — | — |
| MR. A. KHAITAN | 50,000 | — | — |
| MR. T. R. SWAMINATHAN | 40,000 | 70,000 | 2,340 |
| MR. R. S. JHAWAR | 40,000 | — | — |
| MR. PADAM KUMAR KHAITAN* | 40,000 | 70,000 | — |
| DR. R. SRINIVASAN | 50,000 | 60,000 | — |
| MR. G. MOMEN | 30,000 | 20,000 | — |
| MR. B. BAJORIA | 40,000 | 10,000 | — |
| MR. H. M. PAREKH | 20,000 | 20,000 | — |
| TOTAL | 3,60,000 | 2,50,000 | |

* Paid to Messrs Khaitan & Co LLP 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 2012-2013, no complaint was received from any shareholder/investor. The Company has acted upon all valid requests for share transfers received during 2012-2013 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 2013 and the attendance of the Members is as follows :

| Name of Member of the Shareholders' Grievance Committee | Whether attended the Meetings held on | |
|---|---------------------------------------|------------|
| | 01.10.2012 | 28.03.2013 |
| MR. T.R. SWAMINATHAN | YES | YES |
| MR. PADAM KUMAR KHAITAN | YES | YES |
| MR. G. MOMEN | YES | YES |

7. GENERAL BODY MEETINGS

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

| Financial Year | Date | Time | Venue |
|----------------|------------|------------|--|
| 31.03.2010 | 29.09.2010 | 10.30 A.M. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry. 6, N. S. Road, Kolkata - 700 001 |
| 31.03.2011 | 29.09.2011 | 11.00 A.M. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry. 6, N. S. Road, Kolkata - 700 001 |
| 31.03.2012 | 20.09.2012 | 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

- 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.29 to the Accounts in the Annual Report.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last 3 years.
- Presently, the Company does not have a whistle blower policy.
- All the mandatory requirements have been appropriately complied with and the non-mandatory requirements have been dealt with at the end of this report.



9. MEANS OF COMMUNICATION

- 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) 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 2012-2013

Date and Time : 2nd August, 2013 at 11.00 a.m.

Venue : Williamson Magor Hall, The Bengal Chamber of Commerce and Industry,
'Royal Exchange', 6, Netaji Subhas Road, Kolkata - 700 001

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

iii) Financial Calendar :

| | |
|---|-------------------------------|
| Annual Results of previous year (audited) | : End May 2013 |
| First Quarter Results (30th June) | : Mid August 2013 |
| Annual General Meeting | : Last week of September 2013 |
| Second Quarter Results (30th September) | : Mid November 2013 |
| Third Quarter Results (31st December) | : Mid February 2014 |
| Financial Reporting for the year ending 31st March 2014 | : End May 2014 |

iv) Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from 25th July 2013 to 2nd August 2013 (both days inclusive).

v) Dividend

The Board of Directors of the Company has not recommended any dividend for the year ended 31st March, 2013.

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 2013-2014 has been paid to each of them :

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



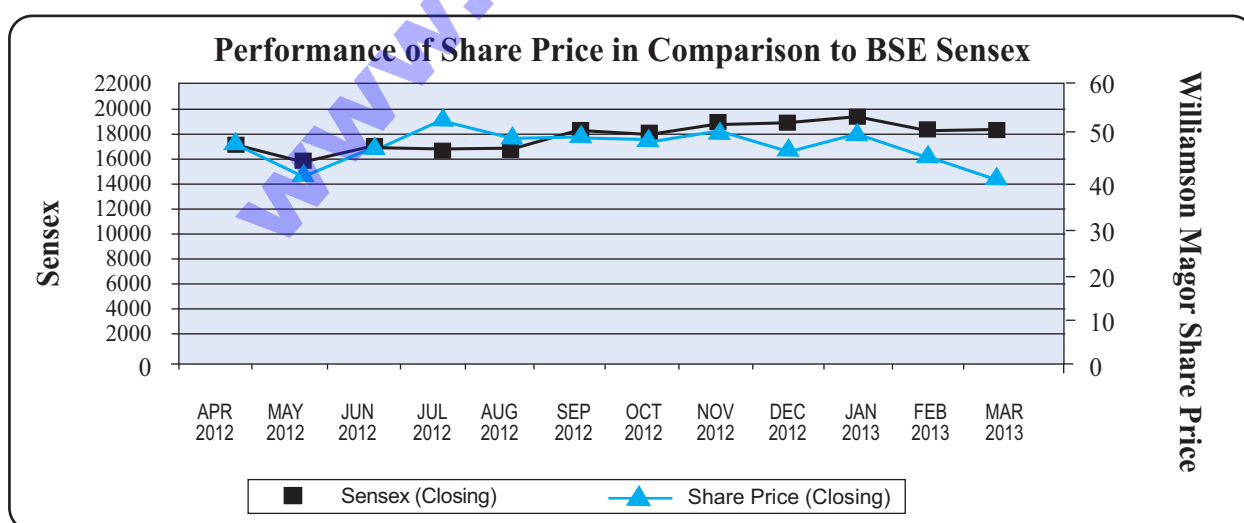
vii) Stock Price Data :

| Month | BOMBAY STOCK EXCHANGE LTD. | | | | NATIONAL STOCK EXCHANGE LTD. | |
|----------------|----------------------------|---------|---------------------------|------------------|------------------------------|---------|
| | High Rs. | Low Rs. | Share Price (closing) Rs. | Sensex (closing) | High Rs. | Low Rs. |
| April 2012 | 56.50 | 42.60 | 48.20 | 17318.81 | 54.00 | 41.15 |
| May 2012 | 51.05 | 40.55 | 41.05 | 16218.53 | 49.70 | 40.10 |
| June 2012 | 49.35 | 38.25 | 47.30 | 17429.98 | 49.50 | 38.15 |
| July 2012 | 59.65 | 45.15 | 53.70 | 17236.18 | 60.85 | 44.80 |
| August 2012 | 57.40 | 49.05 | 49.40 | 17429.56 | 58.00 | 48.55 |
| September 2012 | 52.10 | 48.60 | 50.40 | 18762.74 | 54.95 | 47.05 |
| October 2012 | 52.20 | 47.40 | 49.10 | 18505.38 | 54.50 | 48.00 |
| November 2012 | 54.00 | 48.25 | 51.45 | 19339.90 | 54.00 | 47.10 |
| December 2012 | 54.25 | 45.35 | 46.50 | 19426.71 | 52.00 | 45.40 |
| January 2013 | 55.00 | 46.10 | 50.50 | 19894.98 | 55.00 | 46.20 |
| February 2013 | 50.90 | 44.35 | 45.10 | 18861.54 | 52.40 | 45.00 |
| March 2013 | 48.90 | 35.20 | 40.35 | 18835.77 | 46.90 | 35.60 |

viii) Performance in comparison to BSE Sensex :

Share Price Performance (April 2012 to March 2013)

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 700 001 or at the registered office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, issue of duplicate share certificates, sub-division and consolidation of shares to a Share Transfer Committee comprising Messrs. B. M. Khaitan, D. Khaitan, T. R. Swaminathan and R. S. Jhawar in order to expedite transfer, transmission etc. in the physical form. During the first half of the year the Committee met once in every fortnight and thereafter the Committee has been holding meetings every week for approving Share Transfers and for other related activities. Share Transfers are registered and returned in the normal course within an average period of 14 days, if the transfer documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the shareholders pertaining to their communication and grievances, if any.

x(a) Categories of Shareholders as on 31st March, 2013

| Sr. No. | Category | No. of Shareholders | No. of Shares held | Percentage of holding |
|---------|--|---------------------|--------------------|-----------------------|
| 1 | Promoters | 4 | 6779203 | 61.87 |
| 2 | Mutual Funds / UTI | — | — | — |
| 3 | Financial Institutions / Banks / Insurance Companies | 5 | 275853 | 02.52 |
| 4 | Central / State Government(s) | — | — | — |
| 5 | FII's | — | — | — |
| 6 | Bodies Corporate | 222 | 558373 | 05.10 |
| 7 | NRIs / OCBs | 45 | 98471 | 00.90 |
| 8 | Resident Individuals | 7779 | 3242136 | 29.59 |
| 9 | Clearing Member | 15 | 2324 | 00.02 |
| | Total | 8070 | 10956360 | 100.00 |

x(b) Distribution of Shareholding as on 31st March, 2013

| Size of holding | No. of holders | Percentage | No. of Shares | Percentage |
|-----------------|----------------|---------------|-----------------|---------------|
| 1 to 500 | 7127 | 88.31 | 577654 | 05.27 |
| 501 to 1000 | 417 | 05.17 | 335602 | 03.06 |
| 1001 to 2000 | 264 | 03.27 | 395497 | 03.61 |
| 2001 to 3000 | 83 | 01.03 | 216052 | 01.97 |
| 3001 to 4000 | 53 | 00.66 | 190757 | 01.74 |
| 4001 to 5000 | 30 | 00.37 | 140739 | 01.29 |
| 5001 to 10000 | 46 | 00.57 | 320824 | 02.93 |
| 10001 and above | 50 | 00.62 | 8779235 | 80.13 |
| Total | 8070 | 100.00 | 10956360 | 100.00 |

As on 31st March, 2013, 95.62% of the Company's total shares representing 10476332 Shares were held in the dematerialized form and the balance 4.38% representing 480028 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, 2013 has been placed before the Board at the Meeting held on 24th May 2013.

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

**MAHESHWARI DATAMATICS PVT. LTD.**

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

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

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

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

Special E-mail ID : investors_relation@wmg.co.in

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

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

ii) Remuneration Committee :

The Company has a 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

24th May, 2013
Kolkata

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, 2013.

Kolkata, 24th May, 2013

D. PAL CHOUDHURY
Manager



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 March 31st 2013, 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.

In our opinion and to the best of our information and according to the explanations given to us, 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

24th May, 2013
Kolkata

(P. Law)
Partner
Membership No. 51790



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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Williamson Magor & Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 ;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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.
- 8. As required by section 227(3) of the Act, 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 purpose 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the 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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

(P. Law)
Partner
Membership No. 51790

Kolkata, 24th May, 2013



Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Williamson Magor & Co. Limited on the financial statements as of and for the year ended 31st March, 2013

- i. (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 have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. (a) The Company has granted unsecured loans, to three 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 aggregated Rs. 1,305,500 thousand and Rs. 627,000 thousand 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 parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable. 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 Reserve Bank of India.
(d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
(e) The Company has taken unsecured loans, from one 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 aggregated Rs. 405,000 thousand 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, as applicable.



- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The Company's operations do not involve purchase of inventory and sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax, service tax, and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, income tax, wealth tax, customs duty, excise duty 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, there are no dues of sales tax, wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and excise duty as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:



| Name of the statute | Nature of dues | Amount (Rs. thousand) | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------|---|---|------------------------------------|---|
| Central Excise Act, 1944 | Interest on Excise Duty | 711 | 1987-88 | Hon'ble High Court of Chennai |
| Finance Act, 1994 | Service Tax, Penalty and interest thereon | 14,237 and interest thereon | 2005-06, 2006-07, 2007-08, 2008-09 | Customs, Excise and Service Tax Appellate Tribunal, East Zonal Bench, Kolkata |
| Finance Act, 1994 | Service Tax, Penalty and interest thereon | 4,580 plus penalty and interest thereon | 2004-05, 2005-06 | Customs, Excise and Service Tax Appellate Tribunal, East Zonal Bench, Kolkata |
| Income Tax Act, 1961 | Income Tax | 2,383 | AY 2010-11 | Commissioner of Income Tax (Appeals) |

- x. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31st March, 2013 and it has not incurred cash losses in the financial year ended on that date and or in the immediately preceding financial year.
- xi. 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 as 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 has it obtained any such loans during the year.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any



guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.

- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used *funds raised on short-term basis aggregating to Rs.442,086 thousand for long-term investment (i.e. Non-current investments)*.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

(P. Law)
Partner
Membership No. 51790

Kolkata, 24th May, 2013

**BALANCE SHEET**

AS AT 31ST MARCH, 2013

| | Note No. | 31st March, 2013 Rs.'000 | 31st March, 2012 Rs.'000 |
|--------------------------------|-------------|-----------------------------|-----------------------------|
| Equity and Liabilities | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 10,95,64 | 10,95,64 |
| Reserves & Surplus | 3 | 1,70,47,42 | 1,72,21,59 |
| | | <u>1,81,43,06</u> | <u>1,83,17,23</u> |
| Non-current Liabilities | | | |
| Long-term Borrowings | 4 | 17,35,76 | 44,18,10 |
| Other Long-term Liabilities | 5 | 35,53 | 39,13 |
| Long-term Provisions | 6 | 33,01 | 32,37 |
| | | <u>18,04,30</u> | <u>44,89,60</u> |
| Current Liabilities | | | |
| Short-term Borrowings | 7 | 1,16,90,00 | 1,01,70,00 |
| Trade Payables | 8 | 26,20 | 25,58 |
| Other Current Liabilities | 9 | 29,78,66 | 38,42,63 |
| Short-term Provisions | 10 | 39,48 | 33,56 |
| | | <u>1,47,34,34</u> | <u>1,40,71,77</u> |
| Total | | <u><u>3,46,81,70</u></u> | <u><u>3,68,78,60</u></u> |
| Assets | | | |
| Non-current Assets | | | |
| Fixed Assets | | | |
| Tangible assets | 11 | 48,40,66 | 54,80,30 |
| Non-current Investments | 12 | 2,21,66,61 | 2,24,23,65 |
| Long-term Loans and Advances | 13 | 42,00 | 41,21 |
| | | <u>2,70,49,27</u> | <u>2,79,45,16</u> |
| Current Assets | | | |
| Trade Receivables | 14 | 1,64,02 | 1,28,15 |
| Cash and Bank Balances | 15 | 1,90,36 | 1,35,73 |
| Short-term Loans and Advances | 16 | 63,22,33 | 83,53,42 |
| Other Current Assets | 17 | 9,55,72 | 3,16,14 |
| | | <u>76,32,43</u> | <u>89,33,44</u> |
| Total | | <u><u>3,46,81,70</u></u> | <u><u>3,68,78,60</u></u> |

The notes are an integral part of these financial statements.

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

For LOVELOCK & LEWES
Firm Registration No.301056E
Chartered Accountants
(P. Law)
Partner
Membership No. 51790
Kolkata, 24th May, 2013

A. KHAITAN - Director

R. S. JHAWAR - Director

H. U. SANGHAVI - Secretary



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

| | Note No. | Year ended 31st March, 2013 Rs.'000 | Year ended 31st March, 2012 Rs.'000 |
|--|----------|---|---|
| Revenue from Operations | 18 | 22,55,62 | 27,57,88 |
| Other Income | 19 | 38,75 | 15,32 |
| Total Revenue | | 22,94,37 | 27,73,20 |
| Expenses : | | | |
| Employee Benefits Expense | 20 | 47,78 | 40,00 |
| Finance Costs | 21 | 24,31,87 | 28,42,35 |
| Depreciation Expense | 22 | 13,56 | 16,00 |
| Other Expenses | 23 | 8,38,30 | 19,32,24 |
| Total Expenses | | 33,31,51 | 48,30,59 |
| Profit/(Loss) before Exceptional Items and Tax | | (10,37,14) | (20,57,39) |
| Exceptional Item | 35 | 15,59,73 | 29,58,15 |
| Profit before Tax | | 5,22,59 | 9,00,76 |
| Tax Expense | | | |
| - Current tax | | 85,00 | 3,50,00 |
| - Provision for current tax relating to earlier years written back (net) | | (3,56) | (34,14) |
| Profit for the year | | 4,41,15 | 5,84,90 |
| Earnings per Equity Share (Nominal value per share Rs.10) | 31 | | |
| Basic | | 4.03 | 5.34 |
| Diluted | | 4.03 | 5.34 |

The notes are an integral part of these financial statements.

This is the Statement of Profit & Loss referred to in our report of even date.

For LOVELOCK & LEWES
Firm Registration No.301056E
Chartered Accountants
(P. Law)
Partner
Membership No. 51790
Kolkata, 24th May, 2013

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

| | 31st March, 2013 (Rs.'000) | 31st March, 2012 (Rs.'000) |
|---|-------------------------------|-------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax and exceptional items | (10,37,14) | (20,57,39) |
| Adjustment for : | | |
| Depreciation | 13,56 | 16,00 |
| (Profit)/Loss on sale of investments | 1,50,25 | (5) |
| Provision for Diminution in Value of Investments | (9,27) | 13,97,75 |
| Provision for Contingent Asset for Standard Asset written back | (2,95) | — |
| Provision for Sub Standard Assets | 2,84 | — |
| Provision for Standard Assets | — | 10,93 |
| Provision for doubtful debts/advances written back | — | (32) |
| Bad debts/advance/deposit written off | 3,58,57 | 1,22,58 |
| Loss on Assets Scrapped (Net) | (2,29) | 65 |
| Liabilities written back | — | (1,00) |
| Provision for retirement benefits | 10,20 | 11,40 |
| Interest on Compensation for surrender of tenancy right | (2,20) | — |
| Interest on Income Tax Refund | (19,07) | (4,90) |
| Operating profit/(loss) before working capital changes | (5,37,50) | (5,04,35) |
| Adjustment for : | | |
| Trade and other receivables | 11,34,84 | (45,15,84) |
| Trade payable and other liabilities | (13,45,87) | 13,53,38 |
| Retirement benefits paid | (12,07) | (9,60) |
| Cash generated from operations | (7,60,60) | (36,76,41) |
| Interest received on refund of income tax | 19,07 | 4,90 |
| Direct tax & Fringe benefit tax paid | (2,11,47) | 71,03 |
| Net cash used in Operating Activities | (9,53,00) | (36,00,48) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible assets | (1,44) | (1,83) |
| Sale of tangible assets (Exceptional Item-Refer Note-35) | 14,35,60 | 29,84,87 |
| Receipt of compensation on surrender of tenancy right (Exceptional Item - Refer Note - 35) | 1,38,60 | — |
| Receipt of Interest on compensation for surrender of tenancy right | 2,20 | — |
| Disposal of a part of holding in subsidiaries | 1,14,95 | — |
| Sale of non current investments | 1,13 | 15 |
| Purchase of non current investments | — | (32,31,25) |
| Net cash used in Investing Activities | 16,91,04 | (2,48,06) |



C. CASH FLOW FROM FINANCING ACTIVITIES

| | 31st March, 2013 (Rs.'000) | 31st March, 2012 (Rs.'000) |
|---|-------------------------------|-------------------------------|
| Proceeds from long term borrowings | — | 75,00,00 |
| Repayment of long term borrowings | (22,03,41) | (25,63,06) |
| Proceeds from short term borrowings | 89,75,00 | 1,95,35,00 |
| Repayment of short term borrowings | (74,55,00) | (2,25,10,00) |
| Net Cash from Financing Activities | (6,83,41) | 19,61,94 |
| Net increase/ (decrease) in cash and cash equivalents | 54,63 | (18,86,60) |
| Cash and cash equivalents (Opening Balance) [Refer Note 15] | 1,34,10 | 20,20,70 |
| Cash and cash equivalents (Closing Balance) [Refer Note 15] | 1,88,73 | 1,34,10 |

1. Cash and Cash equivalents represent cash and bank balances only.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
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
(P. Law)
Partner
Membership No. 51790
Kolkata, 24th May, 2013

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



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standard) Rules, 2006, as amended], the other relevant provisions of the Companies Act, 1956 and to the extent applicable, with the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 [NBFC Directions].

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule VI to the Companies Act, 1956. Considering its nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

b) Tangible Assets

Tangible assets are stated at cost of acquisition and at revaluation on current cost basis for certain assets, net of accumulated depreciation and accumulated impairment losses, if any.

An impairment loss is recognised where applicable when the carrying value of tangible asset exceeds their net realisable value or value in use, whichever is higher.

Profit or loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

c) Depreciation

Depreciation on tangible assets (other than Land-Freehold) is provided on reducing balance method in accordance with Schedule XIV to 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.

d) Investments

Investments which are of long term nature are stated at cost less amounts written off/provided for when the directors are of the opinion that diminutions other than temporary, in their carrying values have taken place.

e) Revenue Recognition

Operating Revenue :

Dividend income is recognised when right to receive dividend is established.

Interest income is generally recognised on a time proportion basis taking into account the amount outstanding and the rate applicable, when there is reasonable certainty as to realisation and guided by NBFC Directions.

Other operating revenue is recognised when there is reasonable certainty as to its realisation.

Service Income is accounted for based on business arrangements in existence on rendering of services.

Lease rental income under operating lease is recognised in Statement of Profit and Loss.

**f) Employee Benefits**

Short term employee benefits :

These are recognised at the undiscounted amount in the Statement of Profit and Loss 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 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 Statement of Profit and Loss. The retirement benefit obligation provided in the Balance Sheet represents the present value of defined benefit obligations.

g) Foreign Currency Transactions

Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. All monetary items are restated at the year-end at the closing rate.

h) Borrowing Cost

Borrowing costs relating to acquisition/construction of qualifying assets, if any, are added to the cost of such assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to Statement of Profit and Loss.

i) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period as per the applicable tax rates and laws.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets in respect of carry forward losses and/or unabsorbed depreciation are recognised only when it is virtually certain that sufficient future taxable income will be available against which such deferred tax assets will be realised.

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

j) Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past event, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 2

SHARE CAPITAL

Authorised –

23,750,000 (31st March, 2012 : 23,750,000) Equity Shares of Rs.10/- each

125,000 (31st March, 2012 : 1,25,000) Preference Shares of Rs. 100/- each

Issued and Subscribed and Fully Paid-up:

10,956,360 (31st March, 2012 : 10,956,360) Equity Shares of Rs. 10/- each

| 31st March, 2013 Rs.'000 | 31st March, 2012 Rs.'000 |
|-----------------------------|-----------------------------|
| 23,75,00 | 23,75,00 |
| 1,25,00 | 1,25,00 |
| <u>10,95,64</u> | <u>10,95,64</u> |
| <u>10,95,64</u> | <u>10,95,64</u> |

(a) Term/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

| | 31st March, 2013 No. % holding | 31st March, 2012 No. % holding |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Metals Centre Limited | 50,36,629 45.97% | 50,36,629 45.97% |
| United Machine Co. Limited | 9,07,210 8.28% | 9,07,210 8.28% |
| Ichamati Investments Private Ltd. | 8,35,364 7.62% | 8,35,364 7.62% |



NOTES TO THE FINANCIAL STATEMENTS

NOTE 3

RESERVES & SURPLUS

Capital Reserve

Revaluation Reserve

Balance as at the beginning of the year

Less: Withdrawal on account of depreciation

Less : Withdrawal on account of disposal
of revalued assets

Balance as at the end of the year

General Reserve [Refer (a) below]

Statutory Reserves [Refer (b) below]

Balance as at the beginning of the year

Add : Transferred from surplus in the Profit & Loss Statement

Balance as at the end of the year

Pension Reserve

Balance as at the beginning of the year

Less : Transfer to Surplus in the Profit and Loss Statement

Balance as at the end of the year

Surplus in the Profit and Loss Statement

Debit Balance at the beginning of the year

Profit for the year

Less : Transfer to Statutory Reserve

Transfer from Pension Reserve

Debit Balance at the end of the year

Total

(a) Represents a free reserve not meant for any specific purpose

(b) Created as per Section 45 IC of the Reserve Bank of India Act, 1934

NOTE 4

LONG-TERM BORROWINGS

Secured :

Term Loans

From other than banks

Total

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

65,18

65,18

52,18,76

64,50,89

77,49

1,12,53

5,37,83

11,19,60

46,03,44

52,18,76

1,17,52,22

1,17,52,22

24,85,65

23,68,67

88,23

1,16,98

25,73,88

24,85,65

—

45,00

—

45,00

—

—

(23,00,22)

(28,13,14)

4,41,15

5,84,90

(88,23)

(1,16,98)

3,52,92

4,67,92

—

45,00

(19,47,30)

(23,00,22)

1,70,47,42

1,72,21,59

17,35,76

44,18,10

17,35,76

44,18,10



NOTES TO THE FINANCIAL STATEMENTS

Nature of security and terms of repayment for secured borrowings :

| | Outstanding Balance | | Nature of Security | Terms of repayment |
|-----|------------------------------|------------------------------|---|--|
| | 31st March, 2013 Rs. '000 | 31st March, 2012 Rs. '000 | | |
| (a) | 1,73,26 | 12,93,10 | Mortgage of certain immovable properties of the Company and pledge of 3,200,000 shares of Eveready Industries India Limited and 135,000 shares of McLeod Russel India Limited | Repayable in 36 equated monthly instalments beginning from May 2011 along with interest payable monthly at applicable rates i.e. corporate prime lending rate of the lender plus/minus spread that will be applicable from time to time. |
| (b) | — | 6,25,00 | Pledge of shares of McLeod Russel India Limited and McNally Bharat Engineering Company Limited on pari passu basis with Babcock Borsig Limited, Williamson Financial Services Limited and Metals Centre Limited | Repayable in 8 equal quarterly instalments commencing at the end of 15 months from the date of disbursement of facilities along with monthly interest @ IL&FS LTBMV minus 475 bps and @ IFIN benchmark rate minus 50 bps respectively. |
| (c) | 15,62,50 | 25,00,00 | Pledge of shares of McLeod Russel India Limited and McNally Bharat Engineering Company Limited on pari passu basis with Babcock Borsig Limited, Williamson Financial Services Limited and Metals Centre Limited | Repayable in 8 equal quarterly instalments commencing at the end of 27 months from the date of disbursement of facilities along with monthly interest @ IL&FS LTBMV minus 475 bps and @ IFIN benchmark rate minus 50 bps respectively. |

(d) The above outstanding amount does not include current maturities of long-term debt as mentioned in Note 9.

NOTE 5

OTHER LONG-TERM LIABILITIES

Security deposits taken against rental of properties

Total

31st March, 2013
Rs.'000

35,53

35,53

31st March, 2012
Rs.'000

39,13

39,13

NOTE 6

LONG-TERM PROVISIONS

Provision for employees Benefits (Refer Note 28)

Total

33,01

33,01

32,37

32,37



NOTES TO THE FINANCIAL STATEMENTS

NOTE 7

SHORT-TERM BORROWINGS

Secured : Term loan from other than banks #

Unsecured : Inter Corporate loans

Total

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

50,00,00

50,00,00

66,90,00

51,70,00

1,16,90,001,01,70,00

Secured by mortgage of certain immovable properties of the Company and pledge of 3,200,000 shares of Eveready Industries India Limited and 135,000 shares of McLeod Russel India Limited as an extension to the security for the secured long-term loan (Refer Note 4)

NOTE 8

TRADE PAYABLES

Trade payables (Refer Note 33)

Total

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

26,20

25,58

26,2025,58

NOTE 9

OTHER CURRENT LIABILITIES

Current maturities of Long-term borrowings (Refer Note 4)

Interest accrued but not due

Unclaimed Redeemed Preference Shares

Advance from tenants

Advance for sale of property

Employee Liability

Statutory dues

Security Deposit

Miscellaneous payables

Total

26,81,05

22,02,13

1,38,65

92,48

1,63

1,63

8,13

3,92

1,50

14,01,48

—

4

89,74

1,31,11

48,88

—

9,08

9,84

29,78,6638,42,63

NOTE 10

SHORT-TERM PROVISIONS

Provision for Employee Benefits (Refer Note 28)

Provision for Income Tax [Provision for Tax Rs.24,00,18 thousand (Previous year Rs.23,75,17 thousand) netted off Advance Tax to the extent of Rs.23,88,81 thousand (Previous year - Rs.25,92,34 thousand)]

Total

9,47

11,97

11,37

—

20,8411,97

Other Provisions

Contingent Provision against Standard Assets (Refer Note 36)

Total

18,64

21,59

39,4833,56



NOTES TO THE FINANCIAL STATEMENTS

NOTE 11

FIXED ASSETS

| | GROSS BLOCK AT COST OR VALUATION | | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------|----------------------------------|----------|--------------------------------|---|------------------------------|----------|-----------------|------------------------------|------------------------------|------------------------------|
| | As at 31st March, 2012 | Rs. '000 | Addition during the year | Disposal/ Adjustment during the year | As at 31st March, 2013 | Rs. '000 | For the year | As at 31st March, 2013 | As at 31st March, 2013 | As at 31st March, 2012 |
| Tangible Assets | | | | | | | | | | |
| Land-Freehold | 35,60,80 | — | — | 3,66,97 | Rs. '000 | 31,93,83 | — | — | Rs. '000 | Rs. '000 |
| Buildings | 37,14,41 | — | — | 3,63,37 | Rs. '000 | 33,51,04 | 82,47 | 1,81,25 | Rs. '000 | 18,60,59 |
| Plant & Machinery | 1,09,30 | 30 | 30 | 3,07 | Rs. '000 | 1,06,53 | 6,43 | 2,88 | Rs. '000 | 49,76 |
| Motor Vehicles | 5,72 | — | — | 2 | Rs. '000 | 5,70 | 13 | — | Rs. '000 | 50 |
| Furniture & Fittings | 19,28 | 94 | 94 | 9,04 | Rs. '000 | 11,18 | 1,04 | 8,17 | Rs. '000 | 1,34 |
| Office Equipment | 2,62 | 20 | 20 | 82 | Rs. '000 | 2,00 | — | 96 | Rs. '000 | 34 |
| Electric Installation | 31,33 | — | — | — | Rs. '000 | 31,33 | 38 | — | Rs. '000 | 2,63 |
| Water Supply | 10,28 | — | — | 71 | Rs. '000 | 9,57 | 60 | 71 | Rs. '000 | 4,34 |
| Total | 74,53,74 | 1,44 | 7,44,00 | 7,44,00 | Rs. '000 | 67,11,18 | 91,05 | 1,93,97 | Rs. '000 | 54,80,30 |
| Previous Year | 90,11,08 | 1,83 | 15,59,17 | 15,59,17 | Rs. '000 | 74,53,74 | 1,28,53 | 4,12,19 | Rs. '000 | 54,80,30 |

Note :

Land and Buildings at one location was revalued several times in the past, latest on March 31, 2001 on current cost basis and as such the net assets were written up by Rs.84,28,19 thousands and included under Revaluation Reserve.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 12

NON-CURRENT INVESTMENTS - LONG TERM

(All shares unless otherwise stated are Rs.10 each fully paid-up)

Trade Investments (valued at cost unless otherwise stated)

(a) Quoted Equity Instruments

Investments in Associates:

Kilburn Engineering Limited

Eveready Industries India Limited (Rs. 5 each fully paid-up) [Refer (a) below]

Others :

WPIL Limited

Mcnally Bharat Engineering Company Limited [Net of provision for diminution in carrying amount - Rs 8,89,85 thousand (31st March, 2012 : Rs.8,89,85 thousand)] [Refer (a) below]

The Standard Batteries Limited (Re. 1 each fully paid-up) [Net of provision for diminution in carrying amount - Rs.1,60,05 thousand (31st March, 2012 : Rs. 1,60, 05 thousand)]

McLeod Russel India Limited (Rs. 5 each fully paid-up) [Refer (a) below]

Kilburn Chemicals Limited [Net of provision for diminution in carrying amount - Rs.2,42,10 thousand (31st March, 2012 : Rs.2,42,10 thousand)]

Kilburn Office Automation Limited [Net of provision for diminution in carrying amount - Rs.7,70 thousand (31st March, 2012:Rs.7,70 thousand)]

Williamson Financial Services Limited [Net of provision for diminution in carrying amount - Rs.23,11 thousand (31st March, 2012 : Rs.Nil)]

(b) Unquoted Equity Instruments Investment in Subsidiaries

Woodside Parks Limited [Net of provision for diminution in carrying amount - Rs.Nil (31st March, 2012 : Rs.2,20,00 thousand)]

Majerhat Estates & Developers Limited [Net of provision for diminution in carrying amount - Rs.Nil (31st March, 2012: Rs.59,46 thousand)] [Refer (b) below]

Investment in Associate

Babcock Borsig Limited

Woodside Parks Limited [Net of provision for diminution in carrying amount - Rs.1,07,80 thousand (31st March, 2012 : Rs.Nil)] [Refer (b) below]

Majerhat Estates & Developers Limited [Net of provision for diminution in carrying amount - Rs.47,40 thousand (31st March, 2012 : Rs.Nil)] [Refer (b) below]

| | 31st March, 2013 | | 31st March, 2012 | |
|--|------------------|----------|------------------|----------|
| | Nos. | Rs.'000 | Nos. | Rs.'000 |
| Kilburn Engineering Limited | 4,319,043 | 10,69,56 | 4,319,043 | 10,69,56 |
| Eveready Industries India Limited (Rs. 5 each fully paid-up) [Refer (a) below] | 16,756,841 | 93,59,01 | 16,756,841 | 93,59,01 |
| Others : | | | | |
| WPIL Limited | 80 | 1 | 80 | 1 |
| Mcnally Bharat Engineering Company Limited [Net of provision for diminution in carrying amount - Rs 8,89,85 thousand (31st March, 2012 : Rs.8,89,85 thousand)] [Refer (a) below] | 3,179,748 | 40,38,28 | 3,179,748 | 40,38,28 |
| The Standard Batteries Limited (Re. 1 each fully paid-up) [Net of provision for diminution in carrying amount - Rs.1,60,05 thousand (31st March, 2012 : Rs. 1,60, 05 thousand)] | 288,625 | — | 288,625 | — |
| McLeod Russel India Limited (Rs. 5 each fully paid-up) [Refer (a) below] | 11,649,946 | 67,17,38 | 11,649,946 | 67,17,38 |
| Kilburn Chemicals Limited [Net of provision for diminution in carrying amount - Rs.2,42,10 thousand (31st March, 2012 : Rs.2,42,10 thousand)] | 855,000 | 2,00,06 | 855,000 | 2,00,06 |
| Kilburn Office Automation Limited [Net of provision for diminution in carrying amount - Rs.7,70 thousand (31st March, 2012:Rs.7,70 thousand)] | 89,000 | 2,92 | 89,000 | 2,92 |
| Williamson Financial Services Limited [Net of provision for diminution in carrying amount - Rs.23,11 thousand (31st March, 2012 : Rs.Nil)] | 576,250 | 1,67,98 | 576,250 | 1,91,09 |
| (b) Unquoted Equity Instruments Investment in Subsidiaries | | | | |
| Woodside Parks Limited [Net of provision for diminution in carrying amount - Rs.Nil (31st March, 2012 : Rs.2,20,00 thousand)] | — | — | 2,200,001 | — |
| Majerhat Estates & Developers Limited [Net of provision for diminution in carrying amount - Rs.Nil (31st March, 2012: Rs.59,46 thousand)] [Refer (b) below] | — | — | 3,000,000 | 2,40,54 |
| Investment in Associate | | | | |
| Babcock Borsig Limited | 2,508,013 | 3,73,33 | 2,508,013 | 3,73,33 |
| Woodside Parks Limited [Net of provision for diminution in carrying amount - Rs.1,07,80 thousand (31st March, 2012 : Rs.Nil)] [Refer (b) below] | 1,078,000 | — | — | — |
| Majerhat Estates & Developers Limited [Net of provision for diminution in carrying amount - Rs.47,40 thousand (31st March, 2012 : Rs.Nil)] [Refer (b) below] | 1,470,000 | 99,62 | — | — |



NOTES TO THE FINANCIAL STATEMENTS

NOTE 12

Non-current Investments - Long Term (Contd.)

Investment in Joint Venture

D1 Williamson Magor Bio Fuel Limited [Net of provision for diminution in carrying amount - Rs.4,63,89 thousand (31st March, 2012: Rs.3,70,88 thousand)]

| 31st March, 2013 | | 31st March, 2012 | |
|------------------|---------|------------------|---------|
| Nos. | Rs.'000 | Nos. | Rs.'000 |
| 3,333,273 | 1,36,10 | 3,333,273 | 2,29,11 |

Others :

Dewrance Macneill & Company Limited
(In Liquidation)

| | | | |
|-----------|---|-----------|---|
| 1,200,000 | — | 1,200,000 | — |
|-----------|---|-----------|---|

Kilburn Electricals Limited [Net of provision for diminution in carrying amount - Rs.1,40 thousand (31st March, 2012: Rs.1,40 thousand)]

| | | | |
|--------|---|--------|---|
| 14,000 | — | 14,000 | — |
|--------|---|--------|---|

Manor Travels Limited

| | | | |
|--------|------|--------|------|
| 12,000 | 1,20 | 12,000 | 1,20 |
|--------|------|--------|------|

Johnston Castings & Allied Industries Limited
(In Liquidation)

| | | | |
|-------|---|-------|---|
| 2,500 | — | 2,500 | — |
|-------|---|-------|---|

Other than Trade Investments (valued at cost unless stated otherwise)

(a) Quoted

Equity Instruments

J J Leasing & Hiring Limited [Net of Provision for diminution in carrying amount - Rs.Nil (31st March, 2012 : Rs.10 thousand)]

| | | | |
|---|---|-------|---|
| — | — | 1,000 | — |
|---|---|-------|---|

Marigold Glass Industries Limited [Net of provision for diminution in carrying amount - Rs.Nil (31st March, 2012 : Rs.1,13 thousand)]

| | | | |
|---|---|-------|---|
| — | — | 7,500 | — |
|---|---|-------|---|

Suryachakra Sea Foods Limited [Net of provision for diminution in carrying amount - Rs.9,00 thousand (31st March, 2012 : Rs.9,00 thousand)]

| | | | |
|--------|---|--------|---|
| 50,000 | — | 50,000 | — |
|--------|---|--------|---|

Preference Shares

Metal Box India Limited - 6% Redeemable Cumulative Preference Shares of Rs.100 each [Net of provision for diminution in carrying amount - Rs.66 thousand (31st March, 2012 : Rs.66 thousand)]

| | | | |
|-------|---|-------|---|
| 2,000 | — | 2,000 | — |
|-------|---|-------|---|

(b) Unquoted Equity Instruments

Woodlands Multispecialty Hospital Ltd.

| | | | |
|---------|------|---------|------|
| 113,360 | 1,16 | 113,360 | 1,16 |
|---------|------|---------|------|

Arvindnagar Goodwill & Co-operative Housing Society Limited (Rs.50 each fully paid-up) [Net of provision for diminution in carrying amount - Rs.250 (31st March, 2012 : Rs.250)]

| | | | |
|---|---|---|---|
| 5 | — | 5 | — |
|---|---|---|---|

Seema Apartments Co-operative Housing Society Limited [Net of provision for diminution in carrying amount - Rs.4 thousand (31st March, 2012 : Rs.4 thousand)]

| | | | |
|----|---|----|---|
| 80 | — | 80 | — |
|----|---|----|---|

Kornafuli Association Limited

| | | | |
|-----|---|-----|---|
| 327 | — | 327 | — |
|-----|---|-----|---|



NOTES TO THE FINANCIAL STATEMENTS

NOTE 12

Non-current Investments - Long Term (Contd.)

| | 31st March, 2013 | | 31st March, 2012 | |
|--|------------------|-------------------|------------------|-------------------|
| | Nos. | Rs.'000 | Nos. | Rs.'000 |
| Rivers Steam Navigation Company Limited [Net of provision for diminution in carrying amount - Re.1 31st March, 2012: Re.1]] | 135,810 | — | 135,810 | — |
| Delhi Golf & Country Club Pvt. Limited (Rs.100 each fully paid-up) [Net of provision for diminution in carrying amount - Rs.45,00 thousand (31st March, 2012: Rs.45,00 thousand)] | 45,000 | — | 45,000 | — |
| Cosepa Fiscal Industries Limited [Net of provision for diminution in carrying amount - Rs.35,00 thousand (31st March, 2012 : Rs.35,00 thousand)] | 350,000 | — | 350,000 | — |
| ABC Tea Workers Welfare Services [Net of provision for diminution in carrying amount - Rs.1,06 thousand (31st March, 2012: Rs.1,06 thousand)] | 10,567 | — | 10,567 | — |
| Gouripore Electric Supply Co.Limited [(Rs.100 each fully paid up) (In Voluntary Liquidation)] | 3,000 | — | 3,000 | — |
| Investment in Preference Shares | | | | |
| India General Navigation & Railway Company Limited - 6% Cumulative Preference Shares (In voluntary liquidation) (Rs.2 each fully paid-up) [Net of provision for diminution in carrying amount - Rs.424 (31st March, 2012: Rs.424)] | 228 | — | 228 | — |
| Investment in Debenture | | | | |
| Bengal Chambers of Commerce and Industry - 6½% Non-redeemable debentures of Rs.1000 each fully paid-up [Net of provision for diminution in carrying amount - Rs.24 thousand (31st March, 2012 : Rs.24 thousand)] | 24 | — | 24 | — |
| Total Investments | | 2,21,66,61 | | 2,24,23,65 |
| Aggregate amount of quoted investments | | 2,28,78,01 | | 2,28,78,01 |
| Market Value of quoted investments | | 4,65,72,62 | | 3,96,28,25 |
| Aggregate amount of unquoted investments | | 13,22,90 | | 15,89,21 |
| Aggregate provision for diminution in carrying amounts of investments | | 20,34,30 | | 20,43,57 |

- (a) # 3,200,000 shares of Eveready Industries India Limited, 1,940,570 shares of McLeod Russel India Limited, 1,875,000 shares of McNally Bharat Engineering Co. Limited have been pledged with banks and financial institutions against financial assistance taken by the Company and others.
- (b) Pursuant to sale of a part of holdings in Woodside Parks Limited (WPL) and Majerhat Estates & Developers Limited (MEDL) during the year, WPL and MEDL have ceased to be Subsidiaries and have become Associates.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 13

LONG-TERM LOANS AND ADVANCES

Unsecured

Security Deposits

- Considered good
- Considered doubtful

Less : Provision for Doubtful Deposits

Total

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

NOTE 14

TRADE RECEIVABLES

Unsecured

Outstanding for a period exceeding six months from
the date they are due for payment

- Considered good
- Considered sub-standard
- Considered doubtful

Less : Provision for Sub-standard Debts

Less : Provision for Doubtful Debts

Other Debts

- Considered good

Total

NOTE 15

CASH AND BANK BALANCES

Cash and cash equivalents

Cash in hand

Balances with Banks :

On current accounts

Other Bank Balances

Redeemed preference share account

Total

42,00

14

42,14

14

42,00

41,21

14

41,35

14

41,21

—

28,38

3,13,51

2,84

3,13,51

25,54

—

—

3,13,51

—

3,13,51

—

1,38,48

1,64,02

1,28,15

1,28,15

5,91

1,82,82

1,88,73

3,86

1,30,24

1,34,10

1,63

1,90,36

1,63

1,35,73



NOTES TO THE FINANCIAL STATEMENTS

NOTE 16

SHORT-TERM LOANS AND ADVANCES

Unsecured (Considered good unless otherwise stated)

| | 31st March, 2013 Rs.'000 | 31st March, 2012 Rs.'000 |
|--|-----------------------------|-----------------------------|
| Loans and advances to Subsidiaries | | |
| Considered doubtful | — | 5,74,50 |
| Less : Provision for doubtful loans and advances | — | 5,74,50 |
| | — | — |
| Loans and advances to Associates and Joint Ventures | | |
| - Considered good | 2,98 | 5,30 |
| Inter Corporate Loans - Doubtful | 5,73,65 | — |
| Less : Provision for doubtful loans and advances | 5,73,65 | — |
| | 2,98 | 5,30 |
| Deposits with Government Authorities | | |
| - Considered good | 11,32 | 11,32 |
| - Considered doubtful | 18,90 | 18,90 |
| Less : Provision for doubtful loans and advances | 18,90 | 18,90 |
| | 11,32 | 11,32 |
| Other Loans and Advances | | |
| Inter Corporate Loans - considered good | 62,70,00 | 81,00,00 |
| Prepaid Expenses | 11,11 | 4,72 |
| Advances to employees | | |
| - Considered good | 2,67 | 1,95 |
| - Considered doubtful | — | 4,14 |
| Less : Provision for doubtful advances | — | 4,14 |
| | 2,67 | 1,95 |
| Advances to other parties | | |
| - Considered good* | 22,25 | 10,96 |
| - Considered doubtful | 3,72,59 | 3,71,73 |
| Less : Provision for doubtful advances | 3,72,59 | 3,71,73 |
| | 22,25 | 10,96 |
| Advance Income Tax (Advance Tax Rs.23,88,81 thousand (Previous Year - Rs.25,92,34 thousand) netted off against provision of Tax to the extent of Rs.24,00,18 thousand (Previous Year - Rs.23,75,17 thousand)] | — | 2,17,17 |
| Fringe Benefit Tax (Net of provision of Rs.11,27; Previous Year - Rs.11,27 thousand) | 2,00 | 2,00 |
| Total | 63,22,33 | 83,53,42 |

* Loans and advances to others include Advance to a firm in which a director is a partner Rs.3,25 thousand (Previous Year: Rs.24 thousand)



NOTES TO THE FINANCIAL STATEMENTS

NOTE 17

OTHER CURRENT ASSETS

Unsecured

Interest receivable on deposits from subsidiaries

- Considered doubtful

Less : Provision for doubtful receivables

Interest receivable on deposits from Associates

- Considered doubtful

Less : Provision for doubtful receivables

Interest receivable on deposits from others

- Considered good

- Considered doubtful

Less : Provision for doubtful receivables

Total

NOTE 18

REVENUE FROM OPERATIONS

Dividend on Long-term Investments

Interest Income

Other Operating Revenue

Maintenance Services

Rental of Properties

Other Consultancy Services

Total

NOTE 19

OTHER INCOME

Interest on Other deposits *

Profit on disposal of Long-term Investments

Profit on disposal of Fixed Assets

Interest on Income Tax/Fringe Benefit Tax Refund *

Provision for NPA written back

Provision for Contingent Asset for Standard Asset written back

Provision for Diminution in the value of investments written back

Liabilities no longer required written back

Miscellaneous Income

Total

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

—

4,09,99

—

4,09,99

—

—

4,09,99

—

4,09,99

—

—

—

9,55,72

3,16,14

3,48,55

3,48,55

3,48,55

3,48,55

9,55,72

3,16,14

9,55,72

3,16,14

7,43,62

8,46,40

10,59,76

12,82,87

1,25,97

1,89,44

1,22,27

2,35,17

2,04,00

2,04,00

22,55,62

27,57,88

4.34

1,80

—

5

3,04

—

19,07

12,15

—

32

2,95

—

9,27

—

—

1,00

8

—

38,75

15,32

* Includes Rs.17,46 thousand in respect of prior period (Previous Year Rs.7,25 thousand)



NOTES TO THE FINANCIAL STATEMENTS

NOTE 20

EMPLOYEES BENEFITS EXPENSE

| | 31st March, 2013 Rs.'000 | 31st March, 2012 Rs.'000 |
|---|-----------------------------|-----------------------------|
| Salaries, Wages and Bonus | 29,49 | 22,81 |
| Contribution to Provident and other funds | 2,57 | 1,86 |
| Pension and Gratuity | 6,37 | 10,55 |
| Workmen and Staff welfare expenses | 9,35 | 4,78 |
| Total | 47,78 | 40,00 |

NOTE 21

FINANCE COSTS

| | | |
|-----------------------|-----------------|-----------------|
| Interest Expense | 23,21,25 | 27,80,23 |
| Other Borrowing Costs | 1,10,62 | 62,12 |
| Total | 24,31,87 | 28,42,35 |

NOTE 22

DEPRECIATION EXPENSE

| | | |
|--|--------------|--------------|
| Depreciation on Tangible Assets | 91,05 | 1,28,53 |
| Less : Recoupment from Revaluation Reserve | 77,49 | 1,12,53 |
| Total | 13,56 | 16,00 |

NOTE 23

OTHER EXPENSE

| | | |
|--|----------------|-----------------|
| Power and fuel | 30,65 | 75,27 |
| Rent | 8,58 | 10,41 |
| Repairs to building | 23,05 | 27,21 |
| Repairs to machinery | 17,58 | 10,52 |
| General Repair & Maintenance | 61,93 | 66,45 |
| Insurance | 7,66 | 5,20 |
| Rates and Taxes | 16,36 | 61,66 |
| Legal and Professional charges | 50,66 | 49,97 |
| Establishment and General Expenses (Refer Note 26) | 79,41 | 61,06 |
| Travelling and conveyance | 30,01 | 32,58 |
| Contingent Provision for Standard Assets | — | 10,93 |
| Provision for Sub Standard Assets | 2,84 | — |
| Provision for Diminution in carrying amount of long-term investments | — | 13,97,75 |
| Loss on Disposal of Tangible assets | 75 | 65 |
| Loss on Disposal of Long-Term Investments | 1,50,25 | — |
| Advances written off | 3,58,57 | 1,22,58 |
| Total | 8,38,30 | 19,32,24 |



NOTES TO THE FINANCIAL STATEMENTS

NOTE 24

CONTINGENT LIABILITIES

a) Claims against the Company not acknowledged as debt

Excise matters under dispute (Note i)

Service Tax matters under dispute (Note ii)

Income Tax matters under dispute (Note iii)

Others

b) Guarantees given for loans granted to companies within the group

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

7,11

7,11

2,65,83

1,92,32

23,83

—

93

93

63,50

63,50

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

Notes :

- Representing claim in respect of Interest on Excise Duty pending before the Hon'ble High Court at Chennai.
- Representing demand as per order issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. The above includes penalty and interest for delayed payment of the taxes which have not been quantified in the Order.
- Representing demand raised by Income Tax Authority for certain disallowances against which appeal has been filed by the Company.

NOTE 25

EXPENDITURE IN FOREIGN CURRENCY

Pension to Non-Residents

Total

31st March, 2013
Rs.'00031st March, 2012
Rs.'000

6,22

3,59

6,22

3,59

NOTE 26

INCLUDED IN ESTABLISHMENT AND
GENERAL EXPENSES UNDER NOTE 23

Amount paid/payable to Auditors:

As Auditors - Audit Fees

For other services

Tax Audit Fees

Certifications, etc.

For Reimbursement of Expenses

Out of Pocket Expenses @

@ Excluding Service Tax not routed through
Statement of Profit and Loss

8,00

8,00

2,00

1,75

15,56

11,50

37

32

3,33

2,23

NOTE 27

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 Note 18.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 28

EMPLOYEE BENEFITS

I. Defined Contribution Plans

Total contribution to Defined Contribution Plans amount to Rs.2,57 thousand (Previous Year : Rs.1,86 thousand) included in Contribution to Provident and other Funds (Refer Note 20)

II. Defined Benefit Schemes

(a) Pension (Unfunded)

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

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

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

(c) Gratuity (Unfunded)

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

(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 recognised as a charge in the accounts.

The following table set forth the particulars as per actuarial valuation in respect of Defined Benefit Schemes of the Company :

| Changes in present value of defined benefit obligations | Pension (Rs.'000) | | Medical Insurance (Rs.'000) | | Gratuity (Rs.'000) | | Leave Encashment (Rs.'000) | |
|---|-------------------|------------|-----------------------------|------------|--------------------|------------|----------------------------|------------|
| | 31st March | 31st March | 31st March | 31st March | 31st March | 31st March | 31st March | 31st March |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Opening Present Value of obligation | 17,95 | 14,77 | 23,53 | 25,54 | 81 | 55 | 2,05 | 1,68 |
| Provision Written Back | — | — | — | — | — | — | — | — |
| Interest Cost | 1,05 | 96 | 1,88 | 2,17 | 7 | 5 | 17 | 14 |
| Current Service Cost | — | — | — | — | 27 | 20 | 34 | 30 |
| Benefits Paid | (9,65) | (7,12) | (2,42) | (2,48) | — | — | — | — |
| Actuarial loss (gain) on obligations | 4,93 | 9,34 | 1,40 | (1,70) | 5 | 1 | 5 | (7) |
| Closing Present Value of obligation | 14,28 | 17,95 | 24,39 | 23,53 | 1,20 | 81 | 2,61 | 2,05 |

| Expenses Recognized in Profit and Loss Account | Pension (Note @) (Rs.'000) | | Medical Insurance (Note #) (Rs.'000) | | Gratuity (Note @) (Rs.'000) | | Leave Encashment (Note *) (Rs.'000) | |
|---|----------------------------|---------|--------------------------------------|---------|-----------------------------|---------|-------------------------------------|---------|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| | | | | | | | | |
| Provision Written Back | — | — | — | — | — | — | — | — |
| Current Service Cost | — | — | — | — | 27 | 20 | 34 | 30 |
| Interest Cost | 1,05 | 96 | 1,88 | 2,17 | 7 | 5 | 17 | 14 |
| Expected Return of Plan Asset | — | — | — | — | — | — | — | — |
| Actuarial loss/(gain) recognised in the year | 4,93 | 9,34 | 1,40 | (1,70) | 5 | 1 | 5 | (7) |
| Expense/(gain) Recognised in statement of Profit & Loss | 5,98 | 10,30 | 3,28 | 47 | 39 | 26 | 56 | 37 |



NOTES TO THE FINANCIAL STATEMENTS

NOTE 28. EMPLOYEE BENEFITS (Contd.)

| Principal Actuarial Assumptions | Pension (Rs.'000) | | Medical Insurance (Rs.'000) | | Gratuity (Rs.'000) | | Leave Encashment (Rs.'000) | |
|---------------------------------|-------------------|---------|-----------------------------|---------|--------------------|---------|----------------------------|---------|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| Discount Rate | 8 | 8.5 | 8 | 8.5 | 8 | 8.5 | 8 | 8.5 |
| Inflation Rate | NA | | NA | | 5 | 5 | 5 | 5 |
| Return of Asset | — | — | — | — | — | — | — | — |

Notes :

@ Charge for the year included in Pension and Gratuity (Note 20)

Charge for the year included in Workmen and Staff Welfare (Note 20)

* Charge for the year included in Salaries, Wages, Compensation and Bonus (Note 20)

| Amount recognised in Balance Sheet | Pension (Rs.'000) | | | | | Medical Insurance (Rs.'000) | | | | | Gratuity (Rs.'000) | | | | | Leave Encashment (Rs.'000) | | | | |
|---|-------------------|---------|---------|---------|---------|-----------------------------|---------|---------|---------|---------|--------------------|---------|---------|---------|---------|----------------------------|---------|---------|---------|---------|
| | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
| Present Value of obligation | 14,28 | 17,95 | 14,77 | 26,81 | 45,65 | 24,39 | 23,53 | 25,54 | 25,20 | 24,54 | 1,20 | 81 | 55 | 35 | — | 2,61 | 2,05 | 1,68 | 1,43 | 2,88 |
| Fair value of Plan Asset | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Net Asset / (Liability) recognised in Balance Sheet | (14,28) | (17,95) | (14,77) | (26,81) | (45,65) | (24,39) | (23,53) | (25,54) | (25,20) | (24,54) | (1,20) | (81) | (55) | (35) | — | (2,61) | (2,05) | (1,68) | (1,43) | (2,88) |
| Experience Adjustments | 7,43 | (7,68) | (7,03) | 1,67 | (5,68) | (1,76) | 55 | 54 | 2,21 | 2,66 | 2 | (2) | 27 | 18 | — | (8) | (11) | 84 | 3,46 | 52 |

NOTE 29

Related Party Disclosures in accordance with Accounting Standard (AS)-18 :

(a) Names of Related Parties and nature of relationship :

a) Subsidiary Companies :

- 1) Woodside Parks Limited (WPL) (upto 18.3.2013)
- 2) Majerhat Estates & Developers Limited (MEDL) (upto 18.3.2013)

b) Associate Companies :

- 1) Babcock Borsig Limited (BBL)
- 2) Woodside Parks Limited (WPL) (From 19.3.2013)
- 3) Majerhat Estates & Developers Limited (MEDL) (From 19.3.2013)
- 4) Kilburn Engineering Limited (KEL)
- 5) Eveready Industries India Limited (EIL)

c) Joint Venture Company :

- 1) D1 Williamson Magor Bio Fuel Limited (D1WM)

d) Key Management Personnel : Mr. D Pal Choudhury



NOTES TO THE FINANCIAL STATEMENT

Note 29

RELATED PARTY DISCLOSURES (Contd.)

(b) Transactions / balances

| b) Transactions / Balances | | | | | | | | | |
|--|------------------|--------------|---------|----------|------------|---------|----------|----------|--------------------------|
| Particulars | Year | Subsidiaries | | | Associates | | | | Key Management Personnel |
| Transactions : | | Rs.'000 | | | Rs.'000 | | | | Rs.'000 |
| | | WPL | MEDL | BBL | WPL | MEDL | KEL | EIIL | |
| Dividend | 2012-13 | — | — | — | — | — | — | — | — |
| | 2011-12 | — | — | — | — | — | 1,07,98 | 83,78 | — |
| Rental Income | 2012-13 | — | — | — | — | — | 10,08 | — | — |
| | 2011-12 | — | — | — | — | — | 10,08 | — | — |
| Maintenance Services | 2012-13 | — | — | — | — | — | 6,72 | — | — |
| | 2011-12 | — | — | — | — | — | 6,72 | — | — |
| Other Consultancy Services | 2012-13 | — | — | — | — | — | 24,00 | 1,80,00 | — |
| | 2011-12 | — | — | — | — | — | 24,00 | 1,80,00 | — |
| Provision for debts/advances written back | 2012-13 | — | — | — | 1,12,20 | 30,29 | — | — | — |
| | 2011-12 | — | — | — | — | — | — | — | — |
| Recovery of Expenses | 2012-13 | — | — | — | — | — | 4,62 | 83 | — |
| | 2011-12 | — | — | — | — | — | 3,99 | 50 | — |
| Remuneration | 2012-13 | — | — | — | — | — | — | — | 7,67 |
| | 2011-12 | — | — | — | — | — | — | — | 7,08 |
| Balance as at year end : | | | | | | | | | |
| Investments | 31st March, 2013 | — | — | 3,73,33 | 1,07,80 | 1,47,00 | 10,69,56 | 93,59,01 | — |
| | 31st March, 2012 | 2,20,00 | 3,00,00 | 3,73,33 | — | — | 10,69,56 | 93,59,01 | — |
| Provision for Diminution in the value of Investments | 31st March, 2013 | — | — | — | 1,07,80 | 47,40 | — | — | — |
| | 31st March, 2012 | 2,20,00 | 59,46 | — | — | — | — | — | — |
| Inter Corporate Loan given | 31st March, 2013 | — | — | 45,25,00 | — | 5,73,65 | — | — | — |
| | 31st March, 2012 | — | 5,73,65 | — | — | — | — | — | — |
| Interest on Inter Corporate Loan given | 31st March, 2013 | — | — | 2,26,12 | 74,42 | 3,29,27 | — | — | — |
| | 31st March, 2012 | 74,42 | 3,29,27 | — | — | — | — | — | — |
| Trade Receivables | 31st March, 2013 | — | — | — | — | — | 34,38 | 1,17,98 | — |
| | 31st March, 2012 | — | — | — | — | — | 11,66 | 99,27 | — |
| Loans and Advances | 31st March, 2013 | — | — | — | — | 85 | 2,97 | 1 | — |
| | 31st March, 2012 | — | 85 | — | — | — | 1,93 | 3 | — |
| Provision for Doubtful Advances | 31st March, 2013 | — | — | — | — | 5,74,50 | — | — | — |
| | 31st March, 2012 | — | 5,74,50 | — | — | — | — | — | — |
| Provision for Other Current Assets | 31st March, 2013 | — | — | — | 80,72 | 3,29,27 | — | — | — |
| | 31st March, 2012 | 80,72 | 3,29,27 | — | — | — | — | — | — |

**Transactions / Outstanding with Joint Venture,
D1 Williamson Magor Bio Fuel Limited:**

| | | (Rs.'000) |
|---|------------------|-----------|
| Recovery of Expenses | 31st March, 2013 | — |
| | 31st March, 2012 | 2,52 |
| Balance Outstanding Receivable/(Payable) | 31st March, 2013 | (48,88) |
| | 31st March, 2012 | 3,34 |
| Investment outstanding | 31st March, 2013 | 5,99,99 |
| | 31st March, 2012 | 5,99,99 |
| Provision for Diminution in the value of Investment | 31st March, 2013 | 4,63,89 |
| | 31st March, 2012 | 3,70,88 |



THE FINANCIAL STATEMENTS

NOTE 30

DISCLOSURE AS PER ACCOUNTING STANDARD (AS)-27

“FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURE”

| | | |
|-------------------------------|---|--------------------------------------|
| Name | - | D1 Williamson Magor Bio Fuel Limited |
| Proportion Ownership Interest | - | 15.70% (Previous Year - 15.70%) |
| Country of Incorporation | - | India |

Company's Financial Interest in Joint Venture:

Company's Financial

Proportionate interest in Joint Venture

| Particulars | 31st March, 2013 Amount (Rs.'000) | 31st March, 2012 Amount (Rs.'000) |
|-------------------------------|--------------------------------------|--------------------------------------|
| Assets : | | |
| Non-Current | | |
| Tangible Assets (Net Block) | 1,43 | 3,86 |
| Long-term loans and advances | 1,44,04 | 2,30,85 |
| Current | | |
| Inventory | 31 | 2,85 |
| Cash & Bank Balances | 7,63 | 3,46 |
| Short-term loans and advances | 39 | 35,85 |
| | 8,33 | 42,16 |
| Liabilities | | |
| Current | | |
| Short-term borrowings | — | 6,28 |
| Other Current Liabilities | 17,40 | 41,49 |
| Income | | |
| Other Income | 2,17 | 1,05 |
| Expenditure | | |
| Expenses | 94,13 | 1,50,91 |
| Depreciation | 74 | 1,76 |
| | 94,87 | 1,52,67 |



THE FINANCIAL STATEMENTS

NOTE 31

EARNINGS PER SHARE (EPS)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| A. BASIC | | |
| i) Number of Equity shares at the beginning of the year | 10,956,360 | 10,956,360 |
| ii) Number of Equity shares at the end of the year | 10,956,360 | 10,956,360 |
| iii) Weighted average number of Equity Shares outstanding | 10,956,360 | 10,956,360 |
| iv) Face Value of each Equity Share (Rs.) | 10 | 10 |
| v) Profit / (Loss) after Tax for Equity Shareholders (Rs. '000) | 4,41,15 | 5,84,90 |
| vi) Basic Earnings / (Loss) Per share (v / iii) (Rs.) | 4.03 | 5.34 |
| B. DILUTED | | |
| i) Number of Dilutive potential Equity Shares | — | — |
| ii) Diluted Earnings / (Loss) per Share (Rs.) [Same as A (vi) above] | 4.03 | 5.34 |
| NOTE 32 | | |
| DEFERRED TAXATION | (Rs. '000) | (Rs. '000) |
| Deferred tax Liabilities | | |
| Depreciation | 40,78 | 31,71 |
| Deferred tax Assets | | |
| Unabsorbed Business Losses | 5,73,82 | 10,02,64 |
| Unabsorbed Depreciation | — | 10,91 |
| Unabsorbed Capital Losses | 10,05 | — |
| | <u>5,83,87</u> | <u>10,13,55</u> |
| Recognised to the extent of liability | <u>40,78</u> | <u>31,71</u> |
| Total Deferred Tax Asset | <u>—</u> | <u>—</u> |

The Company has unabsorbed depreciation and carry 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.

NOTE 33

There are no parties registered under the Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company.

NOTE 34

SEGMENT REPORTING

The Company is registered as a Non-Banking Financial Company and is primarily engaged in holding shares in its group companies. The company is a single segment entity as envisaged in Accounting Standard (AS)-17 on "Segment Reporting".

**NOTE 35**

The Company has sold a portion of its immoveable property comprising Land and Building during the year. Profit on sale of such property amounting to Rs.14,21,13 thousand (Previous Year : Rs.29,58,15 thousand) and compensation of Rs.1,38,60 thousand (Previous Year : Rs.Nil) for vacating premises taken on lease has been disclosed as Exceptional Item in the Statement of Profit and Loss.

NOTE 36

Based on Notification no.DNBS.223/CGM(US)-2011 dated 17th January, 2011, provision has been made for standard assets at 0.25 percent of the balance of such assets as at 31st March, 2013 which has been disclosed separately as 'Contingent Provision against Standard Assets' in Note 10.

NOTE 37

Pursuant to the requirements of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007, the Company had made an application to the Reserve Bank of India (RBI) seeking extension for regularisation of the requirements relating to concentration of investments and exposure norms in a phased manner. Accordingly, the Company had sold certain shares to dilute its concentration of investments to some extent and had recovered a substantial portion of its loan exposure in the past years.

In the meantime the RBI vide its Notification No.DNBS(PD)CC. No.197/03.10.001/2010-11 dated 12th August, 2010 and No.DNBS(PD)CC. No.206/03.10.001/2010-11 dated 5th January, 2011 has come out with a new category of NBFC which is known as Systemically Important Core Investment Company. The Company had filed an application with RBI for the conversion of its status from Systemically Important Non Deposit Taking Non Banking Financial Company to Systemically Important Non Deposit Taking Core Investment Company as a result of which the Company would not be required to dilute its exposure in terms of Investments and Loans as mentioned above.

In response to the Company's aforesaid application, RBI has advised the Company in February 2013 to resubmit the application afresh just after attaining the stipulated criteria for a CIC-NDSI but not later than 31st March 2015. The Company is taking necessary steps in this direction.

NOTE 38**PREVIOUS YEAR FIGURES**

The previous year figures are reclassified and regrouped wherever necessary.

For LOVELOCK & LEWES
Firm Registration No.301056E
Chartered Accountants
(P. Law)
Partner
Membership No. 51790
Kolkata, 24th May, 2013

A. KHAITAN - Director

R. S. JHAWAR - Director

H. U. SANGHAVI - Secretary

**FINANCIAL YEAR 2012-2013**

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

| Particulars | (Rs. in lakh) Amount outstanding |
|---|--|
| 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 failing within the meaning of public deposits) | |
| (b) Deferred Credits | Nil |
| (c) Term Loans | 9416.81 |
| (d) Inter-corporate loans and borrowings | 6828.65 |
| (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 | 9524.24 |
| (3) Break-up of Leased Assets and other assets counting towards AFC activities | |
| (i) Lease assets including lease rentals under sundry debtors : | N/A |
| (a) Financial lease | 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 | |
| 1. Quoted : | |
| (i) Shares : (a) Equity | 22887.01 |
| (b) Preference | 0.66 |
| (ii) Debentures and Bonds | Nil |
| (iii) Units of mutual funds | Nil |
| (iv) Government Securities | Nil |
| (v) Others | Nil |
| 2. Unquoted : | |
| (i) Shares : (a) Equity | 1312.98 |
| (b) Preference | — |
| (ii) Debentures and Bonds | 0.24 |
| (iii) Units of mutual funds | Nil |
| (iv) Government Securities | Nil |
| (v) Others | Nil |



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

| Category | (Rs. in lakh) | | |
|---------------------------------|-------------------------|-----------|---------|
| | Amount net of provision | | |
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | — | — | — |
| (b) Companies in the same group | — | — | — |
| (c) Other related parties | — | 152.74 | 152.74 |
| 2. Other than related parties | — | 7331.33 | 7331.33 |
| Total | — | 7484.07 | 7484.07 |

- (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 | — | — |
| (b) Companies in the same group | — | — |
| (c) Other related parties | 17,817.50 | 11,037.62 |
| 2. Other than related parties | 43,336.10 | 11,128.99 |
| Total | 61,153.60 | 22,166.61 |

- (7) Other Information

| Particulars | Amount |
|---|----------|
| (i) Gross Non-Performing Assets (a+b) | 2,065.71 |
| (a) Related parties | 1,013.48 |
| (b) Other than related parties | 1,052.23 |
| (ii) Net Non-Performing Assets (a+b) | 25.54 |
| (a) Related parties | 23.41 |
| (b) Other than related parties | 2.13 |
| (iii) Assets acquired in satisfaction of debt | — |



Financial Year 2012-2013

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 (%) | 45.04% | 42.16% |
| ii) CRAR - Tier I Capital (%) | 39.02% | 35.70% |
| iii) CRAR - Tier II Capital (%) | 6.02% | 6.46% |

(B) Exposure to Real Estate Sector

NIL

(C) 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 | 0.86 | 0.88 | 4.00 | 58.98 | 12.05 | 17.40 | — | — | 94.17 |
| Market borrowings - Others | 22.00 | 26.90 | 12.00 | 4.00 | 2.00 | — | — | — | 66.90 |
| Assets | | | | | | | | | |
| Advances | 22.90 | 27.80 | 16.10 | 7.20 | 0.30 | — | — | 0.54 | 74.84 |
| Investments | — | — | — | 55.80 | 13.80 | 17.45 | — | 134.62 | 221.67 |

(Rs. in crore)



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