

Andrew Yule & Co. Ltd.

Annual Report

08-09

Engineering | Electrical | Tea | Lubricants | Communication | Printing



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| Subsidiary Companies : | |
| Hooghly Printing Company, Limited. | |
| Yule Electrical Limited | |
| Yule Engineering Limited | |

BOARD OF DIRECTORS

- Kallol Datta - (Chairman and Managing Director)
Indrajit Sengupta - Director (Personnel)
R. K. Sikdar - Director (Planning)
Sriprakash Kar - Director (Finance)
Rajiv Bansal - Non-Executive Director
Ashok Kumar Basu - Non-Executive Director
Ashoke K. Dutta - Non-Executive Director
Sumanta Chaudhuri - Non-Executive Director
Amitav Kothari - Non-Executive Director
A. R. Nagappan - Special Director (BIFR Nominee)

COMPANY SECRETARY

Debabrata Bandyopadhyay

REGISTERED OFFICE

'Yule House'
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001.

Office at :

404, Guru Angad Bhavan,
71, Nehru Place,
New Delhi - 110 019.

Auditor

S. GHOSH & CO.,
Chartered Accountants,
2, Anthony Bagan Lane,
Kolkata - 700 009

Principal Bankers

Allahabad Bank

Bank of Baroda

State Bank of India

Union Bank of India

United Bank of India

NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of Andrew Yule & Company Limited will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001 on Thursday, the 24th September, 2009 at 11-00 a.m. to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2009, Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To fix the remuneration payable to the statutory Auditor of the Company for the financial year ending 31st March, 2010.
3. To appoint a Director in place of Shri Ashok Kumar Basu who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

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

As an Ordinary Resolutions :

4. "Resolved that Shri Sumanta Chaudhuri be and is hereby appointed a Director of the Company."

The Registers of Members and Transfer Registers of the Company will remain closed from 17th September, 2009 to 24th September, 2009, both days inclusive.

Registered Office :

"Yule House",
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001.
26th August, 2009.

By Order of the Board,
D. Bandyopadhyay,
Company Secretary.

- Notes:**
1. A member who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his/her stead. Proxies, in order to be effective must be received at the Company's Registered Office not less than forty-eight hours before the commencement of the Meeting.
 2. In terms of Clause (aa) to Sub-Section 8 of Section 224 of the Companies Act, 1956 (Act) the remuneration payable to the auditor(s) appointed under Section 619 of the Act by the Comptroller & Auditor General of India shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.
 3. The Register of Members and Share Transfer Registers of the Company will remain closed from 17th September, 2009 to 24th September, 2009, both days inclusive.
 4. Members holding shares in more than one account are requested to intimate the Share Department of the Company, the Ledger Folios to enable the Company to consolidate the same into one account.
 5. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
 6. Members, who hold shares in de-materialised form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
 7. Members holding shares in physical form are requested to notify immediately any changes in their address to the Company or its Registrar & Share Transfer Agent. In case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants without any delay.
 8. **KINDLY BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No.4 :**

Shri Sumanta Chaudhuri, Secretary, Industrial Reconstruction & Public Enterprises Department, Government of West Bengal was appointed a Part-time Director with effect from 30th November, 2007, in place of Shri Ardhendu Sen and will hold office till the conclusion of ensuing Annual General Meeting. Notice under Section 257 of the Act along with requisite fees have been received from one of the member of the Company proposing the appointment of Shri Chaudhuri as Director of the Company and he had agreed to act as Director, if appointed.

None of the Directors other than Shri Chaudhuri is interested in this Resolution.

The Board recommends this Resolution for approval by the Shareholders.

**Details of Directors seeking appointment in the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

| Name of Directors | Date of Birth | Date of Appointment | Expertise in specific areas. | Qualification | Other Companies in which Directorship held |
|------------------------|---------------------|----------------------|---|---------------|--|
| Shri Ashok Kumar Basu | 24th March, 1942 | 30th November, 2007. | Jointed the Indian Administrative Service in 1965. At present Members of West Bengal Planning Board. | IAS (Retd.) | Tata Mataliks Ltd. Usha Martin Ltd. Visa Comtrade Ltd. ISW Bengal Steel Ltd. Tinplate Co. of India Ltd. W.B. Power Development Corporation Ltd. Visa Power Ltd. Tata Power Co. Ltd. Bharat Heavy Electricals Ltd. Carter Engineering Pvt. Ltd. |
| Shri Sumanta Chaudhuri | 24th January, 1961. | 30th November, 2007. | At present Secretary to the Govt. of West Bengal Industrial Reconstruction & Public Enterprises. | IAS | West Bengal Small Scale Industries Development Corporation Ltd. West Bengal Industries Infrastructure Development Corporation Ltd. West Bengal Tea Development Corpn. Ltd. Shantiniketan Infrastructure Pvt. Ltd. Bengal Integrated Auto Industrial Park Pvt. Ltd. |

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the Annual Report and Accounts of the Company for the financial year ended 31st March, 2009.

1.0 FINANCIAL RESULTS :

| | |
|--|---------------------------|
| | (Rs. Lakhs) |
| Profit before Taxation | 3175.89 |
| Less: Provision for Taxation : | |
| (a) Wealth Tax | 2.50 |
| (b) Fringe Benefit Tax | 27.35 |
| (c) Deferred Tax | 1.14 |
| (d) Income Tax (in respect of earlier year) | 208.72 |
| | <u>239.71</u> |
| Profit for the year (PAT) | 2936.18 |
| Less: Loss brought forward from last Account | <u>(-)22260.68</u> |
| | <u>(-)19324.50</u> |
| Add: Balance in General Reserve | 2467.00 |
| Balance carried over to Balance Sheet | <u><u>(-)16857.50</u></u> |

2.0 DIVIDEND :

In view of the accumulated loss which is yet to be absorbed, your Directors regret their inability to recommend payment of any dividend for the year ended 31st March, 2009.

3.0 CONTRIBUTION TO NATIONAL EXCHEQUER :

Your Company contributed Rs.829.55 lakhs during the year to national exchequer by way of tax, duties, levies, cess, etc.

4.0 BUSINESS SEGMENTS :

4.1 Engineering :

During the period under review the Division achieved a turnover of Rs.2388.80 lakhs, production of Rs.2105.57 lakhs and recorded a profit of Rs.245.37 lakhs as compared to a profit of Rs.694.35 lakhs in previous year.

4.2 Electrical :

During the year the Division achieved a turnover of Rs.7122.58 lakhs, production worth Rs.6494.91 lakhs and recorded a profit of Rs.3129.57 lakhs as compared to a profit of Rs.1,033.51 lakhs in previous year.

4.3 Tea :

The Tea Division achieved a turnover of Rs.9467.53 lakhs, production worth Rs.9664.48 lakhs and incurred a loss of Rs.199.09 lakhs as compared to a loss of Rs.1,107.55 lakhs in previous year.

5.0 BIFR STATUS :

The Board for Industrial and Financial Reconstruction (BIFR) vide their letter dated 26th November, 2007, forwarded the sanctioned scheme as approved at the hearing held on 30th October, 2007, in terms of Section 19(3) read with Section 18(4) of SICA with the 'Cut-off-Date' of 31st March, 2006.

As per the Scheme two new 100% subsidiaries namely, Yule Engineering Ltd. and Yule Electrical Ltd. have already been incorporated and Certificate of Commencement of Business have been obtained and Committees have been formed for disinvestments of Company's holding in Group Companies.

The effect of most of the reliefs and concessions given by Secured Creditors and other stakeholders viz. Government of India & Government of West Bengal, Government of Assam, WBIDC, P.F. Authorities and others as per the approved Rehabilitation Scheme has been considered in the books of accounts for the year 2007-08 and 2008-09. Balance will be considered in the Books of Accounts for the year 2009-10.

The Company has issued 1,26,10,000 Equity Shares of Rs.2/- each in the name of Bank of Baroda for converting funded interest as per BIFR Order dated 30th October, 2007.

The effect of capital reduction for issuing above Equity Shares, amounting to Rs.10,08,80,000 and its adjustment with the debit balance in the Profit & Loss Account as on 31st March, 2009, has been considered in the books of accounts for the year 2008-09.

Fresh issue of Equity Shares for converting excess funded interest of State Bank of India and Allahabad Bank as per BIFR Scheme, will be taken into consideration in the books of accounts for the accounting year 2009-10, after receiving the sanctions from the respective Banks.

6.0 FIXED DEPOSIT :

Deposits from the public and others amounted to Rs.0.90 lakhs as on 31st March, 2009 which became

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due for repayment though has not been claimed by the depositors as yet.

7.0 EXPORT :

The Company's exports during the year were Rs.329.54 lakhs on F.O.B. basis.

8.0 PROSPECTS :

The Company with proper planning and dedicated work, is implementing the Rehabilitation Scheme as approved by BIFR dated 30th October, 2007. Bank Restructuring to wipe off accumulated loss as per the projection is under progress. It is hoped that the action initiated by the Company for disposal of its holding in associated Companies would materialize during the financial year 2009-10.

The overall outlook for the year 2009-10 looks to be positive, considering the fact that, various strategic measures undertaken by the Company are already giving results alongwith improvement in operational efficiency.

9.0 SUBSIDIARY :

The performance of Hooghly Printing Co. Ltd. the wholly owned subsidiary continued to be profitable. The sales achieved was Rs.651.11 lakhs compared to Rs.411.81 lakhs in the previous year. The profit before tax recorded was Rs.6.70 lakhs as against Rs.5.48 lakhs in the year 2007-2008. As mentioned earlier two new wholly owned subsidiaries namely, Yule Engineering Ltd. and Yule Electrical Ltd. had been formed for spinning of Engineering & Electrical Divisions as per BIFR directive.

10.0 CONSERVATION OF ENERGY, TECHNOLOGY ADOPTION AND FOREIGN EXCHANGE EARNINGS :

As required under Section 217(1)(e) of the Companies Act, 1956 (Act) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule 1988, the information is annexed.

11.0 AUDITORS' REPORT :

In respect of the comments made by the Statutory Auditors in their report, your Directors have to state as under :

- 11.1 [a] The Board for Industrial & Financial Reconstruction (BIFR) at its final hearing held on 30th October, 2007, approved the Rehabilitation Scheme of the Company with 'cut-off-date' as at 31st March, 2006, which is

in process of implementation and the same has been disclosed in Note No.3 in Schedule 20 to the Accounts.

- [b] The Accounts have been prepared on the principle applicable to a going concern, even though the net worth of the Company is fully eroded because share pending allotment to Government of India Rs.490.00 lakhs and Bank of Baroda Rs.250.80 lakhs totaling to Rs.740.80 lakhs has not been considered for the purpose of net worth. The fact has been disclosed in Note No.4 in Schedule 20 to the Accounts.

- 11.2 Considering the financial performance of M/s. Yule Financing & Leasing Company Ltd. over the preceding years, the decline in the value of investment of Rs.27.88 lakhs made by AYCL in the said Company is not considered of a permanent nature. Thus no provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. has been made.

- 11.3 Confirmation of year end balances in respect of Sundry Debtors, Deposits, Advances, Creditors, Dues to/from Govt. Undertakings and Stock with third parties etc. have been sought for and the facts have been disclosed in Note No.13 in Schedule 20.

- 11.4 The reason for grant of unsecured loan of Rs.500 lakhs to Yule Financing & Leasing Co. Ltd. @ 5.5% interest p.a. which is lower than the rate prescribed under Sub-section 3 and the guidelines prescribed by the Central Government under Sub-section 7 of Section 372A of the Act has been disclosed in Note No.16 in Schedule 20.

- 11.5 The TDS/Service Tax Returns have since been filed by the concerned units. A penalty of Rs.4,000/- only towards delayed filing of service tax return has also been paid.

- 11.6 The reconciliation between the book records and the physical inventory of Fixed Assets is still under process and discrepancy noticed would be dealt suitably in the Books of Accounts.

- 11.7 Proposal for increasing the frequency and area of coverage of Internal Audit is under active consideration.

- 11.8 Out of the arrears of statutory dues outstanding as on 31st March, 2009, a sum of Rs.18.33 lakhs has since been paid. A detailed examination of the balance outstanding dues as reported is under way for initiating necessary corrective action.

12.0 COMPTROLLER & AUDITOR GENERAL OF INDIA'S REVIEW AND COMMENTS :

The Comptroller and Auditor General of India has no

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comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the Accounts of the Company for the year ended 31st March, 2009, Review of the Accounts by the Comptroller & Auditor General of India is annexed to this report.

13.0 HUMAN RESOURCES DEVELOPMENT :

The Company considers that the human resources are valuable assets for the Company and its Group. The Company endeavour to provide an environment where each employee is motivated to contribute his best to achieve the Company's objective. Training and development of its personnel is a priority and is ensured through succession planning, job rotation, on the job training, training programme workshops. Total number of training mandays during 2008-09 were 488 (2007-08 : 479) imparted in house, at some professional institutes in India and at Chambers of Commerce & Industry.

The total number of employees of the Company and its subsidiaries as on 31st March, 2009 stood at 15575.

14.0 MAJOR ACCOUNTING POLICIES :

The major accounting policies of the Company are annexed to the Accounts.

15.0 CORPORATE GOVERNANCE REPORT :

As per Clause 49 of the Listing Agreement with the Stock Exchanges a Report on Corporate Governance together with a certificate from the Auditors regarding compliance of conditions of Corporate Governance, is annexed and forms part of this Annual Report.

16.0 DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors confirmed that :

- [i] In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures wherever applicable.
- [ii] The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Accounting year and of the profit/loss of the Company for that period.
- [iii] The Directors have 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] The Directors have prepared annual accounts on a going concern basis.

17.0 AUDITORS :

The Comptroller and Auditor General of India appointed M/s. S. Ghosh & Co., Chartered Accountants as Auditor for the year ended 31st March, 2009.

The Auditors for the year ended 31st March, 2010 will be appointed by the Comptroller & Auditor General of India.

18.0 DIRECTORS' :

Shri Sumanta Chaudhuri, Secretary, Industrial Reconstruction & Public Enterprises Department, Government of West Bengal was appointed a Part-time Director with effect from 30th November, 2007, in place of Shri Ardhendu Sen and will hold office till the conclusion of ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, proposing the appointment of Shri Chaudhuri as Director.

Shri Ashok Kumar Basu, retires from the Board by rotation and being eligible offers himself for reappointment.

Shri Amitava Ray and Shri Subir Das had retired from the Board of Directors of the Company as their terms expired. The Board places on record its deep appreciation of the valuable services and guidance rendered by Shri Ray and Shri Das during their association with the Company.

The Central Government has appointed Shri Sriprakash Kar as Director (Finance) of the Company for a period of five years with effect from 22nd July, 2009 or until further orders, whichever is earlier.

19.0 ROLE OF VIGILANCE :

The focus of the Vigilance Department of your Company was to create awareness amongst the employees to ensure transparency in all their activities and dealings.

More thrust is being given on preventive vigilance. CVC guidelines received from time to time were followed as preventive measures.

On the Punitive side, confidential enquiries and investigations were initiated on verifiable complaints

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brought to the notice of Vigilance Department and appropriate disciplinary action set-in motion as and when mis-conduct were prima facie established.

20.0 RAJBHASA :

Your Company is committed to the implementation of the Official Language Policy of Government of India and has complied with the requirements under the Official Language Act, 1963, and the rules thereunder.

21.0 PARTICULARS OF EMPLOYEES :

No employee of the Company received remuneration in excess of the limit prescribed in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Kolkata,
26th August, 2009

22.0 ACKNOWLEDGEMENT :

Your Directors place on record their appreciation of the endeavour of the employees at all levels and the services rendered by them.

The Board also gratefully acknowledges the valuable guidance, support and cooperation received from Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India as well as other Ministries in both Central and State Governments.

The Board is also thankful to the Company's valued shareholders, esteemed customers for their valued patronage and for the support received from the bankers, financial institutions, bondholders and suppliers in India and abroad.

On behalf of the Board,
KALLOL DATTA
Chairman and Managing Director.

ANNEXURE TO DIRECTORS' REPORT.

Management Discussion & Analysis.

Business Scenario :

Though due to recession, the economic downward is likely to continue through 2009-10, your Directors anticipate the domestic tea market to remain buoyant. Price level for the year are expected to be higher than previous year due to shortage of Tea in the market.

With large Investments planned in new integrated Steel Plants both by the Public as well as Private Sectors and in augmentation of existing Steel Plants a large number of industrial fans manufactured by your Company would be required. This makes future of your Engineering Division brighter.

A major growth in the Power Sector during past few years has resulted in higher level of demand for electricity distribution products. Considering the technical superiority and brand image of Yule Products, your directors are confident that there will be no difficulty in securing good orders from the market for your Electrical Division.

Opportunities & Threats :

Your Tea Gardens have the potential to achieve higher yield & best quality of tea but investment in planting, replanting, infilling, replacement & modernization of equipment & manufacturing facilities has to be made in the coming years to come up to the desired level.

Your Engineering Division had established credibility in supply and installation of Industrial Fans as well as Effluent Treatment Plant for Water Pollution Projects, but due to poor performance in the past, it is taking time to re-establish its credential in the market.

Your Electrical Division has pioneered in specialized energy

efficient products for the Rural Electrification Programme for the country. This Division enjoys the major market share in supplying Automotive Voltage Regulator, Special Voltage Regulator, Transformer, Flame Proof and Non-Flame Proof Electrical Switchgears etc.

Segmentwise Performance :

The Company is a multi-segment Company as mentioned in Note No.20 in Schedule 20 of the Accounts.

Outlook :

Considering the present market scenario, improvement in operational efficiency and various strategic measures undertaken, the overall outlook for the year 2009-10 looks to be positive.

Risk & Concerns :

Apart from normal risk applicable to an industrial undertaking, the Company does not foresee any serious area of concern.

Financial Performance :

The details financial performance of the Company are appearing in the Balance Sheet and Profit & Loss Account for the year. During the year though the Turnover increased by 3.88% the profit surged to Rs.31.76 crores from Rs.8.61 crores in the previous year, which signals the turn around of your Company.

Human Resource :

During the year employer/employee relationship remained cordial. With regard to the pending settlements, discussion were in progress.

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

1. CONSERVATION OF ENERGY :

A. Energy Conservation Measures taken :

- (i) Installation of energy efficient VFBD Drier in four gardens of Tea Division has resulted in reduction of energy cost and fuel consumption. Moreover, the Division also installed energy efficient coal stove in one Tea Estate. Through upgradation of Panel Board and installation of Capacitor Banks in two Tea Estates, the Division has aimed to obtain benefit in future. The Division has also plans to install energy efficient machinery in future in all the Tea Estates in a phased manner, in order to increase power factor efficiency.
- (ii) Steps taken by the Engineering Division for Energy Conservation by replacement of 5 HP Man Coolers by Low Duty Pedestal Fans.
- (iii) With the Installation of Translucent roofing sheets and wind powered ventilation device at the factory shed of Electrical Division at Mayurbhanj Road, Kolkata greater utilization of natural lighting and ventilation has been made.

B. Proposal under Implementation for Reduction in Energy Consumption :

Modern energy saving equipment will be installed in Electrical Division on consolidation of all the factories of Kolkata at Mayurbhanj Road Factory which is going on full swing.

C. Impact of Measures at "A" and "B" above :

Electrical energy consumed on light and fan have been significantly reduced. Further reduction in energy consumption will be achieved on completion of the consolidation activities.

**FORM - A
ANDREW YULE & COMPANY LIMITED : TEA DIVISION**

| | | <u>31st March, 2009</u> | <u>31st March, 08</u> |
|---|---------|-------------------------|-----------------------|
| CROP | KGS | 9325416 | 9669055 |
| 1. ELECTRICITY | | | |
| A. PURCHASED | | | |
| UNIT | KWH | 8434055 | 8647934 |
| TOTAL AMOUNT | Rs. | 46522044 | 47058952.53 |
| RATE/UNIT | Rs. | 5.52 | 5.44 |
| B. (i) OWN GENERATION (THROUGH GENERATOR(DIESEL)) | | | |
| UNIT | KWH | 1566152 | 1879223.00 |
| TOTAL FUEL COST | Rs. | 20817437.26 | 21497796.80 |
| TOTAL FUEL | LTRS. | 550392.00 | 681847.83 |
| UNIT/LITRE OF DIESEL | KWH | 2.85 | 2.76 |
| RATE/UNIT | Rs. | 13.29 | 11.44 |
| B. (ii) THROUGH GENERATOR (NATURAL GAS) | | | |
| UNIT | KWH | 357410 | ... |
| UNIT/SCM OF GAS | KWH | 6.32 | ... |
| RATE/UNIT | Rs. | ... | ... |
| 2. COAL | | | |
| QUANTITY | MT | 5507.709 | 5941.67 |
| TOTAL COST | Rs. | 20418383.57 | 17542451.89 |
| RATE | Rs./MT | 3707.24 | 2952.45 |
| 3. FURNACE OIL | | | |
| QUANTITY | LTRS. | 97759 | 264133 |
| TOTAL COST | Rs. | 3148062.96 | 6789059.81 |
| RATE | Rs./LTR | 32.20 | 25.70 |
| 4. USE OF GAS FOR PROCESSING | | | |
| QUANTITY | SCM | 2607984 | 2879181 |
| TOTAL COST | Rs. | 14109842.03 | 16506100 |
| RATE/UNIT | Rs. | 5.41 | 5.73 |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | | |
| PRODUCTS BLACK TEA | | | |
| ELECTRICITY | KWH/KG | 1.07 | 1.09 |
| FURNACE OIL | LTR/KG | 0.01 | 0.03 |
| COAL | KG/KG | 1.06 | 1.18 |
| NATURAL GAS | SCM/KG | ... | ... |

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FORM - B

A. PARTICULARS FOR TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D) :

- (i) Specific areas in which R&D was carried out by the Company :
- (a) Engineering Division has developed the following accessories of Industrial Fans :
- 10½" Pressure fed White Metal Bearings.
 - Inlet Silencer size 700 x 2100 mm, 1500 x 6000 mm and 600 x 1800 mm.
- (b) Electrical Division has carried out R&D activities in the following areas :
- (i) Design upgradation & testing of 1600 Amps 11 KV Indoor VCB.
 - (ii) Design upgradation for 33 KV PC VCB.
 - (iii) Validation Test for Yule HEAG make 11 KV, 20KA, 630A outdoor VCB for capacitor bank switching test.
 - (iv) Re-Engineered Design of 12 KV VCB Indoor Panel for reduced width and distinct compartmentalized enclosure for Internal Arc suitably.
 - (v) Re Engineered Design of 36KV outdoor VCB for making provision of SF6 Gas filling.
 - (vi) Re Engineered Design of 36KV outdoor VCB for value Engineering & adopting ABB Interrupter.
- (ii) Benefit derived as well as results of the above R&D Works.
Due to above R&D work Engineering Division has been able to achieve a substantial cost saving in the form of import substitution (10½" dia pressure fed while metal bearing) vis-à-vis augmentation of revenue earnings (through sale of silencer).
- (iii) Future Plan of Action :
- Engineering Division has planned to take up the assessment of developing 500 MW variable pitch Axial Flow ID PA Fans static to augment revenue.
 - In respect of Electrical Division -
 - ♦ Revalidation Tests of all Re-Engineered Switchgear Products including Internal Arc Test.
 - ♦ Revalidation Tests for FLP Switchgear & TSU as per new standard.
 - ♦ Design & Development of 12 KV, 40 KA Indoor VCB.
 - ♦ Design & Development of Small vacuum capacitor switch.
 - ♦ Design & Development of small & compact vacuum contactor, for 3.3 KV/6.6 KV.
 - ♦ Design & Development of Epoxy insulated VCB & Indoor panel with further width reduction.
 - ♦ Software Development for Transformer Design & Switchgear application Engineering.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- (i) Efforts Made :
Technical know-how from the Collaborators were absorbed systematically and subsequently imported components have been substituted by indigenously developed components.
- (ii) Benefits derived :
The R&D effort helped to cater the need of present days requirements of the industry and achieving extra edge on this competitive market.
- (iii) Particulars of Imported Technology in the last 5 years : Nil.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

Foreign Exchange earnings were : Rs.329.54 lakhs.
Foreign Exchange outflow were : Rs.0.20 lakhs.

Kolkata,
26th August, 2009.

On behalf of the Board,
KALLOL DATTA
Chairman and Managing Director.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy :

The Company is committed to attain the highest standard of Corporate Governance by placing emphasis on transparency, professionalism, accountability, integrity and to promote ethical conduct throughout the organization with the main object to enhance the value of all stakeholders namely shareholders, customers, creditors, employees and bankers.

2. Board of Directors :

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board of Directors to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the Shareholders.

2.1 Composition :

The Board of Directors of the Company comprises of eminently qualified Executive and Non-Executive Directors. The total number of Directors of the Company as on 31st March, 2009 was eleven of which three (3) were whole-time Directors, viz. Chairman & Managing Director, Director (Personnel), Director (Planning), Seven (7) were part-time Non-Executive Independent Directors and one(1) Special Director by BIFR.

The composition of the Board of Directors and the number of other Directorship and Membership/Chairmanship held by the Directors in the Committees of various Companies as on 31st March, 2009 are given below :-

| Name of Directors | Category of Directorship | No. of other Director-ship held as on 31.03.2009 | Committee Membership held in other Companies. xx | |
|---------------------------|------------------------------------|--|--|-------------|
| | | | As Member | As Chairman |
| 1. Shri Kallol Datta | Chairman & Managing Director. | 11 | 2 | Nil |
| 2. Shri Indrajit Sengupta | Director (Personnel) | 9 | 2 | Nil |
| 3. Shri R. K. Sikdar | Director (Planning) | 8 | Nil | Nil |
| 4. Shri Sumanta Chaudhuri | Independent Non-Executive Director | 3 | Nil | Nil |
| 5. Shri Amitava Ray | Independent Non-Executive Director | 1 | Nil | Nil |
| 6. Shri Subir Das | Independent Non-Executive Director | 2 | 1 | Nil |
| 7. Shri Rajiv Bansal | Independent Non-Executive Director | | Nil | Nil |
| 8. Shri Ashok Kumar Basu | Independent Non-Executive Director | 8 | 4 | Nil |
| 9. Prof. Ashoke K. Dutta | Independent Non-Executive Director | 7 | Nil | Nil |
| 10. Shri Amitav Kothari | Independent Non-Executive Director | 1 | Nil | Nil |
| 11. Shri A.R. Nagappan | Special Director-BIFR Nominee. | 3 | Nil | Nil |

Exclude Directorship in Private Limited Companies, foreign companies and companies under Section 25 of the Companies Act, 1956 and memberships of Managing Committees of various Chambers/bodies.

xx Represents Membership/Chairmanship of Audit Committee, Investors Grievance Committee and Remuneration Committee.

Notes : ■ Shri Rajiv Bansal was appointed as Non-Executive Director with effect from 26th June, 2008.
 ■ Shri A.R. Nagappan was inducted as a Special Director by BIFR w.e.f. 26.12.2007.

2.2 Board Meetings :

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors at least Seven days before the meeting.

Meetings and Attendance :

During the financial year ended 31st March, 2009 Seven Meetings of the Board of Directors were held on 9th May,2008,26th June,2008, 3rd July,2008,13th August,2008 ,16th September,2008, 26th December,2008 and 25th March,2009.

(Contd.)

Attendance of Directors at the Board Meetings and at the Annual General Meeting (AGM) :-

| <u>Name of Directors</u> | <u>No. of Board Meetings Attended</u> | <u>Attendance of the Last AGM held on 16th September, 2008</u> | <u>Remarks</u> |
|---|---------------------------------------|--|--|
| <u>Executive Directors :</u> | | | |
| 1. Shri Kallol Datta | 7 | Yes | ... |
| 2. CA. S. Muralidharan | 2 | No | Ceased to be a Director w.e.f. close of the business of 22nd July, 2008. |
| 3. Shri Indrajit Sengupta | 6 | Yes | ... |
| 4. Shri R.K. Sikdar | 7 | Yes | ... |
| <u>Non-Executive Directors :</u> | | | |
| 1. Shri Rajiv Bansal | 5 | No | ... |
| 2. Shri Amitav Kothari | 7 | Yes | ... |
| 3. Shri Subir Das | 7 | Yes | Ceased to be a Director w.e.f. close of business 20th July, 2009. |
| 4. Shri Amitava Ray | 6 | Yes | Ceased to be a Director w.e.f. close of business on 29th June, 2009. |
| 5. Shri Ashok Kumar Basu | 7 | Yes | ... |
| 6. Prof. Ashoke K. Dutta | 2 | No | ... |
| 7. Shri Sumanta Choudhuri | 2 | No | ... |
| 8. Shri A. R. Nagappan | 6 | Yes | ... |

3. Committee of the Board of Directors :

The Company is having a Committee of the Board of Directors, duly constituted by the Board of Directors, for last several years to supervise smooth functioning of the day to day operations of the Company and some of the major powers/authorities delegated to the said Committee are as under :

- (i) General powers of management.
- (ii) To borrow monies upto the specified limit from Banks, Financial Institution and others for working capital purposes.
- (iii) To authorise creation of securities including Equitable mortgage on the immovable properties of the Company, execution of security documents pertaining to term loan, bridge loan, working capital loan, etc.
- (iv) To issue Indemnity Bonds and Powers of Attorney.
- (v) Opening of Accounts with Banks.
- (vi) To approve overseas tour for official purpose.
- (vii) Sale of Fixed Assets.
- (viii) To invest funds of the Company in Government Securities, Postal Securities, long term deposit with Banks/Financial Institutions etc.
- (ix) To approve appointment of Consultants/Architects.
- (x) Approve transfer/transmission of shares.
- (xi) Carryout the function of Shareholders/Investors Grievance Redressal Committee.

(Contd.)

ANDREW YULE & CO. LTD.

As on 31st March, 2009 the Committee of the Board of Directors were comprised of the following :

| <u>Director</u> | <u>Designation</u> | <u>Status in the Committee</u> | <u>Number of Meeting held 2008-2009</u> | <u>Number of Meetings Attended</u> | <u>Remarks</u> |
|------------------------|------------------------------|--------------------------------|---|------------------------------------|---------------------------------------|
| Shri Kallol Datta | Chairman & Managing Director | Chairman | 19 | 19 | |
| Shri Indrajit Sengupta | Director (Personnel) | Member | 19 | 19 | |
| Shri R.K. Sikdar | Director (Planning) | Member | 19 | 13 | Inducted as a member w.e.f 13.08.2008 |
| Shri Subir Das | Director(Non-Executive) | Member | 19 | 19 | |

The Minutes of the Committee of the Board of Directors are circulated as separate agenda item in the next meeting of the Board of Directors of the Company for noting and approval.

4. Audit Committee :

(a) Terms of reference :

The role and terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreements with the Stock Exchanges and Section 292A of the Companies Act, 1956 besides other terms as may be referred to it by the Board of Directors.

(b) Composition of the Audit Committee :

The Audit Committee as on 31st March, 2009, consist of Sarbashri Amitava Ray, Ashok Kumar Basu and Subir Das, Non-Executive Directors. The Director (Personnel) with Additional charge of Director (Finance), Director (Planning), Financial Controller and Senior Manager (Internal Audit) are the permanent invitees to the Committee and the Company Secretary acts as Secretary of the Committee.

The Board of Directors in its meeting held on 26th December, 2007 had reconstituted the Audit Committee as follows :-

| | | |
|-----------------------|-----|----------|
| Shri Amitava Ray | ... | Chairman |
| Shri Ashok Kumar Basu | ... | Member |
| Shri Subir Das | ... | Member. |

(c) Attendance of each Member :-

During the financial year ended 31st March, 2009, four meetings of the Audit Committee were held on 26th June, 2008, 3rd July, 2008, 26th December, 2008 and 24th March, 2009 as under :

| | | | <u>Date of Meeting</u> |
|------------------------------|-------------------------|--------------------------------|------------------------|
| Shri Amitava Ray – Chairman | Shri Subir Das – Member | Shri Ashok Kumar Basu – Member | 26-06-2008 |
| Shri Amitava Ray – Chairman. | Shri Subir Das – Member | Shri Ashok Kumar Basu – Member | 03-07-2008 |
| Shri Amitava Ray – Chairman. | Shri Subir Das – Member | Shri Ashok Kumar Basu – Member | 26.12.2008 |
| Shri Amitava Ray – Chairman | Shri Subir Das – Member | Shri Ashok Kumar Basu – Member | 24.03.2009 |

5. Remuneration Committee :

(a) The need for constitution of a Remuneration Committee is not felt by the Company in view of the fact that the Company is a Government Company in terms of Section 617 of the Companies Act, 1956. The remuneration of the whole-time functional Directors and other terms and conditions are fixed by the Government of India.

(b) The remuneration of the whole-time functional Directors include basic salary, allowances and perquisites as determined by the Government of India and also as per rules of the Company. The details of remuneration paid to all the whole-time functional Directors during the year ended 31st March, 2009 are given below :

| <u>Name of the Directors</u> | <u>Salary</u> | <u>Perquisite</u> | <u>Total</u> |
|------------------------------|---------------|-------------------|--------------|
| Shri Kallol Datta | 6,98,753.00 | 37,614.40 | 736,367.40 |
| Shri Indrajit Sengupta | 6,13,483.00 | 28,971.12 | 642,454.12 |
| CA. S. Muralidharan | 2,05,084.00 | 16,910.00 | 221,994.00 |
| Shri R.K. Sikdar | 6,25,142.00 | 42,726.38 | 667,868.38 |

(Contd.)

The whole-time functional Directors are appointed for a period of five years or upto the date of Superannuation, whichever event occurs earlier. The appointment may, however, be terminated during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.

No stock option Scheme is prevalent in the Company.

- (c) The remuneration paid to part-time independent non-official Directors for attending the Board, Committee of the Board and Audit Committee Meetings consists only of sitting fees –

| <u>Name of the Directors</u> | <u>Sitting Fees</u> |
|------------------------------|---------------------|
| Shri Amitava Ray | Rs. 38,000/- |
| Shri Subir Das | Rs.1,11,000/- |
| Shri Ashok Kumar Basu | Rs. 65,000/- |
| Prof. Ashoke K. Dutt | Rs. 10,000/- |
| Shri Amitav Kothari | Rs. 49,000/- |
| Shri A.R. Nagappan | Rs. 30,000/- |

Non-Executive Directors are appointed by Government of India only and communicated through Department of Heavy Industries (DHI). None of the Non-executive Directors is holding any Equity Share of the Company.

Note : Shri A.R. Nagappan was appointed as a Special Director of BIFR on 26th December, 2007.

6. Shareholders Grievance Redressal Committee :

The matters relating to, redressal of shareholders' complaints viz. transfer/transmission of shares, non-receipt of copy of Annual Report etc are being looked after by the Committee of the Board of Directors as mentioned under paragraph 3 of this Report. Four complaints were received from the shareholders during the year 2008-09 and all of them have been attended to.

There is no complaint lying pending.

Number of shares pending transfer as on 31st March, 2009 was : Nil.

Shri Debabrata Bandyopadhyay, Company Secretary is the Compliance Officer of the Company.

7. CODE OF CONDUCT :

The Code of Conduct for the Directors and the Employees of the Company has been laid down by the Board and the same is posted on the website of the Company.

8. Risk Management :

The Company has an integrated approach to managing risk inherent in various aspects of the business.

9. Disclosure :

The details of the related party relationships and transactions, as required under Accounting Standard (AS) 18 "Related Party Disclosures" issued by ICAI are given under Note No.23 on Schedule 20 of the Annual Audited Accounts as at 31st March, 2009.

There were no transactions of material nature with the Directors or their relatives etc. that may have potential conflict with the interests of the Company at large.

There were no instance of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to Capital markets, during the last three years.

(Contd.)

10. GENERAL INFORMATION FOR SHAREHOLDERS :**REGISTRATION NO.021-003229****CIN of the Company - L63090WB1919GOI003229**

- Corporate and Registered Office : 'Yule House',
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001
Tel : 2242-8210, 2242-8550
E-mail:yulecp@cal2.vsnl.net.in/yulesecy@vsnl.net/ay_secl@rediffmail.com
Telegram: "YULETIDE"
Fax : 91-33-2242-9770/2243-4741
- Date of Annual General Meeting, Time and venue : 24th September, 2009
Williamson Magor Hall of The Bengal Chamber of Commerce & Industry,
Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001.
- Financial Calendar : April to March.
- Date of Book Closure : From 17th September, 2009 to 24th September, 2009 (both days inclusive)
- Listing on Stock Exchange : The Stock Exchange, Mumbai.
- The Listing Fees for the financial year 2008-09 has been paid to the Stock Exchange, Mumbai only as the Company has applied for delisting its shares from the Calcutta Stock Exchange Association Ltd. and Delhi Stock Exchange Association Ltd. under the provisions of SEBI (Delisting of Securities) Guidelines, 2003, and prior approval of the shareholders of the Company by a Special Resolution at the Annual General Meeting held on 26th September, 2005, for compliance of other formalities applicable.
- Market price Data, High, Low during the month in the last Financial Year (2008-2009) traded at BSE. : Please see Annexure "A".
- Registrar and Transfer Agents (for both Physical and Dematerialised Shares) : MCS LIMITED,
77/2A, Hazra Road,
3rd & 5th Floor,
Kolkata - 700 029
Phone: 2476-7350/54, 2454-1892/93
- Share Transfer System : Transfer of shares in physical form are registered and despatched within 30 days from the date of their receipt, if documents are complete in all respects. The Committee of the Board of Directors is empowered to approve transfers.
- Share Transferred during the year : Total number of Shares transferred in physical form during the year was 4761 Shares (Previous year - 41234 Shares)
- Dematerialisation of Shares : 1.08% Equity Shares have been dematerialised upto 31st March, 2009 and held with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- ISIN : INE 449C01025.
- Distribution of Shareholding and Shareholding pattern as on 31st March, 2009. : Please see Annexure "B".
- Address for Correspondence : Shareholder's Correspondence should be addressed to :-
Andrew Yule & Co., Ltd.,
Share Department,
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001
Telephone : 2242-8210/2242-8550. Fax : 2242-9770
E-mail:yulecp@cal2.vsnl.net.in/yulesecy@vsnl.net/ay_secl@rediffmail.com

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MEANS OF COMMUNICATION :-

Quarterly Results published in Statesman, Sangbad Pratidin and Hindustan Times. As required by SEBI, information/ documents are filed in EDIFAR System from time to time. But no separate Half-yearly Report has been sent individually to the Shareholders.

General Body Meetings :-

Details of the General Meeting held in last three years :-

(i) Annual General Meeting -

| Financial Year | Date | Time | Location |
|----------------|------------|------------|--|
| 2007-2008 | 16.09.2008 | 11-00 a.m. | Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001. |
| 2006-2007 | 21.09.2007 | 11-00 a.m. | Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001. |
| 2005-2006 | 15.09.2006 | 11-00 a.m. | Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001. |

(ii) Extra Ordinary General Meeting :

| | | | |
|-----------|------------|------------|--|
| 2007-2008 | 20.03.2008 | 11-00 a.m. | Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001. |
|-----------|------------|------------|--|

Special Resolutions :

The details of the Special Resolution passed by the Company at the last three Annual General Meeting (AGM) are given herein below :-

| Date of AGM | Subject matter of the Resolution | Triggering Section of the Companies Act, 1956 |
|-------------|----------------------------------|---|
| 15.09.2006 | N I L | |
| 21.09.2007 | N I L | |
| 16.09.2008 | N I L | |

Postal Ballot :

No Special Resolution requiring Postal Ballot was placed before the last Annual General Meeting. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

Plant Locations :-

The Company's plants are located at (i) 16A & B, Block "D", Kalyani, West Bengal, (ii) 14, Mayurbhanj Road, Kolkata - 700 023, (iii) Mahatma Gandhi Road, Thakurpukur, Joka, 24 Parganas (South), West Bengal, (iv) P-25, Transport Depot Road, Kolkata - 700 088, (v) 5/346, Old Mahabalipuram Road, Perungudi, Chennai - 600 096 and (vi) 19, Muthulakshmi Salai, Adyar, Chennai - 600 020.

The Company's Tea Gardens are located in West Bengal and in Assam.

11. CEO/CFO Certification :

The necessary certificates under Clause 49(v) of the Listing Agreement has been placed before the Board of Directors.

12. Non-mandatory Requirements :

The Company has not adopted the Non-mandatory Requirement given under Clause 49 of the Listing Agreement.

Kolkata,
26th August, 2009.

On behalf of the Board,
KALLOL DATTA
Chairman and Managing Director.

ANNEXURE - "A"

MARKET PRICE DATA : HIGH/LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR (2008-09)

| Month | The Stock Exchange, Mumbai | | B.S.E. Sensex | |
|-----------------|----------------------------|--------------|---------------|--------------|
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April, 2008 | 94.40 | 32.00 | 17,480.74 | 15,297.96 |
| May, 2008 | 56.50 | 35.05 | 17,735.70 | 16,196.02 |
| June, 2008 | 54.95 | 33.20 | 16,632.72 | 13,405.54 |
| July, 2008 | 55.50 | 45.00 | 15,130.09 | 12,514.02 |
| August, 2008 | 47.90 | 32.65 | 15,579.78 | 14,002.43 |
| September, 2008 | 33.50 | 20.95 | 15,107.01 | 12,153.55 |
| October, 2008 | 25.50 | 18.60 | 13,203.86 | 7,697.39 |
| November, 2008 | 24.05 | 17.50 | 10,945.41 | 8,316.39 |
| December, 2008 | 25.00 | 18.50 | 10,188.54 | 8,467.43 |
| January, 2009 | 24.95 | 15.25 | 10,469.72 | 8,631.60 |
| February, 2009 | 25.90 | 20.05 | 9,724.87 | 8,619.22 |
| March, 2009 | | | 10,127.09 | 8,047.17 |

ANNEXURE - "B"

(i) DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2009.

| Shares Holding (Range) | | No. of Shares | % of Total Shares | No. of Shareholders | % of Total Shareholders |
|------------------------|-------|---------------------|-------------------|---------------------|-------------------------|
| From | To | | | | |
| 0 | 500 | 10,69,727 | 0.36 | 10467 | 90.84 |
| 501 | 1000 | 4,91,258 | 0.17 | 596 | 5.17 |
| 1001 | 2000 | 3,93,700 | 0.13 | 256 | 2.22 |
| 2001 | 5000 | 4,20,772 | 0.14 | 135 | 1.17 |
| 5001 | 10000 | 2,89,451 | 0.10 | 42 | 0.37 |
| 10001 | Above | 29,36,63,570 | 99.10 | 27 | 0.23 |
| | Total | <u>29,63,28,478</u> | <u>100.00</u> | <u>11,523</u> | <u>100.00</u> |

(ii) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2009

| Category | No. of Shares | % of total Shares |
|---|---------------------|-------------------|
| Central Government | 27,97,89,706 | 94.42 |
| Financial Institutions | 4,39,952 | 0.15 |
| Nationalised Banks | 1,26,28,679 | 4.26 |
| Mutual Funds | 950 | 0.00 |
| Domestic Companies | 5,93,976 | 0.20 |
| Non-domestic Companies | 500 | 0.00 |
| Resident Individual | 26,45,127 | 0.89 |
| Non-Resident Individuals (Foreign National) | 22,471 | 0.01 |
| Non-Resident Individuals (Indian) | 2,07,117 | 0.07 |
| Director and their Relatives | | |
| Total : | <u>29,63,28,478</u> | <u>100.00</u> |

**CEO CERTIFICATION under Clause 49(1)(D) of the Listing Agreement.
DECLARATION**

I confirm that all members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2008-09.

Kolkata,
20th April, 2009.

On behalf of the Board,
(KALLOL DATTA)
Chairman and Managing Director.

CEO AND CFO CERTIFICATION

We, Kallol Datta, Chairman & Managing Director and Indrajit Sengupta, Director (Personnel) & Additional Charge of Director (Finance) of Andrew Yule & Co. Ltd. certify in terms of the requirement of Clause 49(v) of the Listing Agreement that we have reviewed the Financial Statement and the Cash Flow Statement of the Company for the financial year ended 31st March, 2009.

1. To the best of our knowledge, we certify that :-
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations; and
 - c) these are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
2. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, and further state that there were no deficiencies in the design or operation of such internal controls.
3. We do further certify that there has been :
 - a) no significant changes in internal controls during the year;
 - b) no significant changes in accounting policies during the year; and
 - c) no instances of fraud, of which we are aware during the period.

Place : Kolkata
Date : 20th April, 2009.

Indrajit Sengupta
Director (Personnel) &
Additional charge of Director (Finance).

Kallol Datta
Chairman & Managing Director.

**CERTIFICATE ON COMPLIANCE FROM AUDITORS AS STIPULATED IN CLAUSE 49
OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.**

To the Members of Andrew Yule & Co., Ltd.

We have examined the compliance of conditions of Corporate Governance by Andrew Yule & Co., Ltd. for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the 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 Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2009 no investor grievances are pending against the Company as per the records maintained by the Company.

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

Kolkata - 27th July, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA SWAPAN DAS)
Partner,
Membership No.50978

AUDITOR'S REPORT

We have audited the attached Balance Sheet of Andrew Yule & Company Limited as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto, which we have signed this day under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform our audit to obtain reasonable assurance as to whether the aforesaid financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for expressing our opinion on the aforesaid financial statements of the Company.

As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report)(Amendment) Order, 2004, the Order issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (The Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report the following :-

- 1. In the proceedings of hearing held on 30th October, 2007 before the Board for Industrial and Financial Reconstruction (BIFR), Rehabilitation Scheme of the Company with cut-off date as at 31st March, 2006 has been sanctioned which is in the process of implementation. The Accounts are prepared on the principle applicable to a going concern, even though the net worth of the Company is fully eroded. (Share pending allotment to Government of India Rs.490.00 lakhs and Bank of Baroda Rs.250.00 lakhs totaling to Rs.740.80 lakhs) not considered for the purpose of net worth (Refer Note No.4 of Schedule 20).**

**TO THE MEMBERS OF
ANDREW YULE & COMPANY LIMITED**

- 2. Non-provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to Rs.27.88 lakhs. [Refer Schedule 20].**
- 3. Non-confirmation of year end balances in respect of Sundry Debtors, Deposits, Advances, Creditors, Dues to/from Govt. Undertakings and Stock with third Parties etc. (Refer to Note No.13 in Schedule 20).**
- 4. Grant of unsecured loan of Rs.500.00 lakhs to Yule Financing & Leasing Co. Ltd. @ 5.5% p.a. which is lower than the rate prescribed under sub-section 3 and the guidelines prescribed by the Central Govt. under sub section 7 of section 372A of the Act.**
- 5. Penalty/interest for non-filing/delayed filing of TDS/ Service Tax Return in some units has not been ascertained and provided for.**
7. Read with our above comments :-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit **except our comments in Item No.3 above.**
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards (AS) referred to in Section 211(3C) of the Act, **except AS-13 regarding Accounting for investments (refer to our comments in Item No.2 above), and AS-24 in respect of non-disclosure of the date and nature of the initial disclosure events and significant changes, if any, in the amount or timing difference of cash flows relating to the**

(Contd.)

assets and liabilities to be settled (Refer Note No.21 of Schedule 20).

8. In terms of Notification No.G.S.R.829(E) dated 21st October, 2003, issued by the Central Government, the requirement of Clause (g) of Sub-section (1) of Section 274 of the Act is not applicable to a Government Company.
9. **Without considering the items mentioned in Paragraphs 1, 3 and 4 (to the extent not determinable), the effect of which could not be determined, had the observation in paragraphs 2 above been considered, the profit for the year after extra-ordinary income and provision for taxation would have been Rs.2908.30 lakhs as against the reported profit of Rs.2936.18 lakhs, accumulated loss would have been Rs.16885.38 lakhs as against the reported accumulated loss of Rs.16857.50 lakhs, value of investments would have been Rs.2039.08 lakhs as against the reported value of Rs.2066.96 lakhs.**
10. In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the accounting policies and notes on accounts as given in Schedule 20 together with **the observations in foregoing paragraphs 1 to 5 and 9 and our comments in paragraph 1, 7, 9, 10, 11 and 16 in the annexure to this report**, 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 31st March, 2009;
- (b) in the case of the Profit and Loss Account of the "profit" of the Company 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.

Kolkata – 29th June, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN
PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which is considered to be reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a physical verification of certain assets was carried out by the Company during the year. In respect of Engineering and Tea Divisions of the Company, discrepancies noticed on such verification were not material and have been properly dealt with in the Books of Accounts. **However, reconciliation between the book records and the physical inventory is in progress. Pending reconciliation, discrepancies, if any, could not be ascertained.**
- (c) During the year, in our opinion, any substantial part of fixed assets has not been disposed off by the Company.
2. (a) The inventory of the Company has been verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and book records have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any unsecured loan to any Company, Firm or other party listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) Clause (iii)(b) to (d) of the Annexure are not applicable to the Company.
- (c) The Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding balance of such loan taken including interest as at the year end is Rs.593.00 lakhs.
- (d) In our opinion, the rate of interest and other terms and conditions on which loan have been taken from a Company listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- (e) According to the revised terms of repayment, the principal and interest have not become due for payment as at 31st March, 2009.
- (f) Paragraph 4(iii)(g) of the Order is not applicable in respect of loan taken.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets, for sale of goods and for services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) In view of above para 4(v)(b) of the Annexure is not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. The Company has its own Internal Audit Department and the Company has also appointed outside agencies in respect of its certain Tea Estates. In our opinion, **the present internal audit system is generally commensurate with the size of the Company and nature of its business. However, the frequency and area of coverage of such audit need to be widened.**

(Contd.)

8. We have broadly reviewed the books of account maintained by the Company relating to the manufacture of industrial fans, tea and power transformers pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information given to us Central Government has not issued any order u/s.233B of the Companies Act, 1956 for any of the products of the Company.

9. (i) According to the information and explanations given to us and according to the books and records of the Company as produced and examined by us, in our opinion, the **undisputed statutory dues including Provident fund, employees' state insurance, income tax, sales tax, wealth tax, excise duty, cess and other material statutory dues as applicable have not been deposited regularly by the Company during the year with appropriate authorities. The arrears of statutory outstanding dues as mentioned above as at 31st March, 2009 for a period of more than six months from the date they became payable are furnished below :**

| | | |
|---|------------|---------------------|
| Interest on delayed payment of Income Tax Deducted at Source | Rs. | 11.35 lakhs |
| Sales Tax (including interest) | Rs. | 236.66 lakhs |
| Excise Duty (including interest) | Rs. | 2.37 lakhs |
| Interest payable to SME Units | Rs. | 7.25 lakhs |
| Service Tax (including Cess) | Rs. | 2.93 lakhs |
| Employees State Insurance | Rs. | 4.05 lakhs |
| Purchase Tax | Rs. | 5.64 lakhs |

(ii) As at 31st March, 2009 according to the records of the Company and the information and explanations given to us, the particulars of dues on account of sales tax, entry tax, agricultural income tax, professional tax and excise duty that have not been deposited on account of any dispute are furnished below :-

| Name of Statute | Nature of dues | Amount (Rs. lacs) | Period to which amount relates | Forum where the dispute is pending |
|------------------------------------|-------------------------|--|--------------------------------|---|
| Income Tax Act. | Income Tax (Penalty) | 50.53 | 1993-94 | C.I.T.(Appeal) |
| W.B.Sales Tax and VAT | W.B.Sales Tax and VAT | 5239.48 | Preamalgamation to 2000-01 | Appellate Authority Revenue Board. |
| | | 113.21 | 1979-80 to 1985-86 | Appellate Authority, SoD |
| | | 139.81 | 1973-74 to 1986-87 | Appellate Authority Taxation Tribunal |
| | | 922.69 | 1987-88, 2003-04 and 2004-05 | Appellate Authority before DCCT. |
| | | 424.19 | 2001-02 and 2002-03 | Appellate Authority Revision before Commissioner. |
| 252.96 | 1992-93 | Appellate Authority before the High Court. | | |
| Assam Sales Tax and VAT | Assam Gardens | 612.92 | 2002-03 to 2006-07 | Appellate Authority, Dy. Commissioner Commercial Taxes. |
| | | 152.93 | 1996-97 to 1998-99 | Appellate Authority Revenue Board. |
| Orissa Sales Tax and VAT | Orissa Sales Tax | 161.83 | 1999-2001 | Appellate Authority Tribunal Cuttack. |
| Assam Agricultural Income Tax Act. | Agricultural Income Tax | 44.41 | 1988-89 | Assam Agricultural Income Tax Officer. |
| Central Excise | Central Excise | 456.53 | 1989-90 to 2001-02 | Appeal at CESTAT. |
| | | 54.92 | 1994-95 to 2005 | Appeal at Commissioner of C.E. |
| | | 52.59 | 1991 to 1993 | Appeal at High Court. |

10. **The accumulated loss of the Company is more than fifty percent of its net worth. The Company has not incurred cash loss in the financial year.**

11. **In our opinion and according to the information and**

(Contd.)

explanations given to us, taking into account the reliefs, concessions and restructuring of dues payable to Financial Institutions and Banks as per sanctioned scheme as per Order of BIFR dated 30th October, 2007, the Company has defaulted in repayment of dues to Banks as stated below :-

(a) State Bank of India **Rs.216.96 lakhs**

12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute as specified under Clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the terms and conditions of the guarantee given by the Company amounting to Rs.593.00 lakhs and outstanding as at 31st March, 2009, for loans taken from bank by the other Companies, in our opinion, are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained except that out of term loan received from Government of India Rs.6429.00 lakhs have not been utilised upto 31st March, 2009.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. As explained to us, wherever applicable, securities have been created in respect of Bond issued by the Company.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

Kolkata - 29th June, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE
ACCOUNTS OF ANDREW YULE & COMPANY LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2009**

The preparation of financial statements of Andrew Yule & Company Limited for the year ended 31st March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29th June, 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Andrew Yule & Company Limited for the year ended 31st March, 2009. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditor and the Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

Dated, Kolkata
the 30th July, 2009.

For and on the behalf of the
Comptroller & Auditor General of India
(Dr. Smita S. Chaudhuri)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - I,
Kolkata.

Significant Accounting Policies

The financial statements have been prepared under the historic cost convention on accrual basis adjusted by revaluation of certain fixed assets in compliance with all material aspect of applicable Accounting Standards in India and the relevant provisions of The Companies Act, 1956 and on the Accounting Principles of going concern.

1. Reserves :

- (a) Central and State Subsidies received by the Company are retained in Special Reserve until the conditions stipulated in the respective schemes are complied with, and the same are credited to Profit and Loss Account or Capital Reserve after the expiry of the specified period depending upon the nature of the subsidy.
- (b) Sales value of fixed assets and investments to the extent it exceeds the original cost of the relevant asset is credited to Profit and Loss Account. Provided, however, loss/diminution in value of assets acquired through amalgamation/merger are adjusted against the Capital Reserve created out of the same.

2. Fixed Assets :

- (a) The Physical verification of fixed assets is carried out in a phased manner so as to cover each item of the fixed assets over a period of 3 years.
- (b) Machinery manufactured by one Unit/Division for use in another Unit/Division are accounted for at Works/Factory cost of the Transferor Unit.
- (c) The gross fixed assets are valued at actual cost and other related expenses incurred to bring them to their present condition. The gross amount of interest on loans utilised for various expansion/diversification schemes is capitalised till the commissioning of the projects. Further, no interest for inter-unit transfer of funds on Capital Account is considered for the above purpose.
- (d) Depreciation is provided on the Assets other than Estates on straight line method in accordance with the provisions of Section 205(2)(b) read with Schedule XIV to the Companies Act, 1956 from the date the assets are put to use.
- (e) No amortisation of cost of long-term leasehold land is done. However, fee payable for renewal of lease of land is charged as expenditure in the Profit and Loss Account as and when the payment is due.
- (f) Liquidated damages recovered by the Company for delayed construction and delayed supply of equipment are set-off against the capital expenditure to which it relates.
- (g) Grant/Subsidy in respect of capital expenditure is accounted for as per applicable Accounting Standard and depreciations on the assets acquired out of such subsidy is adjusted there against.
- (h) Expenditure incurred/capitalised in respect of projects abandoned/to be abandoned are accounted for in compliance of relevant Accounting Standard.

- (i) Provision for impairment of assets is made in compliance with AS-28.

3. Inventories :

- (a) Stocks of stores, spares, raw materials etc., are valued at lower of cost or net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which those will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.
- (b) Work-in-Progress is valued at Works Cost. Works cost includes direct materials, labour and manufacturing overhead. All losses on Work-in-Progress incurred upto the end of the year and losses estimated for further Works Cost to be incurred on such jobs are taken into account and duly provided for.

While valuing the contract jobs in progress at the close of the year, future estimated losses are considered only in respect of jobs valued at Rs.25.00 lakhs or more and/or physical progress whereof as per technical estimate, is minimum 50%.

- (c) Royalty liabilities calculated with reference to Sales as per the collaboration agreements are considered as selling expenses and thus, have not been considered for the purpose of valuation of stocks of Work-in-Progress and finished goods.
- (d) Inter-Unit transfers of own manufactured stores, spares, raw materials etc., if lying in stock at the close of the year, are valued at estimated Works/Factory cost of the Transferor Unit.
- (e) Excise Duty, Insurance and Freight outward in connection with transfer of finished goods from factories to branches have been considered for valuation of branch stock at the close of the year.
- (f) Stocks of finished goods including Finished goods-in-transit are valued at estimated total cost or net realisable value, whichever is lower. Estimated total cost covers all costs excluding interest, general administration overheads and selling and distribution expenses. In case of Tea, expenses relating to freight upto the point of sale are also considered.
- (g) Imported materials lying in bonded warehouse and at Port are valued at cost including Customs Duty, Port Charges etc.
- (h) Loose Tools are amortised over a period of 5 years.
- (i) Stock of scrap, is valued on the basis of estimated/actual realised value as the case may be. However tea waste is not valued.
- (j) Export benefits against Advance Licences are considered at the time of actual consumption of the imported materials. Advance Licences in hand at the close of the year are not accounted for.

(Contd.)

4. Investments :

Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than of temporary nature in the opinion of the Management.

5. Sales :

- (a) (i) Sales against Ex-Works/FOR Contracts are booked on the basis of deliveries to transport carriers upto 31st March, irrespective of whether the goods have been received by the customers by 31st March or not. Sales in respect of transactions against FOR destination contracts are booked for the goods actually received by customers by 31st March.
- (ii) Despatches against FOR destination contracts not reaching the customers within the close of the year, are shown as Finished goods-in-transit.
- (b) Partial deliveries are accounted for in accordance with the billing schedule as per the terms of Sales Contract.
- (c) Tea sales against contracts are accounted for on the basis of delivery orders and on completion of sale in auction centres in accordance with the norms of tea trade.
- (d) Sales returns, if any, upto the cut-off date i.e. 30th April, are accounted for.
- (e) Sales is inclusive of excise duty wherever applicable.
- (f) Except in disputed cases, escalation/de-escalation claim bills are accounted for on the basis of the terms of the relevant contracts.
- (g) Export sales are accounted for with reference to the date of Bill of Lading.

6. Dividend Receipts :

Dividends declared and received within the close of the accounting year are accounted for in respect of investments held by the Company.

7. Other Income :

- (a) (i) Insurance and other claims are accounted for on the basis of amounts admitted;
- (ii) Sales Tax, Excise Duty and Customs Duty refunds are accounted for on the basis of assessment/refund orders received;
- (iii) Central/State Subsidies from Government and Tea Board are accounted for on the receipt of intimation of grant.
- (b) Interest receivable from customers as per stipulation of the Sales Contract on account of late receipt of full/proportionate payments are accounted for to the extent such interest is ascertainable with respect to the payment so far received.
- (c) Liquidated Damages recovered by the Company for delayed execution and delayed supply of equipment/spares are treated as other income.

- (d) Export/Deemed Export benefits are accounted for on completion of despatches in terms of the contract.

8. Purchases :

- (a) Insurance charges incurred in relation to the incoming goods where materials are directly relatable are accounted for in respect of individual items; otherwise, such insurance premium is charged off to Profit and Loss Account.
- (b) In case of goods purchased from overseas, the shipment is treated as goods-in-transit:
 - (i) in case of both CIF and C&F Contracts, from the date of intimation received from bank;
 - (ii) in case of FOB Contracts, from the date of actual shipment as per Bill of Lading.

Customs Duty is charged on the basis of the date of arrival in port.

9. Other Revenue Expenses :

- (a) Issue of materials/components as free replacements during the guarantee period, which can not be provided being unknown, is accounted for on actual despatches. Known free replacements upto the close of the accounting year are provided for.
- (b) Liability in respect of rectification work/replacement involving estimated value above Rs.0.25 lakh per case is booked on the basis of claims from the customers admitted by the Company wherever it is possible to estimate.
- (c) Liabilities in respect of Liquidated Damages are provided if and to the extent, not disputed by the Company. Liquidated Damages disputed by the Company are treated as contingent liability. The amount of liability/contingent liability is estimated on the basis of contracted terms and the facts of each case to the extent of revenue recognised.
- (d) Liability in respect of commission is provided in proportion to sales.
- (e) Interest on delayed payments of Income Tax/Agricultural Income-Tax is accounted for on the basis of assessment orders of the Tax Authorities, if not disputed by the Company or actual payment effected, as the case may be.
- (f) Provisions made and Provisions no longer required written back during the year are netted against in respect of each individual items.
- (g) Payment of Technical Know how Fees is accounted for in compliance with the relevant Accounting Standard.
- (h) Provision for unrealised profit is made in respect of partially completed composite/turnkey contracts on the basis of proportionate direct cost on the revenue recognised.
- (i) Medicine purchase for Tea Estates are all charged out as per consistence practice.

(Contd.)

- (j) Guarantee commission is taken in the year of guarantees issued/renewed.

10. Taxation

- (i) Taxation comprises of Deferred Tax, Fringe Benefit Tax and Wealth Tax. Fringe Benefit Tax and Wealth Tax are measured as the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961 and Wealth Tax Act, 1957.
- (ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax assets/liabilities is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

11. Contingent Liabilities and Contingent Assets :

Disputed liabilities and claims against the Company including claims by Tax Authorities (for example, Income-tax, Sales tax etc.) pending in appeal, are treated as contingent liabilities. Contingent assets are not accounted for.

Contingent liabilities are considered by using a substantial degree of estimates in compliance with Accounting Standard-29.

12. Booking/Writing Back of Liabilities:

- (a) For providing liabilities, cut-off date is 30th April but all known liabilities, if material, are booked as far as practicable.
- (b) Liabilities, which are more than 5 years old and not likely to materialise, are written back except government debts. In case of extraordinary items only, separate disclosure is given in the accounts.

13. Conversion of Foreign Currencies:

- (a) Foreign currency loans to finance fixed assets including technical know-how fees are converted either at the exchange parity rate ruling at the close of the accounting year or at the fixed rate when the exchange is booked in advance, as the case may be. Necessary adjustments with regard to such exchange rate difference are made to secured loans, fixed assets and depreciation.
- (b) In respect of any import of materials both under CIF, FOB and C&F Contracts, purchases are booked at the exchange rates ruling on the date of Bill of Entry. The exchange difference, if any, arising from the difference between the above rate and the rate at which the actual payment is made or at the rate prevailing on 31st March, whichever is earlier, is accounted for in the Profit and Loss Account.
- (c) Exports/Overseas Sales are booked at the rates ruling on the date of bill of lading. Exchange difference, if any,

relating to such bills arising either on realisation of the proceeds or on conversion thereof at the exchange rate ruling at the close of the year, whichever is earlier, is accounted for in Profit and Loss Account.

- (d) Receivables and Payables in foreign currency are reported in the Balance Sheet at the parity rate ruling at the close of the financial year. The exchange difference arising on the settlement of such receivables/payable or on reporting such receivables/payables at rates different from those at which those are initially recorded during the period or reported in previous Balance Sheet is accounted for in Profit and Loss Account.
- (e) Wherein contract for import or export is covered by forward exchange contract any premium or discount at inception of such contract and any other gain or loss arising out of exchange differences between the forward contract rate and the rate on the day of reporting are treated in compliance with Accounting Standard-11.

14. Research and Development Costs:

Expenditure in relation to Research and Development activities are treated in accordance with the relevant provision of Accounting Standard-26.

15. Employee Benefits :

- (a) Defined Contribution Schemes (DCS) : Company's contribution towards Provident Fund paid/payable during the year to the Provident Fund Authority are charged to the Profit and Loss Account.
- (b) Company's liabilities towards Defined Benefit Schemes for Gratuity, Superannuation and Pension, value of Plan Assets of the Trustee managed Funds maintained for meeting such liabilities, contribution to those Funds and benefits paid out of such Funds are ascertained and accounted for on the basis of independent actuarial valuation as per the requirement of Accounting Standard-15 (Revised 2005) on "Employee Benefit".

In respect of a section of employees, the Company's liability towards Defined Benefit for Provident Fund is determined and accounted for on the basis of prescribed contributions to the respective Trustee managed Funds and shortfall, if any, in plan assets as per Audited Accounts of such Fund.

In respect of post retirement Defined Benefit Scheme of Leave Encashment, the Company's liability is determined and accounted for on the basis of independent actuarial valuation as required by Accounting Standard-15 (Revised 2005) though there is no funding for such liability.

- (c) Leave encashment and Pension fund is unfunded but benefits have been determined and accounted for in accordance with Accounting Standard-15 (Revised 2005).

ANDREW YULE & CO. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | Schedules | As at 31.3.09 | As at 31.3.08 |
|--|-----------|------------------------|------------------------|
| SOURCES | | | |
| [1] Shareholder's Funds : | | | |
| [a] Share Capital | 1 | 5926.57 | 5674.37 |
| [b] Shares pending allotment (Note No.4 on Schedule 20) | | 740.80 | 150.00 |
| [c] Reserve and Surplus | 2 | 10874.01 | 10874.01 |
| | | <u>17541.38</u> | <u>16698.38</u> |
| [2] Loan Funds : | 3 | | |
| [a] Secured Loans | | 13310.43 | 16130.21 |
| [b] Unsecured Loans | | 15269.81 | 14499.92 |
| | | <u>28580.24</u> | <u>30630.13</u> |
| [3] Deferred Tax Liability (Note No.17 on Schedule 20) | | 312.53 | 311.39 |
| TOTAL | | <u>46434.15</u> | <u>47639.90</u> |
| APPLICATIONS OF FUNDS | | | |
| [1] Fixed Assets : | 4 | | |
| [a] Gross Block | | 22333.65 | 21792.02 |
| [b] Less: Depreciation and Amortisation | | 5464.39 | 5153.02 |
| [c] Net Block | | 16869.26 | 16639.00 |
| [d] Less: Impairment of Assets | | 181.52 | 177.01 |
| | | <u>16687.74</u> | <u>16461.99</u> |
| [e] Capital work-in-progress | | 761.65 | 601.76 |
| | | <u>17449.39</u> | <u>17063.75</u> |
| [e] Pre-operative Expenditure (Pending Allocation) | | 113.85 | 113.85 |
| | | <u>17563.24</u> | <u>17177.60</u> |
| [2] Investments | 5 | 2066.96 | 2072.17 |
| [3] Current Assets, Loans and Advances : | | | |
| [a] Inventories | 6 | 2931.74 | 2733.03 |
| [b] Sundry Debtors | 7 | 4392.51 | 4838.19 |
| [c] Cash and Bank Balances | 8 | 11884.11 | 13037.13 |
| [d] Other Current Assets | 9 | 0.05 | 0.05 |
| [e] Loans and Advances | 10 | 4367.96 | 4467.61 |
| | | <u>23576.37</u> | <u>25076.01</u> |
| Less: Current Liabilities and Provisions : | | | |
| [a] Current Liabilities | 11 | 11968.05 | 14256.63 |
| [b] Provisions | 12 | 1670.87 | 2251.97 |
| | | <u>13638.92</u> | <u>16508.60</u> |
| Net Current Assets | | 9937.45 | 8567.41 |
| [4] [a] Miscellaneous Expenditure to the extent not written off or adjusted | | 9.00 | 29.04 |
| [b] Profit and Loss Account | | 16857.50 | 19793.68 |
| TOTAL | | <u>46434.15</u> | <u>47639.90</u> |
| NOTES ON ACCOUNTS | 20 | | |

NOTES ON ACCOUNTS, STATEMENT ON ACCOUNTING POLICIES AND SCHEDULES 1 TO 20 FORM AN INTEGRAL PART OF THE ACCOUNTS

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA - 29th June, 2009.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA, Director.

In terms of our attached Report of even date.

Kolkata - 29th June, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

ANDREW YULE & CO. LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>Schedules</u> | <u>2008-09</u> | <u>2007-08</u> |
|---|------------------|-----------------------|----------------------|
| INCOME | | | |
| Gross Sales | | 18978.91 | 18270.80 |
| Less : Excise Duty | | <u>922.00</u> | <u>1360.02</u> |
| Net Sales | 13 | 18056.91 | 16910.78 |
| Interest and Dividend on Long Term Investments(Non-Trade)(Gross) | | 289.29 | 46.70 |
| Other Income | 14 | 6652.06 | 6523.66 |
| Accretion/Decretion(-) in Stocks | 15 | <u>208.05</u> | <u>70.76</u> |
| | | <u>25206.31</u> | <u>23551.90</u> |
| EXPENDITURE | | | |
| Materials Consumed | 16 | 6858.85 | 7240.89 |
| Salaries, Wages and Bonus | 17 | 7304.02 | 7032.79 |
| Interest | 18 | 2241.21 | 1973.51 |
| Other Expenses | 19 | 7265.57 | 6051.70 |
| Depreciation and Amortisation | 4 | 368.27 | 359.20 |
| Impairment of Assets | | 4.50 | 32.64 |
| | | <u>24042.42</u> | <u>22690.73</u> |
| Profit/Loss(-) for the year before extraordinary income | | <u>1163.89</u> | <u>861.17</u> |
| Add : Extra-ordinary Income [Note No.3(a)&(b) of Schedule-20] | | <u>2012.00</u> | ... |
| | | <u>3175.89</u> | <u>861.17</u> |
| Less : Provision for Taxation : | | | |
| [a] Wealth Tax | 2.50 | | 4.50 |
| [b] Income Tax (in respect of earlier years) | 208.72 | | ... |
| [c] Fringe Benefit Tax | 27.35 | | 32.40 |
| [d] Deferred Tax | <u>1.14</u> | | <u>290.81</u> |
| | | <u>239.71</u> | <u>327.71</u> |
| Profit/Loss(-) for the year after provision | | <u>2936.18</u> | <u>533.46</u> |
| Add : Loss brought forward from last account | | <u>(-) 22260.68</u> | <u>(-) 45658.94</u> |
| | | <u>(-) 19324.50</u> | <u>(-) 45125.48</u> |
| Less : Capital Reduction | | ... | <u>22697.48</u> |
| | | <u>(-) 19324.50</u> | <u>(-) 22428.00</u> |
| Add : Transition effect of opening assets (net of liability) for employees benefits as per AS-15 | | ... | <u>167.32</u> |
| | | <u>(-) 19324.50</u> | <u>(-) 22260.68</u> |
| Less : Balance in General Reserve (Per Contra) | | <u>2467.00</u> | <u>2467.00</u> |
| Balance carried to Balance Sheet | | <u>(-) 16857.50</u> | <u>(-) 19793.68</u> |
| Basic & Diluted earnings per share before extra-ordinary income (Note No.24 of Schedule 20) | | Rs.0.33 | Rs.0.91 |
| Basic & Diluted earnings per share after extra-ordinary income (Note No.24 of Schedule 20) | | Rs.1.03 | ... |

NOTES ON ACCOUNTS

20

NOTES ON ACCOUNTS, STATEMENT ON ACCOUNTING POLICIES AND SCHEDULES 1 TO 20 FORM AN INTEGRAL PART OF THE ACCOUNTS

D. BANDYOPADHYAY,
Company Secretary,
KOLKATA - 29th June, 2009.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA, Director.

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

Kolkata - 29th June, 2009.

ANDREW YULE & CO. LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|---|----------------------|----------------------|
| <i>Cash Flow Statement has been prepared by following Indirect Method mentioned in AS-3</i> | | |
| [A] CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax and extraordinary items | 1163.89 | 861.17 |
| Adjustments for : | | |
| Depreciation/Impairment of Assets | 372.77 | 391.84 |
| Miscellaneous Expenditure written off | 20.04 | 64.74 |
| Interest charged | 2241.21 | 1973.51 |
| Investment Income | (1341.98) | (513.39) |
| Operating profit before changes in amount of Current Liabilities and Current Assets | 2455.93 | 2777.87 |
| Adjustment for : | | |
| Trade Receivables | 123.71 | (9105.83) |
| Inventories | (198.71) | (194.54) |
| Trade payable | (2942.79) | 1848.41 |
| Cash Generated from Operations | (561.86) | (4674.09) |
| Wealth Tax paid | (2.71) | (2.47) |
| Fringe Benefit Tax | (54.15) | (5.54) |
| Agricultural Income Tax | (165.42) | ... |
| Cash-flow before Extraordinary Items | (784.14) | (4682.10) |
| Extraordinary Income | 2012.00 | ... |
| Capital reduction | ... | 22697.48 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 1227.86 | 18015.38 |
| [B] CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure) | (699.30) | (970.79) |
| Loans | 33.89 | (61.12) |
| Investment made | ... | (237.15) |
| Income from Investments | 939.37 | 490.24 |
| NET CASH FROM INVESTING ACTIVITIES (B) | 273.96 | (778.82) |

(Contd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

| | (Rupees in lakhs) | |
|--|-------------------|-------------------|
| | As at 31.3.09 | As at 31.3.08 |
| [C] CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from borrowings | (2616.00) | 3240.88 |
| Interest paid | (1677.39) | (7189.31) |
| Advance against equity | 590.80 | (10742.90) |
| Proceeds from Equity | 252.20 | (152.34) |
| NET CASH USED IN FINANCING ACTIVITIES [C] | (3450.39) | (14843.67) |
| NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C] | (1948.57) | 2392.89 |
| CASH AND CASH EQUIVALENT Opening Balance as at 1st April, 2008 | 5239.68 | 2846.79 |
| CASH AND CASH EQUIVALENT Closing Balance as at 31st March, 2009 | 3291.11 | 5239.68 |

Notes :

[1] Break-up of Cash and Cash equivalent :

| | | |
|----------------------------|--------|--------|
| Cash in hand | 16.14 | 10.61 |
| Postage and Stamps in hand | 0.05 | 0.04 |
| Cheques in hand | 82.83 | 426.94 |
| Remittance in transit | 684.26 | 147.20 |

Balance with scheduled Banks :

| | | |
|---|----------------|----------------|
| On Current Account | 2239.41 | 447.05 |
| Fixed Deposit with Banks maturing within 3 months | 268.42 | 4207.84 |
| Total | 3291.11 | 5239.68 |

[2] Suitable modifications have been made in the prescribed form to provide for adequate information.

[3] Figures of the previous year have been re-grouped/re-arranged wherever necessary.

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA – 29th June, 2009.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director.*
I. SENGUPTA, *Director.*

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

Kolkata – 29th June, 2009.

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|---|----------------------|----------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised : | | |
| 37,50,00,000 Equity Shares of Rs.2/- each | 7500.00 | 7500.00 |
| (Previous year 37,50,00,000 Equity Shares of Rs.2/- each) | | |
| Issued, Subscribed and Fully Paid-up : | | |
| 29,63,28,478 Equity Share of Rs.2 each | | |
| (Previous year 28,37,18,478 Equity Shares of Rs.2/- each) | | |
| [Of the above, 6,00,000 Shares issued as Bonus Shares by capitalisation of General Reserve, 21,35,344 Shares issued pursuant to a Contract without payment being received in cash and 11,57,600 Shares issued to Government of India in the name of The President of India pursuant to Transformer & Switchgear Ltd. (Acquisition and Transfer of Undertakings) Act, 1983 and Brentford Electric (India) Ltd. (Acquisition and Transfer of Undertakings) Act, 1987 against compensation money paid by them.] Out of the above (i) 22,54,51,400 No. of Shares - Issued to Govt. of India in the name of President of India of Rs.2/- each towards conversion of GOI loan and advance against Equity as per Sanctioned Rehabilitation Scheme (SRS) dated 30.10.2007 (ii) 1,26,10,000 No. of Shares Issued to Bank of Baroda of Rs.2/- each towards conversion of funded interest of Rs.252.20 lakhs. (Refer Note No.3(a) of Schedule-20)] | | |
| | 5926.57 | 5674.37 |
| | <u>5926.57</u> | <u>5674.37</u> |
| SCHEDULE 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve : | | |
| General : | | |
| Balance as per last account | 10735.16 | 10735.16 |
| Special : | | |
| Central/State Subsidy for Capital Assets : | | |
| Balance as per last account | 11.40 | 11.40 |
| Tea Board Subsidy for Capital Assets | 46.50 | 46.50 |
| Less: Transfer to Profit and Loss Account | <u>7.80</u> | <u>7.80</u> |
| | 38.70 | 38.70 |
| State Housing Subsidies | 4.06 | 4.06 |
| | <u>54.16</u> | <u>54.16</u> |
| | <u>10789.32</u> | <u>10789.32</u> |
| Preference Share Capital Redemption Reserve : | | |
| Balance as per last account | 84.69 | 84.69 |
| General Reserve : | | |
| Balance as per last account | 2467.00 | 2467.00 |
| Less: Shown as deduction from balance in Profit and Loss Account (Per-Contra) | <u>2467.00</u> | <u>2467.00</u> |
| | ... | ... |
| | <u>10874.01</u> | <u>10874.01</u> |

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | As at 31.3.09 | As at 31.3.08 |
|--|---------------|---------------|
| SCHEDULE 3 | | |
| LOANS | | |
| Secured Loans : | | |
| Term Loans : | | |
| Tea Board Special Purpose Tea Fund Loan (Secured by a charge on certain movable and immovable assets of Banarhat and Hoolungooree Tea Estates ranking subsequent to the charge in favour of the Bank on those assets) | 29.45 | ... |
| West Bengal Government Sales Tax Loan (To be secured by a residuary charge over certain immovable property ranking next only to the charges in favour of the Banks) | 381.42 | 381.42 |
| Add: Interest accrued and due thereon | 100.16 | 66.79 |
| | 481.58 | 448.21 |
| <i>Others (Secured by hypothecation of certain movable properties)</i> | ... | 180.00 |
| Bonds : | | |
| 9% Secured Redeemable Non-convertible 12 Years Bond (Secured by creation of 2nd charge on mortgage of Banarhat and Karballa Tea Estates.) | 1500.00 | 2000.00 |
| Add: Interest accrued and due thereon | ... | 2.09 |
| | 1500.00 | 2002.09 |
| 9.1% Secured Redeemable Non-convertible 10 Years Bond (Secured by GOI Guarantee) | 2000.00 | 2000.00 |
| From Scheduled Banks on Cash Credit Accounts : | | |
| State Bank of India | 1257.75 | 1257.75 |
| Add: Interest accrued and due thereon | 768.09 | 653.14 |
| | 2025.84 | 1910.89 |
| Bank of Baroda | 3193.66 | 5050.55 |
| Add: Interest accrued and due thereon | ... | 231.34 |
| | 3193.66 | 5281.89 |
| Allahabad Bank | 636.88 | 344.65 |
| <i>(The above loans are secured by the whole of the Company's present and future stocks of raw materials, work-in-progress, finished goods and manufactured goods and articles, stores, components and spares, other movable properties wherever situate, book debts and all other current assets, claims, rights to movable properties by way of first charge ranking pari-passu inter-se without any preference to one over the other)</i> | | |
| United Bank of India (for Desam, Khawang, New Dooars and Choonabhutti Tea Estates) | 1461.35 | 1541.89 |
| Union Bank of India (for Banarhat, Karballa, and Hoolungooree Tea Estates) | 665.38 | 806.88 |
| Allahabad Bank | 1315.79 | 1613.71 |
| Add: Interest accrued and due thereon (for Tinkong, Basmatia, Rajgarh, Murphulani and Mim Tea Estates) | 0.50 | ... |
| <i>(The above loans are secured by Hypothecation of the whole of crop, book-debts and all other movable assets both present and future, and by equitable mortgage of all immovable properties of the Estates)</i> | 1316.29 | 1613.71 |
| Carried over | 13310.43 | 16130.21 |

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 - (Contd.)

| | | (Rupees in lakhs) | |
|---|-----------------|-------------------|---------------|
| | | As at 31.3.09 | As at 31.3.08 |
| SCHEDULE 3 - (Contd.) | | | |
| LOANS - (Contd.) | | | |
| Secured Loans - (Contd.) | | | |
| | Brought forward | 13310.43 | 16130.21 |
| Unsecured Loans : | | | |
| From Bodies Corporate | | 1000.00 | 1000.00 |
| Fixed Deposits | 0.87 | | 221.70 |
| Add: Interest accrued and due thereon | 0.81 | | ... |
| | | 1.68 | 221.70 |
| From Government of India (Including interest free loan of Rs.8706.00 lakhs (2007-08 Rs.8706.00 lakhs) | 13348.00 | | 13008.00 |
| Add: Interest accrued and due thereon | 649.91 | | 0.00 |
| | | 13997.91 | 13008.00 |
| From West Bengal Industrial Development Corpn. Ltd.(Interest free) | | 268.86 | 268.86 |
| West Bengal Govt. Subsidised Housing Scheme Loan for Plantation Workers | 0.50 | | 0.50 |
| Add: Interest accrued and due thereon | 0.86 | | 0.86 |
| | | 1.36 | 1.36 |
| | | 15269.81 | 14499.92 |
| | | 28580.24 | 30630.13 |

ANDREW YULE & CO. LTD.

SCHEDULE 4

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

FIXED ASSETS

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | IMPAIRMENT OF ASSETS | | NET BLOCK | |
|--|---------------------------------------|--|--|--|-----------------------|---------------|---|-----------------------|-----------------------|-----------------|------------------------|------------------------|
| | Cost/Book Value as at 1st April, 2008 | Additions/ Adjustments during the year | Less: Sales/ Adjustments during the year | Cost/Book Value as at 31st March, 2009 | Upto 31st March, 2008 | For the year | Less: On Sales/ Adjustments during the year | Upto 31st March, 2009 | Upto 31st March, 2008 | During the year | As at 31st March, 2009 | As at 31st March, 2008 |
| Land (including cost of development and leasehold land Rs.15.10 lakhs; 2007-08 Rs.15.10 lakhs) | 175.43 | ... | ... | 175.43 | ... | ... | ... | ... | ... | ... | 175.43 | 175.43 |
| Estates[Leasehold(including garden development expenses)] | 12422.96 | 10.56 | ... | 12433.52 | 222.55 | 6.30 | ... | 228.85 | ... | ... | 12204.67 | 12200.41 |
| Buildings | 2770.52 | 41.13 | 5.94 | 2805.71 | 1093.85 | 55.68 | 2.62 | 1146.91 | ... | ... | 1658.80 | 1676.67 |
| Roads and Culverts | 56.94 | 2.96 | ... | 59.90 | 14.37 | 0.96 | ... | 15.33 | ... | ... | 44.57 | 42.57 |
| Plant and Machinery | 4171.88 | 453.56 | 16.83 | 4608.61 | 2584.52 | 207.82 | 36.17 | 2756.17 | 91.65 | 4.50 | 1756.29 | 1495.72 |
| Drawings, Designs and Tracings etc. | 74.99 | ... | ... | 74.99 | 40.91 | ... | ... | 40.91 | 34.09 | ... | ... | -0.01 |
| Electrical Installations | 713.45 | 26.40 | 1.34 | 738.51 | 367.19 | 27.95 | 9.87 | 385.27 | ... | ... | 353.24 | 346.26 |
| Water Installations | 471.21 | 3.23 | ... | 474.44 | 197.01 | 19.67 | 1.58 | 215.10 | ... | ... | 259.34 | 274.20 |
| Furniture, Fittings and Office Equipments | 413.08 | 14.08 | 14.05 | 413.11 | 319.07 | 12.63 | 2.45 | 329.25 | ... | ... | 83.86 | 94.01 |
| Vehicles | 511.56 | 8.29 | 2.92 | 516.93 | 312.13 | 32.46 | 4.20 | 340.39 | ... | ... | 176.54 | 199.43 |
| Computer Software | 21782.02 | 560.21 | 41.08 | 22301.15 | 5151.60 | 363.47 | 56.89 | 5458.17 | 125.74 | 4.50 | 16712.74 | 16504.69 |
| | 10.00 | 22.50 | ... | 32.50 | 1.42 | 4.80 | ... | 6.22 | ... | ... | 26.28 | 8.58 |
| Capital Work-in-Progress | 21792.02 | 582.71 | 41.08 | 22333.65 | 5153.02 | 368.27 | 56.89 | 5464.39 | 125.74 | 4.50 | 16739.02 | 16513.27 |
| | 601.76 | 322.86 | 162.97 | 761.65 | ... | ... | ... | ... | 51.28 | ... | 710.37 | 550.48 |
| TOTAL | 22393.78 | 905.57 | 204.05 | 23095.30 | 5153.02 | 368.27 | 59.89 | 5464.39 | 177.02 | 4.50 | 17449.39 | 17063.75 |
| PREVIOUS YEAR'S TOTAL | 21475.33 | 1197.18 | 278.73 | 22393.78 | 4797.04 | 359.20 | 3.22 | 5153.02 | 144.37 | 32.64 | 17063.75 | |

(Contd.)

SCHEDULE 4 - (Contd.)**FIXED ASSETS - (Contd.)**

Notes: [1] Land valuing Rs.1.84 lakhs has been acquired by the Government of West Bengal under the West Bengal Estate Acquisition Act, 1953 but pending finalisation of the compensation amount, no adjustment thereof has been made in these accounts.

[2] Estates include lease-hold land, fencing of Rs.228.85 lakhs and expenses on extension Planting/Maintenance and Up-keep expenses on immature plants.

[3] Renewal lease agreement for Banarhat and Choonabhutti Tea Estates covering a grant area of 1336.24 hectares is pending.

[4] Following leasehold land of the Company have been acquired by various Government Authorities and other agencies :

| <u>Name of Gardens</u> | <u>Land (Bighas) Approx.</u> | |
|------------------------|------------------------------|--------|
| Basmatia | 310 | (310) |
| Hoolungooree | 2 | (2) |
| Murphulani | 2475 | (2475) |
| Khowang | 18 | (18) |
| Rajgarh/Tinkong | 61 | (61) |
| Mim | 20 | (20) |
| New Dooars | 145 | (145) |
| Hingrijan | 16 | (16) |

Against the above acquisitions, part compensation aggregating to Rs.14.03 lakhs (Rs.14.03 lakhs) has been received by the Company which is included under the head "Sundry Creditors". Appropriate adjustment entries in this regard would be made in the Accounts after settlement of the Final Compensation in respective cases.

[5] Buildings include Rs.15.66 lakhs representing the cost of structure on rented land (Rs.15.66 lakhs).

[6] Capital Work-in-Progress includes capital advances Rs.99.50 lakhs (Rs.99.50 lakhs) against which provision for doubtful advances of Rs.99.50 lakhs (Rs.99.50 lakhs) has been provided.

[7] Depreciation for the current year includes Rs.0.69 lakh relating to previous year.

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | No. of Shares/ Units | Face Value per Share/ Unit | Book Value | |
|--|----------------------|----------------------------|----------------------|----------------------|
| | | | As at 31.3.09 | As at 31.3.08 |
| SCHEDULE 5 | | | | |
| INVESTMENTS (Long Term) | | | | |
| (At Cost less written off) | | | | |
| 1. Equity Shares in Subsidiary Company - Non-Trade Investments : | | | | |
| Unquoted : | | | | |
| Hooghly Printing Co. Ltd. | 10,27,128 | 10 | 103.20 | 103.20 |
| Yule Engineering Ltd. - Ordinary Shares | 50,000 | 10 | 5.00 | 5.00 |
| Yule Electrical Ltd. - Ordinary Shares | 50,000 | 10 | 5.00 | 5.00 |
| 2. In Other Companies - Non-Trade Investments : | | | | |
| Equity Shares (Fully Paid) : | | | | |
| Quoted : | | | | |
| Yule Financing & Leasing Co. Ltd. | 3,00,000 | 10 | 27.88 | 27.88 |
| DPSC Ltd. | 3,01,269 | 10 | 12.50 | 12.50 |
| Tide Water Oil Co. (India) Ltd. | 2,28,390 | 10 | 141.07 | 141.07 |
| WEBFIL Ltd. | 1,45,000 | 10 | 14.50 | 14.50 |
| Fort Gloster Industries Ltd. | 1,040 | 10 | 0.13 | 0.13 |
| Gloster Jute Mills Ltd. | 208 | 10 | ... | ... |
| Exide Industries Ltd. | 2,12,714 | 10 | 4.22 | 4.22 |
| The Gillapukri Tea & Industries Ltd. | 26 | 10 | ... | ... |
| Unquoted : | | | | |
| *The Bengal Coal Co. Ltd. | 10,305 | 100 | 0.51 | 0.51 |
| *Katras Jherriah Coal Co. Ltd. | 60,260 | 10 | 6.95 | 6.95 |
| *The New Beerbhoom Coal Co. Ltd. | 1,05,355 | 10 | 12.27 | 12.27 |
| The Statesman Ltd. | 9,966 | 100 | 4.70 | 4.70 |
| ABC Tea Workers Welfare Services | 750 | 10 | 0.08 | 0.08 |
| Jalpaiguri Club Co. Ltd. | 40 | 10 | ... | ... |
| Phoenix Yule Ltd. | 1,19,43,074 | 10 | 1194.31 | 1194.31 |
| 6% Cumulative Redeemable Preference Shares-WEBFIL | 20,44,000 | 10 | 204.40 | 204.40 |
| Debentures (Fully Paid) : | | | | |
| Unquoted : | | | | |
| Woodlands Hospital & Medical Research Ltd. | | | | |
| Rs.65,200 5% Non-Redeemable Registered Mortgage Debenture Stock, 1957 | ... | ... | 0.65 | 0.65 |
| Woodlands Hospital & Medical Research Ltd. Rs.600 1/2% Registered Mortgage Debenture Stock | 6 | 100 | 0.01 | 0.01 |
| Bonds (Fully Paid) : | | | | |
| Unquoted : | | | | |
| **WEBFIL Ltd. Zero Rate Unsecured Redeemable Bond | 305 | 100000 | 305.00 | 305.00 |
| 3. Units (Fully Paid) : | | | | |
| Quoted : | | | | |
| Unit Trust of India | | | | |
| Balanced Fund | 139506 | 10 | 29.79 | 29.79 |
| | | | 2072.17 | 2072.17 |
| | | | 5.21 | ... |
| | | | 2066.96 | 2072.17 |
| Less: Provision for diminution in value for long term investments | | | | |
| | | | Book Value | |
| | | | As at 31.3.09 | As at 31.3.08 |
| 1. Subsidiary Company - Equity Shares | | | <u>113.20</u> | <u>113.20</u> |
| 2. Other Companies (Non-Trade Investments) : | | | | |
| Preference Shares | | | 204.40 | 204.40 |
| Equity Shares | | | 1413.91 | 1419.12 |
| Debentures | | | 0.66 | 0.66 |
| Bonds | | | 305.00 | 305.00 |
| | | | <u>1923.97</u> | <u>1929.18</u> |
| 3. Unit Trust of India | | | | |
| Balanced Fund | | | 29.79 | 29.79 |
| | | | <u>2066.96</u> | <u>2072.17</u> |

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

| | As at 31.3.09 | | As at 31.3.08 | |
|---|----------------|--------------|----------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| SCHEDULE 5 - (Contd.) | | | | |
| INVESTMENTS - (Contd.) | | | | |
| SUMMARY - (Contd.) | | | | |
| Aggregate Value of Investments : | | | | |
| Quoted | 230.09 | 8702.70 | 230.09 | 9147.99 |
| Unquoted | <u>1836.87</u> | | <u>1842.08</u> | |
| | <u>2066.96</u> | | <u>2072.17</u> | |

- Notes:**
1. * The Coal mines of these Companies have been nationalised. Pending finalisation of compensation rolls by the Commissioners of Payments, the Company is not in a position to estimate the amount receivable on its holding in these Companies. However, losses, if any, in this regard will be adjusted against Capital Reserve.
 2. ** Bonds Issued by WEBFIL Ltd. in lieu of adjustment of Advance to WEBFIL Ltd., as per their approved Revival package of BIFR.
 3. The following Investments having been written down to a nominal value of Re.1/- each, do not appear in the details given above :

| <u>Name of the Company</u> | <u>No. of Shares</u> | <u>Face Value per Share</u> |
|--|----------------------|-----------------------------|
| Unquoted - Preference Shares : | | |
| Transformer & Switchgear Ltd. 7 1/2% Tax-free Redeemable Cumulative Preference Shares | 1000 | 100 |
| Unquoted - Equity Shares : | | |
| Transformer & Switchgear Ltd. | 22395 | 10 |
| Hooghly Docking & Engineering Co. Ltd. | 4410 | 50 |
| Brentford Electric (India) Ltd. | 52500 | 10 |
| India Paper Pulp Co. Ltd. (In liquidation) | 439675 | 10 |

4. During the year the following current investments were purchased and sold
 10555.870 units of UTI-floating Rate fund short term plan Growth option
 11788.703 units of UTI liquid cash plan institutional growth option
 15381.644 units of UTI Treasury Advantage Institutional Plan - Growth Fund.

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|---|----------------------|----------------------|
| SCHEDULE 6 | | |
| INVENTORIES | | |
| Raw Materials, Components and Packaging Materials (includes Raw Materials-in-Transit Rs.36.49 lakhs; 2007-08 Rs.15.83 lakhs) | 904.62 | 1022.42 |
| Stores and Spare parts | 654.82 | 535.86 |
| Food-stuff | 18.62 | 19.54 |
| Loose tools | 6.21 | 4.81 |
| Finished goods | 454.38 | 367.53 |
| Finished goods-in-transit | 5.52 | 29.15 |
| Work-in-Progress | 789.26 | 731.21 |
| Scrap | 98.31 | 22.51 |
| | <u>2931.74</u> | <u>2733.03</u> |
| Note: The Division-wise Break-up of the Inventory is as follows : | | |
| Engineering | 385.41 | 438.40 |
| Electrical | 1348.62 | 1393.83 |
| Project | ... | 6.00 |
| Tea | <u>1197.71</u> | <u>894.80</u> |
| | <u>2931.74</u> | <u>2733.03</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| SCHEDULE 7 | | |
| SUNDRY DEBTORS | | |
| Unsecured : | | |
| Debts outstanding for a period exceeding six months : | | |
| Considered Good | 909.21 | 1715.19 |
| Considered doubtful | <u>4206.52</u> | <u>6760.25</u> |
| | 5115.73 | 8475.44 |
| Other Debts : | | |
| Considered good | 3483.30 | 3123.00 |
| | <u>8599.03</u> | <u>11598.44</u> |
| Less: Provision for doubtful debts | 4206.52 | 6760.25 |
| | <u>4392.51</u> | <u>4838.19</u> |
| Note: The Division-wise Break-up of the debts is as follows : | | |
| Engineering | 1063.39 | 1025.31 |
| Electrical | 3195.49 | 3531.24 |
| Project | ... | 189.10 |
| Tea | 113.91 | 80.60 |
| General | 19.72 | 11.94 |
| | <u>4392.51</u> | <u>4838.19</u> |

SCHEDULE 8

CASH AND BANK BALANCES

| | | |
|---|-----------------|-----------------|
| Cash-in-hand (as certified) | 16.14 | 10.61 |
| Postage and Stamps-in-hand | 0.05 | 0.04 |
| Cheques-in-hand | 82.83 | 426.94 |
| Remittances-in-transit | 684.26 | 147.20 |
| Balances with Scheduled Banks : | | |
| On Current Account (Net) | 2239.41 | 447.05 |
| On Deposit Account : | | |
| Employees' Security Deposit | 0.06 | 0.06 |
| * Others | <u>8860.56</u> | <u>12004.43</u> |
| | 8860.62 | 12004.49 |
| Unclaimed Preference Share Redemption Account | 0.80 | 0.80 |
| | <u>11884.11</u> | <u>13037.13</u> |

Notes: *1. (a) Includes Bank deposits of Rs.10.00 lakhs (Rs.10.00 lakhs) had been pledged with United Industrial Bank Ltd., (since amalgamated with Allahabad bank) as a lien against clean cash credit facilities to the extent of Rs.10.00 lakhs provided by them to Brentford Electric (India) Ltd., (BEIL). Following the take over of undertakings of BEIL, the pledge stands vacated and the return of deposit receipts is awaited.

(b) Includes Rs.1485.49 lakhs (Rs.743.03 lakhs) pledged with Banks against Letter of Credit, Bank Guarantee and Overdraft facilities.

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| SCHEDULE 9 | | |
| OTHER CURRENT ASSETS | | |
| Considered Good | | |
| Deposits with National Bank for Agricultural and Rural Development under Tea Development Account Scheme, 1985 and 1990 | 0.05 | 0.05 |
| | <u>0.05</u> | <u>0.05</u> |
| SCHEDULE 10 | | |
| LOANS AND ADVANCES | | |
| Secured | | |
| Loans | 28.69 | 36.95 |
| Unsecured | | |
| Loans | 621.26 | 631.83 |
| Advances recoverable in cash or in kind or for value to be received. (including Rs.11.28 lakhs due from Subsidiary; 2007-08 Rs.16.42 lakhs). | 2134.53 | 2490.73 |
| Advance Payment of Income/Wealth-tax and F.B Tax (including Tax deducted at source) | 855.09 | 972.47 |
| Balance with Government Authorities | 45.27 | 48.77 |
| Interest accrued on Loans, Deposits etc. | 444.59 | 36.77 |
| Deposits - lodged with various authorities (including National Plan Savings Certificate Rs.0.65 lakh; 2007-08 Rs.0.71 lakh) | 238.53 | 250.09 |
| | <u>4339.27</u> | <u>4430.66</u> |
| | <u>4367.96</u> | <u>4467.61</u> |
| Notes: 1. Classification of Loans and Advances : | | |
| (A) Secured Considered Good | 28.69 | 36.95 |
| (B) Unsecured Considered Good | 4339.27 | 4430.66 |
| Considered Doubtful | 1395.65 | 1985.38 |
| | <u>5734.92</u> | <u>6416.04</u> |
| Less: Provision | 1395.65 | 1985.38 |
| | <u>4339.27</u> | <u>4430.66</u> |
| | <u>4367.96</u> | <u>4467.61</u> |

2. Secured Loans represent House Building and Car Loans (including loan of Rs.0.22 lakh to Directors; 2007-08 Rs.0.32 lakh) - Maximum amount due at any time during the year Rs.0.31 lakh; (2007-08 Rs.0.32 lakh) Secured against mortgage of Land, Buildings, Flats and Cars etc.

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|---|----------------------|----------------------|
| SCHEDULE 11 | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors and Other Liabilities : | | |
| Micro Small and Medium Enterprises (Refer. Note No.8 of Schedule No.20) | 24.81 | ... |
| Others (including due to Subsidiary Rs.1.58 lakhs and Rs.79.02 lakhs being earnest money and Security Deposits; 2007-08 Rs.2.20 lakhs and Rs.79.02 lakhs respectively) | 10996.11 | 13238.32 |
| Advances and Deposits received from Customers and others (including Rs.127.75 lakhs being Security Deposits; 2007-08 Rs.16.53 lakhs) | 726.88 | 795.77 |
| Employees' Security Deposits | 0.06 | 0.06 |
| Interest accrued but not due on loans and deposits | 219.39 | 221.68 |
| Unclaimed Redeemed Preference Shares | 0.80 | 0.80 |
| | <u>11968.05</u> | <u>14256.63</u> |
| SCHEDULE 12 | | |
| PROVISIONS | | |
| For Taxation : | | |
| Income Tax | 306.79 | 593.48 |
| Wealth Tax | 16.00 | 13.50 |
| Fringe Benefit Tax | 116.99 | 89.64 |
| | <u>439.78</u> | <u>696.62</u> |
| " Superannuation and Pension | ... | 239.65 |
| " Stock Obsolescence | 462.77 | 539.23 |
| " Contingencies | 546.03 | 554.18 |
| " Aqua-culture Project | 222.29 | 222.29 |
| | <u>1670.87</u> | <u>2251.97</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(Rupees in lakhs)

| | 2008-09 | 2007-08 |
|--|----------|----------|
| SCHEDULE 13 | | |
| SALES | | |
| Sales [including trading items Rs.352.81 lakhs (2007-08 Rs.142.23 lakhs) (after adjusting Rs.Nil being returns/adjustments in respect of earlier year; 2007-08 Rs.5.35 lakhs)]. | 19128.74 | 18420.24 |
| Add: Inter Unit Transfer of Capital Goods manufactured | 28.68 | 19.53 |
| | 19157.42 | 18439.77 |
| Less: Trade and other Discount | 178.51 | 168.97 |
| | 18978.91 | 18270.80 |
| Less: Excise Duty recovered on sales | 922.00 | 1360.02 |
| | 18056.91 | 16910.78 |
| SCHEDULE 14 | | |
| OTHER INCOME | | |
| Interest on Loans, Advances, Deposits etc. (including TDS for Rs.63.50 lakhs; 2007-08 Rs.3.62 lakhs) | 1056.17 | 466.69 |
| Profit on Sale of Stores | 0.14 | 0.01 |
| Net Profit on sales/Adj. of Fixed Assets | 0.76 | ... |
| Profit on sale of current investments | 1.73 | ... |
| Sundry Receipts (including insurance claims of Rs.20.80 lakhs; 2007-08 Rs.2.61 lakhs) | 747.87 | 543.15 |
| Tea Board Subsidy | 9.06 | 9.44 |
| Rent and Hire charges | 69.02 | 28.39 |
| Fees received by Directors and Employees | 0.44 | 0.32 |
| Scrap/Tea waste sale | 62.27 | 58.34 |
| Service charges | 15.97 | 44.33 |
| Profit on exchange | 0.40 | ... |
| Items relating to previous years | 154.52 | 69.34 |
| Liabilities no longer required written back | 871.64 | 5205.91 |
| Provisions no longer required written back : | | |
| Unrealised Profit | ... | 15.87 |
| Superannuation and Pension | 239.65 | ... |
| Doubtful Debts | 2691.97 | 4.66 |
| Doubtful Loans and Advances | 590.72 | 11.08 |
| Stock Obsolescence and Depreciation | 131.33 | 28.24 |
| Contingencies | 8.40 | 37.89 |
| | 3662.07 | 97.74 |
| | 6652.06 | 6523.66 |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | 2008-09 | 2007-08 |
|--|---------|---------|
| SCHEDULE 15 | | |
| ACCRETION/DECRETION(-) IN STOCKS | | |
| Opening Stock : | | |
| Finished goods | 367.53 | 427.24 |
| Finished goods-in-transit | 29.15 | 64.97 |
| Semi-Finished Articles | 187.35 | 180.94 |
| Work-in-Progress | 543.86 | 406.30 |
| Scrap | 22.51 | 2.74 |
| | 1150.40 | 1082.19 |
| Closing Stocks : | | |
| Finished goods | 454.38 | 367.53 |
| Finished goods-in-transit | 5.52 | 29.15 |
| Semi-Finished Articles | 191.19 | 187.35 |
| Work-in-Progress | 598.07 | 543.86 |
| Scrap | 98.31 | 22.51 |
| | 1347.47 | 1150.40 |
| | 197.07 | 68.21 |
| Add: Excise Duty on Accretion(+)/Decretion(-) on finished goods | 10.98 | 2.55 |
| | 208.05 | 70.76 |
| SCHEDULE 16 | | |
| MATERIALS CONSUMED | | |
| Stocks as at 1st April, 2008 : | | |
| Raw materials, components and packaging materials | 995.99 | 823.87 |
| Materials-in-transit | 26.43 | 39.22 |
| Stores and spare parts | 535.86 | 565.13 |
| Loose tools | 4.81 | 5.34 |
| | 1563.09 | 1433.56 |
| Less: Book value of Stocks sold/adjusted/written off | 175.19 | 0.07 |
| | 1387.90 | 1433.49 |
| Purchases during the year : | | |
| Raw materials, components and packaging materials (including erection expenses in case of composite contracts and processing charges) | 6075.52 | 6714.23 |
| Stores and spare parts | 1792.75 | 1667.19 |
| Loose tools | 4.71 | 3.23 |
| | 7872.98 | 8384.65 |
| | 9260.88 | 9818.14 |
| Less: Stocks as at 31st March, 2009 : | | |
| Raw materials, components and packaging materials | 878.19 | 995.99 |
| Materials-in-transit | 26.43 | 26.43 |
| Stores and spare parts | 654.82 | 535.86 |
| Loose tools | 6.21 | 4.81 |
| | 1565.65 | 1563.09 |
| Raw materials and stores used on Capital Jobs Rs.Nil and on Repair Jobs, Advertising, Transport, Power and Fuel, Research and Development etc. Rs.836.38 lakhs; 2007-08 Rs.1.03 lakhs and Rs.1013.13 lakhs respectively. | 836.38 | 1014.16 |
| | 2402.03 | 2577.25 |
| | 6858.85 | 7240.89 |

ANDREW YULE & CO. LTD.**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rupees in lakhs)

| | <u>2008-09</u> | <u>2007-08</u> |
|---|----------------|----------------|
| <u>SCHEDULE 17</u> | | |
| SALARIES, WAGES AND BONUS | | |
| Salaries, Wages, Bonus and Gratuity | 5725.71 | 5558.49 |
| Contribution to Provident and Other Funds | 867.89 | 569.42 |
| Welfare and Other Expenses | 864.80 | 1082.37 |
| | <u>7458.40</u> | <u>7210.28</u> |
| Less: Incurred on Capital jobs, Repair Jobs, Research and Development, Advertising, Transport etc. | 154.38 | 177.49 |
| | <u>7304.02</u> | <u>7032.79</u> |
| <u>SCHEDULE 18</u> | | |
| INTEREST | | |
| Fixed Deposits | 0.76 | 26.67 |
| Term Loans | 1076.98 | 375.68 |
| Others | 1163.47 | 1571.16 |
| | <u>2241.21</u> | <u>1973.51</u> |

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>2008-09</u> | <u>2007-08</u> |
|---|-----------------------|-----------------------|
| SCHEDULE 19 | | |
| OTHER EXPENSES | | |
| Power and Fuel | 1238.30 | 1261.74 |
| Tea Cultivation and Manufacturing Expenses | 250.88 | 251.89 |
| Research and Development Expenses | 6.68 | 7.90 |
| Directors' Salaries | 19.17 | 16.20 |
| Directors' fees | 3.03 | 1.03 |
| Rent (Net) | 76.20 | 58.87 |
| Rates and Taxes | 22.64 | 25.49 |
| Repairs and Maintenance : | | |
| Buildings | 132.67 | 195.28 |
| Plant and Machinery | 209.73 | 229.30 |
| Others | 44.09 | 47.24 |
| | <u>386.49</u> | <u>471.82</u> |
| Travelling Expenses and Upkeep of Vehicles | 393.98 | 393.72 |
| Insurance | 27.14 | 30.53 |
| Brokers' Commission | 116.68 | 89.06 |
| Selling Expenses : | | |
| Selling Agents' Commission | 34.62 | 44.17 |
| Others | 386.18 | 426.25 |
| | <u>420.80</u> | <u>470.42</u> |
| Miscellaneous Expenses | 645.47 | 553.92 |
| Excise Duty | 4.62 | 0.34 |
| Assam Entry Tax | 0.48 | 1.54 |
| West Bengal Primary Education Cess | ... | 5.96 |
| West Bengal Rural Employment Cess | ... | 11.92 |
| Tea Cess | 27.15 | 28.68 |
| Education Cess | 0.80 | 0.88 |
| Bank Charges | 60.67 | 92.47 |
| Auditors' Remuneration : | | |
| Audit Fees | 1.60 | 3.10 |
| In Other Capacity : | | |
| Tax Audit Fees | 0.40 | 0.61 |
| For Certificates etc. | 0.66 | 1.12 |
| Out of Pocket Expenses | 0.25 | 0.69 |
| | <u>2.91</u> | <u>5.52</u> |
| Miscellaneous Expenditure Written off : | | |
| Other Expenses | 20.04 | 64.74 |
| Net Loss on Exchange Fluctuation | 3.48 | 0.27 |
| Items relating to previous years (Refer to Note No.27 of Schedule 20) | 92.08 | 1217.20 |
| Bad Debts written off | 2513.76 | ... |
| Irrecoverable advance written off | 538.04 | ... |
| Loss on sale/write off of stores | 91.39 | ... |
| Loss on sale/write off of fixed assets | 4.41 | ... |
| Liquidated Damages and Penalty etc. | 64.96 | 251.03 |
| Rectification/Replacement | 33.75 | 47.42 |
| Provision for : | | |
| Doubtful Debts | 138.23 | 456.27 |
| Doubtful Loans, Advances and Deposits | 0.99 | 121.26 |
| Investments | 5.21 | ... |
| Stock Obsolescence | 54.89 | 113.61 |
| Contingencies | 0.25 | ... |
| | <u>199.57</u> | <u>691.14</u> |
| | <u><u>7265.57</u></u> | <u><u>6051.70</u></u> |

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

(Rupees in lakhs)

SCHEDULE 20

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs.316.54 lakhs (Rs.418.41 lakhs).
2. Contingent liabilities not provided for in respect of :
 - (a) Claims against the Company not acknowledged as debts :
 - (i) Disputed labour matters (amount not ascertainable).
 - (ii) Others Rs.411.49 lakhs (Rs.729.09 lakhs)
 - (b) Guarantees and Indemnities given to various Institutions and Authorities in connection with Company's operations amounting to Rs.1646.16 lakhs (Rs.1253.40 lakhs).
 - (c) Guarantees given to banks on behalf of other Group and/or Associate Companies :
 - (i) *India Paper Pulp Co. Ltd. - Rs.265.00 lakhs (Rs.265.00 lakhs).
 - (ii) Other Companies - Rs.328.00 lakhs (Rs.328.00 lakhs) on behalf of Hooghly Printing Co. Ltd., a Subsidiary of the Company.

*In respect of item Nos.(i) above, although the notice of invocation of guarantees has been received neither any payment nor any provision has been made as the matters are sub-judice.
 - (d) Disputed Sales Tax aggregating to Rs.8020.02 lakhs (Rs.5098.05 lakhs). The increase in contingent liability under the WBST and CST Acts are according to the opinion of the Company, erroneously determined for which appeals have been preferred at higher Forums of Sales Tax Authority.
 - (e) Aggregate Income Tax demands (penalty) amounting to Rs.50.53 lakhs (Rs.50.53 lakhs) excluding interest not admitted, against which appeals have been preferred by the Company.
 - (f) Agricultural Income Tax demands amounting to Rs.44.41 lakhs (Rs.517.62 lakhs) including interest upto the date of assessment not admitted, against which appeals have been preferred by the Company.
 - (g) Disputed Excise/Customs Duty matters Rs.564.03 lakhs (Rs.613.05 lakhs) excluding interest against which appeal have been preferred by the Company.
 - (h) Unexpired Letter of Credit opened by the Company's bankers - Rs.171.43 lakhs (Rs.321.00 lakhs).

3. **Sanctioned Rehabilitation Scheme approved by Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 30th October, 2007.**

Pursuant to Sanctioned Rehabilitation Scheme (hereinafter SRS) of BIFR Order stated above, the necessary effects have been given during the year in the Accounts as under :-

- (a) Consequent upon receipt of sanction from Bank of Baroda dated 17.03.2009 which has been approved by the Board of Directors of the Company on 25.03.2009, funded interest upto cut-off date 31.03.2006 amounting to Rs.1261.00 lakhs has been converted into equity to the extent of Rs.252.20 lakhs i.e. 20% of the funded interest comprising 12610000 shares @ Rs.2/- per share. Balance 80% of funded interest i.e. Rs.1008.80 lakhs has been considered as reduction in capital arising out of remission of funded interest charged to Profit and Loss Account in earlier years. This has been accounted for as an exceptional items in the Profit and Loss Account during the year.
- (b) Funded interest after cut-off date to 31.03.2009 amounting to Rs.1254.00 lakhs which was sanctioned by Bank of Baroda and Board of Directors of the Company as stated in point No.(a) above for conversion into Equity to the extent 20% of Rs.1254.00 lakhs i.e. Rs.250.80 lakhs comprising of 12540000 shares @ Rs.2/- per share has been kept in Shares pending allotment account till the receipt of approval from BIFR and the balance 80% i.e. Rs.1003.20 lakhs has been considered as reduction in capital arising out of remission of funded interest charged to Profit and Loss Account in earlier years. This has been accounted for as an exceptional items in the Profit and Loss Account during the year.
- (c) In absence of confirmation from the respective banks namely State Bank of India and Allahabad Bank, the conversion of equity shares of Rs.1280.22 lakhs as per terms of SRS dated 30.10.2007 has not been considered. The entire amount of outstanding loan of the Banks as on 31.03.2006 (cut off date) has been bifurcated into (i) waiver of penal interest, (ii) WCTL, (iii) Need Based Cash Credit, (iv) Funded interest (at PLR) to be converted into equity as per terms of SRS dated 30.10.2007. Interest rate on WCTL and Cash Credit @ Rs.9% and 10.75% respectively has been considered in the books of accounts in the current year.
- (d) Consequent upon One Time Settlement with creditors on payment i.e. @ 54%, the balance amount @ 46% amounting to Rs.99.45 lakhs has been taken into account as liability no longer required and written back.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

4. (a) Share pending allotment consisting of
- (i) Govt. of India vide letter 10(3)/2008-PE-I dated 31st March, 2008 and No.10(26)/2005-PE-I dated 18th March, 2008 allocated Rs.150.00 lakhs towards Equity @ Rs.10 per share as investment in the Company for upgradation of Engineering Division and West Bengal Gardens. Since in terms of BIFR order dated 30th October, 2007 the face value of Equity share of the Company will be reduced to Rs.2 in place of Rs.10, the decision of issuance of fresh shares @ Rs.2 per share after diminution has been kept pending till revised order in this regard is received from Govt. of India. Hence the amount of Rs.150.00 lakhs so received has been shown in the Balance Sheet under head "Share pending allotment".
 - (ii) The Govt. of India has released Rs.340.00 lakhs as plan equity towards project for plantation and augmentation of manufacturing and related facilities in Assam Tea Gardens of AYCL under North East and Sikkim Region for the year 2008-09 vide letter 10(11)/2004-PE-I dated 27th March, 2009 which was in transit as on 31st March, 2009 and the same has been kept under remittance in transit pending allotment towards shares.
 - (iii) Rs.250.80 lakhs as stated in point No.3(b)
5. The details of amount recognized in the financial statement in respect of the following Defined Employee Benefit Schemes are disclosed in the table below :

| Employee Benefits | 2008-09 | | | | 2007-08 | | | |
|--|----------|-------------------|---------|------------------|----------|-------------------|---------|-----------------|
| | Gratuity | Leave en-cashment | Pension | Supera-annuation | Gratuity | Leave en-cashment | Pension | Super-annuation |
| Defined benefit plans/Long term compensated absences. As per actuarial valuation as on 31st March, 2009 | | | | | | | | |
| [I] Change in present value of Defined Benefit Obligations during the year ended 31st March, 2009 | | | | | | | | |
| [1] Present value of DBO at beginning of period | 2587.13 | 473.78 | 3.45 | 287.04 | 2472.34 | 441.78 | 3.70 | 383.40 |
| [2] Current Service cost | 132.90 | 34.49 | ... | 11.53 | 128.46 | 35.83 | ... | 15.94 |
| [3] Interest cost | 203.95 | 38.02 | 0.25 | 21.88 | 195.04 | 34.10 | 0.27 | 25.85 |
| [4] Curtailment cost/(credit) | ... | ... | ... | ... | ... | ... | ... | ... |
| [5] Settlement cost/(credit) | ... | ... | ... | ... | ... | ... | ... | ... |
| [6] Plan amendments | ... | ... | ... | ... | ... | ... | ... | ... |
| [7] Acquisitions | ... | ... | ... | ... | ... | ... | ... | ... |
| [8] Actuarial (Gains)/Losses | 239.35 | 30.97 | (0.01) | (73.47) | (21.11) | 13.98 | 0.07 | (20.15) |
| [9] Benefits paid | (259.90) | (31.45) | (0.57) | (26.99) | (187.60) | (51.91) | (0.59) | 120.48 |
| [10] Present Value of DBO at the end of period | 2903.43 | 545.81 | 3.12 | 219.99 | 2587.13 | 473.78 | 3.45 | 287.04 |
| [II] Change in Fair value of Assets during the year ended 31st March, 2009 | | | | | | | | |
| [1] Plan assets at beginning of period | 3116.00 | ... | ... | 476.08 | 2609.54 | ... | ... | 543.65 |
| [2] Actuarial Gain/(Loss) | (7.50) | ... | ... | (21.48) | ... | ... | ... | ... |
| [3] Actual return on plan assets | 250.46 | ... | ... | 45.71 | 190.06 | ... | ... | 49.97 |
| [4] Actual company contribution | 63.00 | 31.45 | 0.57 | ... | 504.00 | 51.91 | 0.59 | 2.94 |
| [5] Benefits paid | (259.90) | (31.45) | (0.57) | (26.99) | (187.60) | (51.91) | 0.59 | (120.48) |
| [6] Plan assets at the end of the period | 3162.06 | ... | ... | 473.32 | 3116.00 | ... | ... | 476.00 |
| [III] Net assets/(liability) recognised in Balance Sheet as at 31st March, 2009 | | | | | | | | |
| [1] Present value of Defined Benefit Obligation | 2903.43 | 545.81 | 3.12 | 219.99 | 2587.13 | 473.78 | 3.45 | 287.04 |
| [2] Fair value of plan assets | 3162.06 | ... | ... | 473.32 | 3116.00 | ... | ... | 476.08 |
| [3] Funded status [Surplus/(Deficit)] | 258.63 | (545.81) | (3.12) | 253.33 | 528.87 | (473.78) | (3.45) | 189.04 |
| [4] Unrecognised past service cost | ... | ... | ... | ... | ... | ... | ... | ... |
| [5] Net assets/(liability) recognised in Balance Sheet | 258.63 | (545.81) | (3.12) | 253.33 | 528.87 | (473.78) | (3.45) | 189.04 |

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| | 2008-09 | | | | 2007-08 | | | |
|---|--|-------------------|---------|------------------|--|-------------------|---------|-----------------|
| | Gratuity | Leave en-cashment | Pension | Supera-annuation | Gratuity | Leave en-cashment | Pension | Super-annuation |
| [VI] Components of employer expenses recognised in Profit & Loss Account for the year ended 31st March, 2009 | | | | | | | | |
| (1) Current Service Cost | 132.90 | 34.49 | ... | 11.53 | 128.46 | 35.83 | ... | 15.94 |
| (2) Interest Cost | 203.95 | 38.02 | 0.25 | 21.88 | 195.04 | 34.10 | 0.27 | 25.85 |
| (3) Expected return on plan assets | (250.46) | ... | ... | (45.71) | (226.95) | ... | ... | (47.49) |
| (4) Curtailment cost/(credit) | ... | ... | ... | ... | ... | ... | ... | ... |
| (5) Settlement cost/(credit) | ... | ... | ... | ... | ... | ... | ... | ... |
| (6) Past Service Cost | ... | ... | ... | ... | ... | ... | ... | ... |
| (7) Actuarial Losses/(Gains) | 246.85 | 30.97 | (0.01) | (51.99) | 15.78 | 13.98 | 0.07 | (20.15) |
| (8) Total expenses recognized in the statement of Profit & Loss Account under the head Salaries & Wages | 333.24 | 103.48 | 0.24 | (64.29) | 112.33 | 83.91 | 0.34 | (25.85) |
| [V] Actuarial Assumptions | | | | | | | | |
| (1) Discount Rate | 8.00% | 8.00% | 8.00% | 8.00% | 8.30% | 8.30% | 8.00% | 8.00% |
| (2) Expected return on plan assets | 8.30% | NA | NA | 8.00% | 8.20% | NA | NA | 8.00% |
| (3) Salary escalation | 5.00% | 5.00% | NA | 5.00% | 5.00% | 5.00% | NA | 5.00% |
| (4) Expected Average remaining working lives of employees(years) | 18.70 | 10.18 | NA | 4.30 | 19.08 | 10.55 | NA | 5.33 |
| (5) Method of valuation | | | | | | | | |
| | Projected Unit Credit (PUC) Actuarial Method | | | | Projected Unit Credit (PUC) Actuarial Method | | | |

6. The medical benefits for the employees for domiciliary treatment is for a block of three years and shall lapse yearly thereafter if the concerned employee does not avail it. The liability towards such unavailed quantum of medical benefits has been determined on actual basis instead of actuarial valuation method since the eligible amount will remain fixed during the next block. Similarly the liability towards accrued annual leave of the staff/sub-staff of Tea Estates has been determined on actual basis instead of actuarial valuation method since this is a non-vesting item of defined employee benefit. The impact on this count is Rs.104.58 lakh (Rs.96.52 lakh) and Rs.30.52 lakh (Rs.27.68 lakh) respectively.
7. (a) Loans and Advances in Schedule 10 includes an interest free amount of Rs.117.83 lakhs (Rs.128.78 lakhs) given for the Agro Projects, which was subsequently transferred to Yule Agro Industries Ltd. (YAIL), a Company promoted by the two Associate Companies in the Group. YAIL has since informed that pending implementation of the aforesaid Agro Project, they will have in the meantime engaged in the activities of Oyster Mushroom, Vermiculture and Tea Nursery and will repay the balance advance gradually.
- (b) Pursuant to an arrangement with YAIL, regarding takeover of Telepara Unit by them and pending implementation of the Agro Projects on commercial scale, an amount of Rs.28.12 lakhs (Rs.21.55 lakhs) consisting of salaries, wages and other administrative expenses of the said unit has been charged to the Profit and Loss Account of the Company.
8. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

| Sl.No. | Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 | 2008-09 | 2007-08 |
|--------|---|---------|---------|
| I | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year (i) Principal Amount unpaid (ii) Interest Due | 15.32 | ... |
| II | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year (i) Payment made beyond the Appointed Date (ii) Interest paid beyond the Appointed Date | 158.32 | ... |
| III | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | 5.23 | ... |
| IV | The amount of interest accrued and remaining unpaid at the end of the year; and | 9.49 | ... |
| V | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | ... | ... |

The above disclosures are furnished by the Company based on information available with the Company in respect of the Registration status of its vendors/suppliers.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

9. Directors' Remuneration :-

| |
|--------------------------------|
| Salaries |
| Directors' Fees |
| Contribution to Provident Fund |
| Other Perquisites/benefits |
| Total |

| For the year ended 31st March, 2009 | For the year ended 31st March, 2008 |
|--|--|
| 19.17 | 16.20 |
| 3.03 | 1.03 |
| 2.25 | 1.83 |
| 1.26 | 0.97 |
| <u>25.71</u> | <u>20.03</u> |

Since the liability for leave encashment, gratuity and superannuation has been computed and accounted for on Actuarial Valuation basis for the Company as a whole as per AS-15 and no separate figure was provided by the Actuary for Directors, the same has not been included in the above figures.

10. Inventories include Rs.93.06 lakhs (Rs.49.03 lakhs) worth of stocks lying with third parties for which confirmations are awaited and/or under reconciliation and the same has been fully provided for.
11. The Company has obtained exemption from the Company Law Board in respect of disclosure of quantitative information relating to production/sale of spares and components.
12. Provision for Liquidated damages amounting to Rs.1630.78 lakhs (Rs.1569.84 lakhs) has been set off against Sundry Debtors.
13. Confirmation for balances of Sundry debtors, deposits and advances to the parties, Trade Creditors and stock with third parties have been sought from the concerned parties. We have started receiving back confirmation from the parties and the process is continuing.
14. A compensation amounting to Rs.610.00 lakhs received from M/s. Viocans Infrastructure and Equipment Engineering Pvt. Ltd. for handing over of vacant possession of Adyar land at Chennai as per decision of the Board Meeting dated 16th September, 2008 has been considered as Other Income.
15. Provision for investments to the extent of Rs.5.21 lakhs is made in Bengal Coal Co. Ltd. and The Statesman Ltd. on account of erosion in their value otherwise than of temporary in nature.
16. Yule Financing & Leasing Co. Ltd. (YFLC), an Associate Company of Andrew Yule & Co. Ltd. (AYCL), had large amount of overdue public deposits lying outstanding which could neither be repaid nor serviced primarily because of serious liquidity problem faced by them. Affected depositors resorted to legal action through various Regulatory Authorities, Consumers' Forum and Court of Law. Under the circumstances and in order to pre-empt any coercive action, AYCL being a premier promoter was compelled to intervene with dual objectives of bailing out YFLC and to protect the interest of the affected public depositors.

In November, 2003, GOI approved a Financial Restructuring proposal of AYCL which also included funding to YFLC to the extent of Rs.500.00 lakhs to pay off its large number of affected public depositors. Since fund approved under the scheme was insufficient due to non materialisation of important components namely receipt from dis-investments of shares in Group Companies and mobilisation of fund through Bond issue, the Company could release partly Rs.75.00 lakhs only in 2005-06. Owing to pressing requirement, balance fund of Rs.425.00 lakhs was released in favour of YFLC out of the proceeds of 9.1% Bond issued by the Company for Rs.2000.00 lakhs in February, 2007 prior to receipt of fund from Govt. of India vide approval letter dated 19th March, 2007 wherein required Interest Free Government Fund earmarked for this purpose was received during the year 2007-08.

Under this circumstances, the decision of the Company to provide unsecured loan of Rs.500.00 lakhs to YFLC @ 5.5% interest p.a. was based on judicious assessment of situation keeping in view the larger interest of the affected small depositors and consequential obligation of the Company as a whole being the premier promoter. However, YFLC has serviced the interest due for the financial year 2008-09 including earlier years. Repayment of the said loan will be due in the year 2015. Hence any assessment need to be made after taking into account of the view of this issue in totality of sub-section (1) of Section 372(A) of the Companies Act.

17. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the Accounts. Details of Deferred Tax Liability as on 31st March, 2009 is given below :-

| | |
|---|------------------------|
| (a) Timing difference of depreciation as per Tax Laws and Books | <u>Rs.312.53 lakhs</u> |
| Deferred Tax liability | Rs.312.53 lakhs |
| (b) In computing deferred tax liability of the Company for the financial year 2008-09, unabsorbed depreciation, business loss as per Income Tax Act, 1961 has not been recognised as deferred tax assets. | |
18. In respect of Assessment years proceedings of which are pending before the various Income Tax/Agricultural Income Tax Authorities on account of Appeal/Rectification filed by the Company, adjustment will be made on final settlement of such proceedings.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009- (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

19. Change in Accounting Policy and Effect of such changes in Profit

- (i) Interest receivable on loan to employees is considered as per accrual system from cash system followed in earlier years. The profit for the year is increased by Rs.2.23 lakhs due to such changes.
- (ii) Compensation paid under Voluntary Retirement Scheme upto 31.03.2009 has been charged to Profit and Loss Account during the year irrespective of the policy of spread over earlier followed. The profit for the year is reduced by Rs.115.70 lakhs during the year due to change in Accounting Policy.

20. Segment Reporting

The Company's segment information as at and for the year ended 31st March, 2009 are as below :-

| Business Segment | Electrical | Tea | Engineering | Segment Total | Elimination | Total |
|--|----------------------|------------------------|----------------------|------------------------|------------------|------------------------|
| 1. Segment Results | | | | | | |
| - External sales | 6387.71 [7769.65] | 9467.53 [7458.37] | 2173.00 [1663.23] | 18028.83 [16891.25] | | |
| - Inter Segment sales | 11.94 [9.34] | 2.16 [1.75] | 2.34 [2.15] | 16.45 [13.24] | | |
| - Inter Segment Sale of Capital Goods | 28.68 [15.98] | ... | ... | 28.68 [19.53] | | |
| - Total Revenue | 6428.33 [7794.97] | 9469.69 [7460.12] | 2175.34 [1668.93] | 18073.36 [16924.02] | 16.45 [13.24] | 18056.91 [16910.78] |
| 2. Segment Results | | | | | | |
| - Unallocated Corporate expenses net of unallocated income | 1741.42 [1827.23] | 153.85 [(-)71.04] | 451.32 [688.38] | 2346.59 [2444.57] | ... | 2346.59 [2444.57] |
| - Operating Profit | ... | ... | ... | ... | ... | -288.80 [(-)123.28] |
| - Interest expenses | ... | ... | ... | ... | ... | 2057.79 [2321.29] |
| - Interest/dividend income | ... | ... | ... | ... | ... | -2241.09 [1973.51] |
| - Profit from ordinary activities | ... | ... | ... | ... | ... | 1347.19 [513.40] |
| - Extra Ordinary Items (Interest on GOI Loan written back) | ... | ... | ... | ... | ... | 1163.89 [861.18] |
| - Net Profit | ... | ... | ... | ... | ... | 2012.00 [...] |
| - Segment Assets | 8179.59 [7385.42] | 19276.81 [19286.48] | 2788.18 [2736.32] | 30244.58 [29408.22] | ... | 30244.58 [29408.22] |
| - Unallocated corporate Assets | ... | ... | ... | ... | ... | 12961.99 [14917.56] |
| - Total Assets | ... | ... | ... | ... | ... | 43206.57 [44325.78] |
| - Segment Liabilities | 6385.26 [7582.68] | 3927.43 [4856.81] | 2244.16 [2638.66] | 12556.85 [15078.15] | ... | 12556.85 [15078.15] |
| - Unallocated corporate Liabilities | ... | ... | ... | ... | ... | 29974.84 [32371.97] |
| - Total Liabilities | ... | ... | ... | ... | ... | 42531.69 [47450.12] |
| - Capital Expenditure | 224.44 [340.89] | 456.39 [572.28] | 56.97 [29.02] | 737.80 [942.19] | ... | 737.80 [942.19] |
| - Depreciation including Impairment | 47.59 [75.52] | 302.17 [294.77] | 11.86 [15.69] | 361.62 [385.98] | ... | 361.62 [385.98] |
| - Non-Cash expenses other than depreciation | 88.26 [598.53] | 54.89 [12.05] | 51.22 [80.38] | 194.37 [690.96] | ... | 194.37 [690.96] |

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

Notes: (1) The business segments comprise of the following major product groups :-

- | | | |
|-------------|---|---|
| Engineering | - | Industrial Fans. |
| | - | Tea Machinery. |
| | - | Air Pollution and Water Pollution Control equipments. |
| | - | Turn-key projects involving the above products. |
| Electrical | - | HT and LT Switchgears. |
| | - | Transformers |
| | - | Relay and Contactors |
| | - | Turn-key projects on power distribution. |
| Tea | - | Tea growing and manufacturing. |

(2) The information relating to erstwhile Belting Division has been considered as part of the corporate information for the purpose of the above reporting as the related business has been discontinued earlier.

(3) Information relating to "Project" has been reported after being clubbed with Engineering Division.

21. Particulars relating to discontinued operations.

(a) Description of discontinued operations

Business Segments

(i) Engineering Division

Discontinued Operations

Air Handling Unit (AHU)
Core Lamination Project (CLP)
Project

(ii) Electrical Division

Port Engineering Works (PEW)
Turnkey
Agency

(iii) Residual Assets/Liabilities of Belting Division
(shown under unallocated assets and liabilities)

(b) Carrying amount of fixed Assets, Current Assets and Current Liabilities in respect of discontinued operations included in the total Assets and liabilities as shown in the Balance Sheet as on 31st March, 2009 :

| Sl. No. | Discontinued operations | Fixed Assets | Current Assets | Current liabilities and provisions |
|---------|-------------------------|--------------|----------------|------------------------------------|
| 1. | AHU | ... | ... | ... |
| 2. | CLP | 15.10 | ... | ... |
| 3. | PEW | ... | ... | 170.70 |
| 4. | Turnkey | ... | ... | ... |
| 5. | Agency | ... | ... | 1.76 |
| 6. | Project | 0.10 | 40.09 | 35.82 |
| 7. | Belting | ... | 61.03 | 93.26 |
| | Total | 15.20 | 101.12 | 301.54 |

(c) Revenue, Expenses and Pre-Tax, Profit/Loss in respect of discontinued operations

| Particulars | AHU | CLP | PEW | Agency | Turnkey | Project | Belting | Total |
|------------------------|-----|-----|------|--------|---------|---------|---------|-------|
| Turnover/Other income | ... | ... | 3.17 | ... | ... | 24.40 | 6.56 | 34.13 |
| Operating Expenses | ... | ... | ... | ... | ... | 6.52 | 4.82 | 11.34 |
| Interest | ... | ... | ... | ... | ... | ... | 23.20 | 23.20 |
| Provisions | ... | ... | ... | ... | ... | ... | ... | ... |
| Profit/Loss before tax | ... | ... | 3.17 | ... | ... | 17.88 | -21.46 | -0.41 |
| Provision for Taxation | ... | ... | ... | ... | ... | ... | ... | ... |
| Profit/Loss after tax | ... | ... | 3.17 | ... | ... | 17.88 | -21.46 | -0.41 |

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

(d) Cash Flow

| | PEW | Project | Belting |
|--|-------|---------|---------|
| Cash Flow from Operating Activities : | | | |
| Net Profit before tax & Extraordinary items | 3.17 | 17.88 | -21.46 |
| Adjustment for : | | | |
| Interest charged | ... | ... | 23.20 |
| Investment income | ... | ... | ... |
| Operating Profit before changes in amount of | | | |
| Current Liabilities and Current Assets | 3.17 | 17.88 | 1.74 |
| Adjustment for : | | | |
| Trade Receivables | ... | ... | -1.74 |
| Inventories | ... | ... | ... |
| Loans and Advances | ... | ... | ... |
| Trade payable | -3.17 | -17.88 | ... |
| Cash Generated from Operations | | | |
| Income Tax | | | |
| Net Cash from Operating Activities | ... | ... | ... |
| Cash Flow from Investing Activities | ... | ... | ... |
| Cash Flow from Financing Activities : | | | |
| Interest paid | ... | ... | ... |
| Net Cash used in Financing Activities | ... | ... | ... |
| Net Charges in Cash and Cash Equivalent | ... | ... | ... |

22. Related party disclosure

(i) Names of Related Parties with whom Company had transactions during the year :

| | | |
|---------------------|---|-------------------------------------|
| Associate Companies | - | Tide Water Oil Co. (I) Ltd. |
| | - | DPSC Ltd. |
| | - | Bengal Coal Co. Ltd. |
| | - | New Beerbhoom Coal Co. Ltd. |
| | - | Katras Jherriah Coal Co. Ltd. |
| | - | Yule Agro Industries Ltd. |
| | - | WEBFIL Ltd. |
| | - | Yule Financing and Leasing Co. Ltd. |
| | - | Phoenix Yule Ltd. |
| Joint Venture | | |

(ii) Key Management Personnel :

| | | |
|---------------------|---|--------------------------------------|
| (a) Kallol Datta | - | Chairman and Managing Director |
| (b) S. Muralidharan | - | Director (Finance) (till 22.07.2008) |
| (c) I. Sengupta | - | Director (Personnel) |
| (d) R. K. Sikdar | - | Director (Planning) |
| (e) R. K. Babaycon | - | Chief Executive, Tea Division |

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2009.

| Particulars | Associates | | Joint Venture | | Key Management Personnel and Relatives | |
|------------------------------|------------|---------|---------------|---------|--|---------|
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Purchase of goods | 17.47 | 18.97 | ... | ... | ... | ... |
| Purchase of service | 1.87 | 4.66 | ... | ... | ... | ... |
| Sale of goods | 172.18 | 0.71 | 14.84 | 0.06 | ... | ... |
| Sale of services | 0.22 | 0.13 | ... | ... | ... | ... |
| Interest income | 27.61 | 27.50 | ... | ... | ... | ... |
| Dividend income | 48.69 | 38.03 | 238.86 | ... | ... | ... |
| Rent / Hire charges received | 30.01 | 21.22 | ... | ... | ... | ... |
| Miscellaneous Receipt | 3.81 | 3.15 | 3.28 | 3.09 | 0.02 | 0.01 |
| Expenses recovered | 349.59 | 309.74 | ... | ... | ... | ... |
| Loan/Advance given | ... | 17.14 | ... | ... | ... | ... |

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| | | | | | | |
|--|---------|---------|-------|------|-------|-------|
| Remuneration to Directors | ... | ... | ... | ... | 22.68 | 19.00 |
| Remuneration to Others | ... | ... | ... | ... | 6.09 | 11.58 |
| Loans received | 10.96 | ... | ... | ... | ... | ... |
| <u>Balances as on 31st March, 2009</u> | | | | | | |
| Debtors / Receivable | 14.66 | 63.92 | 10.78 | 0.20 | ... | ... |
| Advance recoverable in cash | 306.11 | 457.12 | 1.64 | 1.64 | ... | ... |
| Creditors / Payable | 0.32 | 0.10 | ... | ... | ... | ... |
| Deposit From | 29.05 | 29.05 | ... | ... | ... | ... |
| Loan given | 617.83 | 628.78 | ... | ... | 0.22 | 0.32 |
| Loan taken | 1000.00 | 1000.00 | ... | ... | ... | ... |

23. Disclosure of Material transaction with related parties.

| | 2008-09 | 2007-08 |
|-----------------------------------|---------|---------|
| Purchase of Goods | | |
| Tide Water Oil Co. (I) Ltd. | 17.47 | 18.97 |
| Purchase of Service | | |
| Yule Financing & Leasing Co. Ltd. | 0.81 | 0.15 |
| WEBFIL Ltd. | 1.06 | 4.51 |
| Sale of goods | | |
| Tide Water Oil Co. (I) Ltd. | 171.57 | 0.17 |
| DPSC Ltd. | 0.54 | 0.24 |
| Phoenix Yule Ltd. | 14.84 | 0.06 |
| Yule Financing & Leasing Co. Ltd. | 0.01 | 0.15 |
| Coal Companies | ... | 0.09 |
| WEBFIL Ltd. | 0.06 | 0.06 |
| Sale of service | | |
| Tide Water Oil Co. (I) Ltd. | 0.18 | 0.13 |
| WEBFIL Ltd. | 0.03 | ... |
| Coal Companies | 0.01 | ... |
| Interest income | | |
| Yule Financing & Leasing Co. Ltd. | 27.50 | 27.50 |
| Tide Water Oil Co. (I) Ltd. | 0.11 | ... |
| Dividend income | | |
| Tide Water Oil Co. (I) Ltd. | 45.68 | 34.26 |
| DPSC Ltd. | 3.01 | 3.77 |
| Phoenix Yule Ltd. | 238.86 | ... |
| Rent and Hire charge received | | |
| Tide Water Oil Co. (I) Ltd. | 11.68 | 18.27 |
| WEBFIL Ltd. | 16.70 | 1.42 |
| Coal Companies | 1.63 | 1.53 |
| Miscellaneous Receipts | | |
| WEBFIL Ltd. | 0.08 | 0.02 |
| Coal Companies | 3.00 | 3.00 |
| Tide Water Oil Co. (I) Ltd. | 0.71 | 0.13 |
| Phoenix Yule Ltd. | 3.28 | 3.09 |
| Expenses recovered | | |
| WEBFIL Ltd. | 42.00 | 26.43 |
| Coal Companies | 15.59 | 0.10 |
| Tide Water Oil Co. (I) Ltd. | 292.00 | 283.21 |
| Loan Recovered | | |
| Yule Agro Industries Ltd. | 10.96 | ... |
| Key Management Personnel | | |
| (a) Remuneration to Directors | | |
| Kallol Dutta | 7.36 | 5.04 |
| S. Muralidharan | 2.22 | 6.82 |
| I. Sengupta | 6.42 | 5.80 |
| R. K. Sikdar | 6.68 | 1.34 |
| (b) Remuneration to others | | |
| R. K. Babeycon | 6.09 | 5.53 |
| (c) Miscellaneous Receipts | | |
| Kallol Dutta | 0.02 | 0.01 |

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| 24. Earning per share | For the year ended 31st March, 2009 | For the year ended 31st March, 2008 |
|---|--|--|
| (a) Number of Equity Share :- | | |
| At the beginning of the year | 28,37,18,478 | 5,82,67,078 |
| At the end of the year | 29,63,28,478 | 28,37,18,478 |
| Weighted average number of Equity Shares outstanding during the year | 28,37,53,026 | 5,88,83,065 |
| Face value of each Equity Share | Rs.2.00 | Rs.2.00 |
| (b) Profit after Tax before extra ordinary income available for Equity Shareholders | 924.18 | 533.46 |
| (c) Profit after Tax after extra ordinary income available for Equity Shareholders | 2936.18 | ... |
| (d) Basic earnings per Share before extra ordinary income | Rs.0.33 | Rs.0.91 |
| (e) Basic earnings per Share after extra ordinary income | Rs.1.03 | ... |

Note: There was no change in basic structure of Paid-up Share Capital during the year. Hence diluted earning per share is not applicable.

25. Company's interest in joint venture :

The Company's interest as a joint venture, in jointly controlled entity is :

| Name | Country of incorporation | Percentage of ownership interest as at 31st March, 2009 |
|----------------------|--------------------------|---|
| Phoenix Yule Limited | India | 26% |

The Company's interest in this joint venture entity are reported as "Non-Trade Investments in Other Companies" (Schedule-5) and stated at cost. The Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transaction between the Company and the Joint Venture) related to its interest in the joint venture are as follows:-

| | As at 31st December, 2007 | As at 31st December, 2006 |
|--|---|---|
| 1. Assets | | |
| (a) Fixed Assets | 1027.25 | 999.60 |
| (b) Current Assets, Loans and Advances | | |
| (i) Inventories | 389.65 | 513.94 |
| (ii) Sundry Debtors | 1135.53 | 969.51 |
| (iii) Cash and Bank Balances | 1340.61 | 498.12 |
| (iv) Loans and Advances | 240.17 | 346.40 |
| (v) Deferred Tax Assets (Net) | 102.22 | ... |
| 2. Liabilities | | |
| (a) Current Liabilities and Provisions | | |
| (i) Liabilities | 1074.93 | 937.93 |
| (ii) Provisions | 464.58 | 122.28 |
| (b) Deferred Tax Liability (Net) | ... | 12.11 |
| | For the year ended 31st December, 2007 | For the year ended 31st December, 2006 |
| 1. Income | | |
| (a) Sales | 7276.98 | 4620.42 |
| (b) Other Income | 81.55 | 36.71 |
| (c) Accretion/Decretion in Stocks | (-)62.13 | 177.16 |

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 – (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

| | For the year ended 31st December, 2007 | For the year ended 31st December, 2006 |
|--|---|---|
| 2. Expenditure | | |
| (a) Raw Materials, Components and Packing Materials | 4330.67 | 3151.67 |
| (b) Salaries, Wages and Bonus | 302.34 | 270.20 |
| (d) Other Expenses | 1365.69 | 774.56 |
| (e) Depreciation | 158.87 | 119.42 |
| (f) Extra-Ordinary Expenses net of Extra-ordinary item | 22.67 | 60.19 |
| (g) Provision for Taxation – | | |
| (i) Current | 492.83 | 208.58 |
| (ii) Deferred | (-)108.36 | (-)49.16 |

As the financial year of the joint venture entity ends on 31st December every year, and the financial statement as at 31.12.2008 has not yet been available to the Company, the financial statement of the joint venture prepared for the year ended 31st December, 2007, being the latest available financial statement of the joint venture, has been considered for the purpose of Financial Reporting of interests in Joint Venture in accordance with Accounting Standard 27.

26. Provision has been made against "Contingencies" for the following items :-

| | As on 01.04.08 | Provision written back(-)/Provision made during the year | As on 31.03.09 |
|--|----------------|---|----------------|
| (a) Unconfirmed stock with various third parties | 73.93 | -8.40 | 65.53 |
| (b) Hooghly Docking & Port Engineering Co. Ltd. | 117.66 | ... | 117.66 |
| (c) Orissa Cements Ltd. | 351.37 | ... | 351.37 |
| (d) Fixed Deposit as Guarantee for Brentford Unit after Nationalisation and other Miscellaneous | 10.00 | ... | 10.00 |
| (e) Others | 1.22 | 0.25 | 1.47 |
| Total | 554.18 | -8.15 | 546.03 |

The contingent liabilities and liabilities mentioned at Note No.2 and 26 above respectively are dependent upon Court decision/out of Court settlement/disposal of appeals etc.

No reimbursement is expected as against above.

27. Details of Expenses under Item relating to previous year are as under (Schedule 19) :-

| Particulars | 2008-09 | 2007-08 |
|--|---------|---------|
| Interest on Sales tax loan | ... | 7.83 |
| Interest on Sales tax dues | 2.35 | 5.67 |
| Interest (Others) | 15.89 | ... |
| Service and erection cost | 0.26 | 0.20 |
| Security service charges | 0.55 | 0.28 |
| Travelling expenses | 1.45 | 4.20 |
| Legal expenses | ... | 5.71 |
| Excise duty | ... | 16.36 |
| Bonus | 10.42 | 16.47 |
| Central sales tax | 0.89 | 1.06 |
| Interest on State Bank of India | ... | 2.94 |
| One Time settlement with State Bank of India | ... | 58.90 |
| Employees State Insurance | 7.66 | 0.33 |
| Miscellaneous expenses | 15.36 | 35.89 |
| Arrear salary of Executive/Asstt. | 0.22 | 971.91 |
| Comm. Tax | ... | 0.27 |

(Contd.)

ANDREW YULE & CO. LTD.**NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)**

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| Particulars | 2008-09 | 2007-08 |
|------------------------|---------|---------|
| Establishment expenses | ... | 0.16 |
| Stock of stores | 0.25 | 1.88 |
| Food Stuff | 4.47 | 3.34 |
| Warehouse | 0.12 | 0.20 |
| Professional Tax | ... | 0.12 |
| Verniculture | ... | 2.53 |
| Repair | 4.12 | 0.97 |
| Gas | 2.90 | 6.35 |
| Professional fees | ... | 0.10 |
| Input tax | ... | 0.32 |
| CENVAT/Service tax | 0.64 | 0.15 |
| Labour welfare | 18.02 | 0.17 |
| Settlement money | 0.14 | 4.91 |
| Medical | 0.82 | 0.10 |
| Firewood | 0.04 | 67.78 |
| Packing material | 2.14 | 0.10 |
| Freight | 1.94 | ... |
| Trusteeship fees | 0.20 | ... |
| Cultivation expenses | 1.23 | ... |
| Total | 92.08 | 1217.20 |

28. (a) Previous year's figures have been re-arranged and/or re-grouped wherever necessary.
- (b) The figures in these accounts have been rounded off to nearest lakhs of rupees and, as such, the balances in certain heads of account amounting to Rs.500 or less, although maintained in the books of accounts of the Company, do not appear in these accounts.

SCHEDULE 20 - (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 :

(a) Particulars in respect of Goods manufactured :

| Class of Goods | Unit | Capacity | | Actual Production | |
|---|------|-------------------------------|-------------------------------|-------------------|---------|
| | | Licensed 2008-09 | Installed 2008-09 | 2008-09 | 2007-08 |
| A. ENGINEERING DIVISION | | | | | |
| I. SIROCCO UNIT : | | | | | |
| (1) Tea Machinery : | | | | | |
| Tea Drying Machines | Nos. | 120 | 120 | - | - |
| Tea Leaf Processing Machines | " | 24 | 24 | - | - |
| Green Leaf Shifters | " | 24 | 24 | - | - |
| Tea Packing Machines | " | 12 | 12 | - | - |
| Tea Leaf Rolling Machines | " | 24 | 24 | - | - |
| Rootes Rotary Blowers | " | 12 | 12 | - | - |
| Oil Fuel Burning Equipment | " | 48 | 48 | - | - |
| Tea Fluff Removal Plant | " | 24 | 24 | - | - |
| Multi Air Heaters | " | 48 | 48 | - | - |
| Tea Machinery Spares | Rs. | Worth about Rs.10.08 lakhs | Worth about Rs.10.08 lakhs | Rs.Nil | Rs.Nil |
| (2) Industrial Fans and Blowers : | | | | | |
| Assorted Fans | Nos. | 900 | 900 | 68 | 57 |
| Dust/Dumpy Collectors | " | 108 | 108 | - | - |
| Air Washers for Evaporating, Cooling and Humidification Plants | " | 36 | 36 | - | - |
| (3) Core Lamination | M.T. | 2200 | 1800 | - | - |
| (4) Flanged Pipes | Nos. | N.A. | As required | - | - |
| (5) Ladle Car " | N.A. | As required | - | - | - |
| (6) Compac Space Fan System | " | N.A. | As required | - | - |
| II. AIR POLLUTION CONTROL UNIT : | | | | | |
| (1) Air Pollution Control Equipment : | | | | | |
| Cyclones | Sets | 100 | 100 | - | - |
| Cellulars | | | | | |
| Scrubbers | | | | | |
| Bag Filters | | | | | |
| Electrostatic Precipitators | | | | | |
| Pneumatic Conveying Systems | | | | | |
| Classifiers for Materials Sorting | | | | | |
| Paper Machine Hoods | | | | | |
| Spray Booths | | | | | |
| Cooling Tower | | | | | |
| Fume Extraction | Sets | N.A. | As required | - | - |
| Vantillation system including Marine components and allied accessories for above | | | | | |
| (2) Water Pollution Control Equipment | Sets | N.A. | As required | - | - |

[59]

(Contd.)

(Rupees in lakhs)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE 20 - (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 - (Contd.)

(a) Particulars in respect of Goods manufactured - (Contd.)

(60)

| Class of Goods | Unit | Capacity | | Actual Production | |
|---|------|---------------------------|---------------------------|-------------------|---------|
| | | Licensed 2008-09 | Installed 2008-09 | 2008-09 | 2007-08 |
| B. ELECTRICAL DIVISION | | | | | |
| I. SWITCHGEAR UNIT : | | | | | |
| (1) Various Switchgear Items : | | | | | |
| Low Tension Iron Clad Combination Switch Fuse Unit | Nos. | 3600 | 3600 | - | - |
| Flame Proof Air Circuit Breakers upto 500 Volts | " | 100 | 100 | - | - |
| Distribution Board (including Small Board Boxes) | " | 2364 | 2364 | - | - |
| Motor Control Centre Panels | " | 191 | 191 | - | - |
| Circuit Breakers upto 660 Volts Unit Rating | " | 600 | 600 | - | - |
| Flame Proof Air Break Gate End Boxes and Starters upto 250 HP | " | 1800 | 1800 | - | - |
| Flame Proof Air Cooled Signalling and Lighting Transformer | " | 300 | 300 | - | - |
| Flame Proof Control Switches etc. | " | 800 | 800 | - | - |
| Flame Proof Drill Control Panel | " | 1200 | 1200 | - | - |
| Flame Proof 3.3KV Oil/Air Break Starters (upto 1200HP) | " | 300 | 300 | - | - |
| Flame Proof Transwitch Unit | " | 100 | 100 | 47 | 22 |
| (2) Circuit Breakers above 660 Volts Rating | " | 600 | 600 | 208 | 366 |
| (3) 6.6KVA Vacuum Contactors upto 400 Amps. | " | 50 | 50 | 23 | 1 |
| (4) LT Motor Control Centres | " | 200 | 200 | - | 2 |
| (5) (i) Shaft and Cage Communication System | } | Worth Rs. 300.00 lakhs | Worth Rs. 300.00 lakhs | Rs. Nil | Rs. Nil |
| (ii) Face Signalling Unit | | | | | |
| (iii) Intrinsically Safe Telephone Systems | | | | | |
| (iv) Pre-start Alarm to indicate status of the machine | | | | | |
| (v) Intrinsically Safe Insulation Tester | | | | | |
| II. TOGAMI UNIT : | | | | | |
| Electromagnetic Contactors upto 600 Amps | Nos. | 84,000 | 84,000 | 10495 | 10918 |
| Bi-metallic Overload Relays upto 600 Amps | " | 68,000 | 68,000 | 972 | 628 |
| Moulded Case Circuit Breakers upto 1200 Amps | " | 12,000 | 9,000 | 1514 | 1378 |
| Industrial Motor Starters | " | 25,000 | 25,000 | 209 | 47 |
| 11 KV Pole Mounted Sectionalizer | " | 500 | 500 | - | - |
| 11 KV Pole Mounted Capacitor Switch | " | 1,500 | 1,500 | 1 | 36 |
| Pole Mounted Vacuum Circuit Breakers/Auto Reclosure/Vacuum Capacitor Switch | " | 125 | 50 | 3 | 40 |
| Switch Fuse Unit | " | N.A. | As required | - | - |
| III. TRANSFORMER AND SWITCHGEAR UNIT : | | | | | |
| Current and Potential Transformers | Nos. | 4,050 | 1,500 | - | - |
| Power and Distribution Transformers | KVA | 5,00,000 | 5,00,000 | 605750 | 721500 |
| Control Panel and Systems | Nos. | 350 | 350 | 24 | 24 |
| Air Break Switches upto 12 KV and 630 Amps | " | 500 | 500 | - | - |
| Air Break Load Interruptors upto 33 KV and 830 Amps | " | 500 | 500 | - | - |

(Contd.) (Rupees in lakhs)

SCHEDULE 20 - (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 - (Contd.)

(a) Particulars in respect of Goods manufactured - (Contd.)

| Class of Goods | Unit | Capacity | | Actual Production | |
|--|------|---------------------|----------------------|-------------------|---------|
| | | Licensed 2008-09 | Installed 2008-09 | 2008-09 | 2007-08 |
| B. ELECTRICAL DIVISION : - (Contd.) | | | | | |
| IV. BRENTFORD UNIT : | | | | | |
| Power Voltage Regulator upto 7500 KVA | KVA | 1,85,000 | 1,85,000 | 53153 | 50200 |
| Power Transformer upto 2500 KVA | " | 50,000 | 50,000 | 11750 | 8200 |
| Rectifiers upto 2500 KW | KW | 20,000 | 20,000 | - | - |
| C. TEA DIVISION | | | | | |
| *Tea | Kgs. | - | 1,12,00,000 | 9137292 | 9283955 |
| Tea Purchases | Kgs. | N.A. | N.A. | - | - |
| Aromatic Oil | Kgs. | N.A. | As reqd. | - | - |

Notes: (i) Installed Capacities have been certified by the Company's Technical Experts.

(ii) Licensed/Installed capacities are based on Maximum utilisation of the Plant, except in case of Tea Machinery (excluding Tea Drying Machine) at the Sirocco Unit where they are on single shift basis.

(iii) Production includes sub-contracted items and goods produced for captive consumption, sample issues etc.

*(iv) Excluding tea issued to labourers, sample etc. - 344165 Kgs. (2007-08 3,90,021 Kgs.) including 153 kgs kept for issue to labourers.

(b) Details of Raw Materials and Components Consumed :

| Class of Goods | Unit | Quantity | | Amount | |
|--|------|-------------|-------------|----------------|----------------|
| | | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Laminations | M.T. | 418.04 | 552.654 | 866.83 | 1240.50 |
| Steel | " | 765.61 | 734.777 | 397.35 | 432.41 |
| Copper, Flats, Wires etc. | " | 387.76 | 339.048 | 688.56 | 1175.84 |
| ** Green Tea Leaf | Kgs. | 4,11,29,510 | 4,41,73,771 | - | - |
| Sundries (None of which individually exceeds 10% of the consumption) | | - | - | 4218.76 | 3679.67 |
| | | | | <u>6171.50</u> | <u>6528.42</u> |

Notes: (i) Consumption includes Shortage/Excess but excludes consumption for Capital/Repair jobs etc.

** (ii) Quantity of Green Tea Leaf mentioned above was harvested from the Company's own Gardens as agricultural product involving integrated activities of nursery, cultivation and growth etc., and utilised in the manufacture of tea and the value at the intermediate stage is not ascertainable and there is no opening or closing stock.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

ANDREW YULE & CO. LTD.

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956: - (Contd.)
 (c) Particulars of Purchases, Turnover and Stocks :

| Class of Goods | Unit | Opening Stock | | Purchases | | Closing Stock | | Sales | |
|---|---------|---------------|---------|-----------|--------|---------------|---------|----------|-----------|
| | | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| A. ENGINEERING DIVISION | | | | | | | | | |
| I. SIROCCO UNIT : | | | | | | | | | |
| Tea Leaf Processing Machine | No./Set | - | - | - | - | - | - | - | - |
| Multi Air Heaters | " | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Assorted Fans | " | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Turnkey Contract | Rs. | (-) | (-) | (-) | (-) | (-) | (-) | 68 | 1549.92 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (57) | (1564.38) |
| II. AIR POLLUTION CONTROL UNIT : | | | | | | | | | |
| Air Pollution Control Equipment : Spares Components etc. for Air Pollution Control Equipment and their erection | Rs. | - | - | - | - | - | - | (-) | (61.98) |
| Water Pollution Control Equipment | " | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 181.19 |
| III PROJECT UNIT | | | | | | | | | |
| Engineering Project | Rs. | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (171.29) |
| B. ELECTRICAL DIVISION: | | | | | | | | | |
| I. SWITCHGEAR UNIT : | | | | | | | | | |
| Circuit Breakers upto 660V Unit Rating | Nos. | - | - | - | - | - | - | (-) | (53.79) |
| Flame Proof Transwitch Unit | " | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Motor Control Centre Panel | " | (-) | (-) | (-) | (-) | (-) | (-) | 47 | 494.24 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (22) | (319.80) |
| Flame Proof Gate End Boxes and Starters upto 250 HP | " | (-) | (-) | (-) | (-) | (-) | (-) | (2) | (1.15) |
| Circuit Breakers above 660V unit Rating | " | 12 | 35.96 | (-) | (-) | (-) | (-) | (-) | (-) |
| 6.6KV Vacuum Contactors upto 400 Amps | " | (14) | (20.17) | (-) | (-) | (12) | (35.96) | 208 | 962.11 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (368) | (921.13) |
| FLP Drill control Panel | " | (-) | (-) | (-) | (-) | (-) | (-) | 23 | 59.38 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (1) | (0.55) |
| Shaft and Cage Communication System Face Signalling Units Intrinsically Safe Telephone System Pre-start alarm to indicate status of the machine | Rs. | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| System and Contract Engg. | Rs. | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |

(Rupees in lakhs)
(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE 20 – (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956: – (Contd.)

(c) Particulars of Purchases, Turnover and Stocks – (Contd.)

| Class of Goods | Unit | Opening Stock | | Purchases | | Closing Stock | | Sales | |
|--|------|----------------|------------------|-----------|----------|----------------|------------------|--------------------|----------------------|
| | | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| B. ELECTRICAL DIVISION :- (Contd.) | | | | | | | | | |
| II. TOGAMI UNIT : | | | | | | | | | |
| Electromagnetic Contactors upto 600 Amps. | Nos. | 4067 (5413) | 56.53 (46.13) | - (-) | - (-) | 3149 (4067) | 33.45 (56.53) | 11413 (12139) | 260.28 (444.30) |
| Bi-metallic Overload Relays upto 600 Amps | " | 1760 (2055) | 9.86 (8.45) | - (-) | - (-) | 1519 (1760) | 7.02 (9.86) | 1213 (923) | 7.60 (11.33) |
| Moulded Case Circuit Breakers upto 1200 Amps | " | 2494 (1595) | 39.60 (15.94) | - (-) | - (-) | 2948 (2494) | 36.36 (39.60) | 1060 (479) | 37.48 (68.53) |
| Industrial Motor Starters | " | 106 (113) | 2.50 (2.01) | - (-) | - (-) | 171 (106) | 1.92 (2.50) | 144 (42) | 6.20 (1.68) |
| 11 KV Pole Mounted Sectionalizer | " | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| 11 KV Pole Mounted Capacitor Switch | " | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 1 (36) | 0.90 (46.26) |
| Pole Mounted Vacuum Circuit Breaker/Auto Reclosure | " | - (30) | - (36.55) | - (-) | - (-) | - (-) | - (-) | 3 (70) | 16.02 (193.81) |
| Switch Fuse Unit | " | 23 (32) | 0.28 (0.20) | - (-) | - (-) | 23 (23) | 0.28 (0.28) | - (1) | - (0.01) |
| III. TRANSFORMER AND SWITCHGEAR UNIT : | | | | | | | | | |
| Power and Distribution Transformer | KVA | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 605750 (721500) | 3941.15 (5937.48) |
| Control Panel and Systems (including Air break Load Interruptors) | Nos. | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 24 (24) | 30.01 (29.90) |
| IV. BRENTFORD UNIT : | | | | | | | | | |
| Power Voltage Regulator upto 7500KVA | KVA | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 53153 (50200) | 733.35 (743.50) |
| Power Transformer upto 2500KVA | KVA | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 11750 (8200) | 172.99 (129.80) |

(Contd.)

(Rupees in lakhs)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE 20 - (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956: - (Contd.)

(c) Particulars of Purchases, Turnover and Stocks - (Contd.)

| Class of Goods | Unit | Opening Stock | | Purchases | | Closing Stock | | Sales | |
|---|------|---------------|----------|-----------|----------|---------------|----------|-----------|------------|
| | | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| C. TEA DIVISION : | | | | | | | | | |
| Tea | Kgs. | 278230 | 248.43 | 357695 | 257.61 | 358551 | 361.45 | 9056971 | 9467.53 |
| | | (418643) | (329.55) | (252147) | (125.68) | (278230) | (248.43) | (9675787) | (7458.37) |
| Aromatic Oil | Kgs. | 308 | 0.59 | - | - | 308 | 0.59 | - | - |
| | | (308) | (0.59) | (-) | (-) | (308) | (0.59) | (-) | (-) |
| Spares, Components and Trading items : | | | | | | | | | |
| Sirocco Unit | Rs. | - | - | - | - | - | - | - | 657.88 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (2.60) |
| Switchgear Unit | Rs. | - | - | - | - | - | 4.97 | - | 285.47 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (152.23) |
| Togami Unit | Rs. | - | 2.93 | - | - | - | 13.86 | - | 216.34 |
| | | (-) | (32.62) | (-) | (-) | (-) | (2.93) | (-) | (75.37) |
| Brentford Unit | Rs. | - | - | - | - | - | - | - | 48.88 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (31.00) |
| | | | 396.68 | | 257.61 | | 459.90 | | 19128.92 |
| | | | (492.21) | | (125.68) | | (396.68) | | (18420.24) |

Notes: (1) Quantitative information in respect of production and turnover of spares and components separately sold have not been furnished pursuant to necessary exemption obtained from Company Law Board while turnover of Air Pollution Control Equipment have not been furnished as it is impracticable to do so since it includes innumerable items.

(2) Turnover is shown in gross value without deduction of trade discount and unrealised profit.

(3) Stock of Tea as on 31st March, 2009 includes 14920 kgs., value Rs.16.07 lakhs lying with third party.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

29. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 - (Contd.)

(d) Value of Imported and Indigenous Raw Materials, Components, Stores and Spare parts consumed (excluding items consumed for Capital and Repair jobs etc.)

| | Raw Materials and Components | | | | Stores and Spare Parts | | | |
|------------|------------------------------|---------------|----------------|---------------|------------------------|---------------|---------------|---------------|
| | 2008-09 | % | 2007-08 | % | 2008-09 | % | 2007-08 | % |
| Imported | 110.71 | 1.79 | 64.94 | 1.00 | 3.97 | 0.58 | 1.09 | 0.15 |
| Indigenous | 6060.79 | 98.21 | 6463.48 | 99.00 | 680.07 | 99.42 | 707.61 | 99.85 |
| | <u>6171.50</u> | <u>100.00</u> | <u>6528.42</u> | <u>100.00</u> | <u>-684.04</u> | <u>100.00</u> | <u>708.70</u> | <u>100.00</u> |

(e) Value of Imports on C.I.F. basis (excluding canalised imports) :-

| | 2008-09 | 2007-08 |
|------------------------------|---------------|--------------|
| Raw Materials and Components | 99.45 | 54.77 |
| Stores and Spare Parts | 1.22 | ... |
| | <u>100.67</u> | <u>54.77</u> |

(f) Earnings in Foreign Exchange :
Export on F.O.B. basis

| | |
|---------------|-------------|
| <u>329.54</u> | <u>5.38</u> |
|---------------|-------------|

(g) Expenditure in Foreign Currencies (on Accrual basis) :
Others

| | |
|-------------|-------------|
| <u>0.20</u> | <u>3.06</u> |
|-------------|-------------|

ANDREW YULE & CO. LTD.**NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)**

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

30. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956 - (Contd.)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE - (Contd.)**I. Registration Details :**

| | |
|------------------------------|-----------------|
| Registration No. | □ □ □ 3 2 2 9 |
| State Code (Refer Code List) | 2 1 |
| Balance Sheet Date | 3 1 0 3 2 0 0 9 |

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

| | |
|-------------------|-----------------|
| Public Issue | □ □ □ □ □ N I L |
| Right Issue | □ □ □ □ □ N I L |
| Bonus Issue | □ □ □ □ □ N I L |
| Private Placement | □ □ □ 8 4 3 0 0 |

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

| | |
|-------------------|-------------------|
| Total Liabilities | □ □ 4 6 4 3 4 1 5 |
| Total Assets | □ □ 4 6 4 3 4 1 5 |

Sources of funds :

| | |
|---|-------------------|
| Paid up Capital (including shares pending allotment of Rs.740.80 lakhs) | □ □ □ 6 6 6 7 3 7 |
| Reserves and Surplus | □ □ 1 0 8 7 4 0 1 |
| Secured Loans | □ □ 1 3 3 1 0 4 3 |
| Unsecured Loans | □ □ 1 5 2 6 9 8 1 |
| Deferred Tax Liability | □ □ □ 3 1 2 5 3 |

Application of funds :

| | |
|---------------------------|-------------------|
| Net Fixed Assets | □ □ 1 7 5 6 3 2 4 |
| Investments | □ □ 2 0 6 6 9 6 |
| Net Current Assets | □ □ 9 9 3 7 4 5 |
| Miscellaneous Expenditure | □ □ □ □ □ 9 0 0 |
| Accumulated Losses | □ □ 1 6 8 5 7 5 0 |

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

30. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956 - (Contd.)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE - (Contd.)

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

| | |
|---|--|
| Turnover (including miscellaneous income) | <input type="text"/> <input type="text"/> 2 7 2 1 8 3 1 |
| Total Expenditure (including extra-ordinary item) | <input type="text"/> <input type="text"/> 2 4 0 4 2 4 2 |
| | + - |
| Profit/Loss before Tax | <input checked="" type="checkbox"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 3 1 7 5 8 9 |
| | + - |
| Profit/Loss after Tax | <input checked="" type="checkbox"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 9 3 6 1 8 |
| | (Please tick Appropriate box + for Profit - for Loss) |
| Earning per Share in Re. | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 / 0 3 |

Dividend - -

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms) :

| | |
|--------------------------|---|
| Item Code No. (ITC Code) | <input type="text"/> 8 4 1 4 5 9 0 3 |
| Product Description | I N D U S T R I A L F A N S A N D B L O W E R S |
| Item Code No. (ITC Code) | <input type="text"/> <input type="text"/> 8 5 0 4 0 0 |
| Product Description | T R A N S F O R M E R S |
| Item Code No. (ITC Code) | <input type="text"/> 0 9 0 2 4 0 0 0 |
| Product Description | T E A |

D. BANDYOPADHYAY,
Company Secretary,
KOLKATA - 29th June, 2009.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA, Director.

In terms of our attached Report of even date.

Kolkata - 29th June, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

[1] Name of the Subsidiary Company
HOOGHLY PRINTING COMPANY LIMITED
YULE ENGINEERING LIMITED
YULE ELECTRICAL LIMITED

[2] Holding Company's Interest :

- [A] Hooghly Printing Co. Ltd.
Entire issued Share Capital of 10,27,128 Ordinary Shares of Rs.10 each, fully paid.
- [B] Yule Engineering Ltd.
Entire issued Share Capital of 50,000 Ordinary Shares of Rs.10 each, fully paid.
- [C] Yule Electrical Ltd.
Entire issued Share Capital of 50,000 Ordinary Shares of Rs.10 each, fully paid.

[3] Net aggregate amount of Subsidiary's profit not dealt with the Holding Company's accounts :

(Rs. in lakhs)

| <u>Name of the Subsidiary</u> | <u>Profit for the Financial year ended 31st March, 2009</u> | <u>Profit for the previous year ended 31st March, 2008</u> |
|-------------------------------|---|--|
| Hooghly Printing Co. Ltd. | 6.70 | 5.48 |
| Yule Engineering Ltd. | ... | ... |
| Yule Electrical Ltd. | ... | ... |

[4] Net aggregate amount of Subsidiary's profit dealt within the Holding Company's accounts :

| <u>Name of the Subsidiary</u> | <u>Profit for the Financial year ended 31st March, 2009</u> | <u>Profit for the previous year ended 31st March, 2008</u> |
|-------------------------------|---|--|
| Hooghly Printing Co. Ltd. | Nil | Nil |
| Yule Engineering Ltd. | Nil | Nil |
| Yule Electrical Ltd. | Nil | Nil |

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA - 26th August, 2009.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA, Director.

CONSOLIDATED ACCOUNTS

Statement of Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended 31st March, 2009.

The financial statements have been prepared under the historic cost convention on accrual basis adjusted by revaluation of certain fixed assets in compliance with all material aspect of applicable Accounting Standards in India and the relevant provisions of The Companies Act, 1956 and on the Accounting Principles of going concern.

1. Reserves :

- (a) Central and State Subsidies received by the Company are retained in Special Reserve until the conditions stipulated in the respective schemes are complied with, and the same are credited to Profit and Loss Account or Capital Reserve after the expiry of the specified period depending upon the nature of the subsidy.
- (b) Sales value of fixed assets and investments to the extent it exceeds the original cost of the relevant asset is credited to Profit and Loss Account. Provided, however, loss/diminution in value of assets acquired through amalgamation/merger are adjusted against the Capital Reserve created out of the same.

2. Fixed Assets :

- (a) The Physical verification of fixed assets is carried out in a phased manner so as to cover each item of the fixed assets over a period of 3 years.
- (b) Machinery manufactured by one Unit/Division for use of another Unit/Division are accounted for at Works/Factory cost of the Transferor Unit.
- (c) The gross fixed assets are valued at acquisition cost and other related expenses incurred to bring them to their present condition. The gross amount of interest on loans utilised for various expansion/diversification schemes is capitalised till the commissioning of the projects. Further, no interest for inter-unit transfer of funds on Capital Account is considered for the above purpose.

In case of Tide Water Oil Co. (India) Ltd.,

- [i] Certain land, buildings, blending plants and laboratory equipment and grease plant are stated on the basis of their revaluation being inclusive of resultant write-ups. Other fixed assets are stated at cost.
- [ii] [a] For assets acquired under operating lease, rental payable are charged to Profit and Loss Account. Assets acquired under finance lease are capitalised at lower of the fair value and present value of minimum lease payment.

- [b] On revalued assets depreciation is calculated on the revalued book value at the rates considered appropriate by the valuer on a straight line basis and thereafter adjusted to the extent chargeable on written down value method at the rates prescribed under Schedule-XIV to the Companies Act, 1956.
- [c] On other fixed assets depreciation is calculated on written down value method at the rate prescribed under Schedule-XIV to the Companies Act, 1956, except on leasehold land which is calculated on straight line basis over the period of lease.
- [d] Items costing not more than Rs.5000 are fully depreciated during the year of addition.
- [e] Intangible assets expected to provide future enduring economic benefit are stated at cost less amortisation. Cost comprises purchase price and directly attributable expenditure on making the assets ready for its intended use.
- [f] Intangible assets are amortised over their best estimated useful life ranging upto 3 years on straight line method.
- [g] The carrying amounts of assets are reviewed at each Balance Sheet date for indicators of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- [h] After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- [i] A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(Contd.)

In case of New Beerbhoom Coal Co. Ltd. the Company has some properties (let out to third parties on rental basis) which not being related to any coal mines have not vested in the Central Government as a result of nationalisation of its coal mines. In the absence of any information as regards the original cost and depreciation if any, provided thereon, the book value of the said properties are considered to be nil for the purpose of these accounts.

- (d) (i) Depreciation is provided on the Assets other than Estate on straightline method in accordance with the provisions of Section 205(2)(b) read with Schedule XIV of the Companies Act, 1956 from the date the assets are put to use.
- (ii) In case of Hooghly Printing Co. Ltd. depreciation on assets has been calculated on written down value method in accordance with the rates and in the manner prescribed in Schedule-XIV of the Companies Act, 1956.
- (e) In case of Hooghly Printing Co. Ltd. Profit on Sale of Fixed Assets including Capital Profit is taken into Profit and Loss Account, if it is realised.
- (f) No amortisation of cost of long-term leasehold land is done. However, fee payable for renewal of lease of land is charged as expenditure in the Profit and Loss Account as and when the payment is due.
- (g) Liquidated damages received by the Company for delayed construction and delayed supply of equipment are set-off against the capital expenditure to which it relates.
- (h) Grant/Subsidy in respect of capital expenditure is accounted for as per applicable Accounting Standard and depreciations on the Assets acquired out of such subsidy is adjusted thereagainst.
- (i) Expenditure incurred/capitalised in respect of projects abandoned/to be abandoned are accounted for in compliance of relevant Accounting Standard.
- (j) Provision for impairment of assets is made in compliance with AS-28.

3. Inventories :

- (a) Stocks of stores, spares, raw materials etc., are valued at lower of cost or net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which those will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average cost basis.

In case of Hooghly Printing Co. Ltd. raw materials and stores and spares are valued at cost.

In case of Phoenix Yule Ltd., carrying costs of raw materials, stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials or where the finished goods in which those will be incorporated are expected to be sold below cost.

- (b) Work-in-Progress is valued at Works Cost. Works cost includes direct materials, labour and manufacturing overhead. All losses on Work-in-Progress incurred upto the end of the year and losses estimated for further Works Cost to be incurred on such jobs are taken into account and duly provided for.

While valuing the contract jobs in progress (excluding systems and turnkey jobs) at the close of the year, future estimated losses are considered only in respect of jobs valued at Rs.25.00 lakhs or more and/or physical progress whereof as per technical estimate, is minimum 50%.

- (c) Royalty liabilities calculated with reference to Sales as per the collaboration agreements are considered as selling expenses and thus, have not been considered for the purpose of valuation of stocks of Work-in-Progress and finished goods.
- (d) Inter-Unit transfers of own manufactured stores, spares, raw materials etc., if lying in stock at the close of the year, are valued at estimated Works/Factory cost of the Transferror Unit.
- (e) Excise Duty, Insurance and Freight outward in connection with transfer of finished goods from factories to branches have been considered for valuation of branch stock at the close of the year.
- (f) Stocks of finished goods including Finished goods-in-transit are valued at garden cost/estimated total cost or net realisable value, whichever is lower. Estimated total cost covers all costs excluding interest, general administration overheads and selling and distribution expenses. In case of Packet Tea, all expenses relating to packeting including freight are also considered.

In case of Hooghly Printing Co. Ltd. estimated liabilities, if any, for expenses are not taken into the account for the purpose of stock valuation.

In case of Tide Water Oil Co. (India) Ltd. cost is determined under first in first out method.

In case of Phoenix Yule Ltd. traded finished goods are valued at the lower of cost of procurement and net realisable value.

- (g) Imported materials lying in bonded warehouse and at Port are valued at cost including Customs Duty, Port Charges etc.

(Contd.)

- (h) Loose Tools are amortised over a period of 5 years.
In case of Phoenix Yule Ltd. loose tools are amortised over a period of two years from the year of issue.
- (i) Stock of scrap as per stock records, is valued on the basis of estimated realisable value. However, tea waste is not valued.
- (j) Export benefits against Advance Licences are considered at the time of actual consumption of the imported materials. Advance Licences in hand at the close of the year are not accounted for.

4. Investments :

Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary nature in the opinion of the Management.

5. Sales :

- (a) (i) Sales against Ex-Works/FOR Contracts are booked on the basis of deliveries to transport carriers upto 31st March, irrespective of whether the goods have been received by the customers by 31st March or not. Sales in respect of transactions against FOR destination contracts are booked for the goods actually received by customers by 31st March.
- (ii) Despatches against FOR destination contracts not reaching the customers within the close of the year, are shown as Finished goods-in-transit.
- (iii) In case of Hooghly Printing Co. Ltd.; sales are accounted for on the basis of receipted challans in respect of goods received by the customers by 31st March.
- (iv) In case of Phoenix Yule Ltd.,
- [a] Revenue from sale of goods is recognised on transfer of substantial risks and rewards of ownership to customers.
- [b] Revenue from service contracts is recognised as and when the related invoices are raised on rendering of service to customers.
- [c] Export incentive benefits are recognised on despatch of goods to customers.
- (v) In case of Tide Water Oil Co. (I) Ltd., sales are recognised when goods are supplied and are recorded net of sales tax/VAT and inclusive of excise duty. Revenue is recognised to the extent it is probable that economic benefit will flow to the Company and the revenue can be reliably measured.
- (b) Partial deliveries are accounted for in accordance with the billing schedule as per the terms of sales contract.

- (c) Tea sales against contracts are accounted for on the basis of delivery orders and on completion of sale in auction centres in accordance with the norms of tea trade.
- (d) Sales returns, if any, upto the cut-off date i.e. 30th April, are accounted for.
- (e) [i] Sales is inclusive of excise duty wherever applicable.
[ii] In case of Phoenix Yule Ltd. sales (net of excise duty) is stated inclusive of Sales Tax.
[iii] In case of Tide Water Oil Co. (I) Ltd. sales are recorded net of Sales Tax/VAT and inclusive of Excise Duty.
- (f) Except in disputed cases, escalation/de-escalation claim bills are accounted for on the basis of the terms of the relevant contracts.
- (g) Export sales are accounted for with reference to the date of Bill of Lading.

6. Dividend Receipts :

Dividends declared and received within the close of the accounting year only are accounted for in respect of investments held by the Company.

7. Other Income :

- (a) (i) Insurance and other claims are accounted for on the basis of amounts admitted;
- (ii) Sales Tax, Excise Duty and Customs Duty refunds are accounted for on the basis of assessment/refund orders received;
- (iii) Central/State Subsidies from Government and Tea Board are accounted for on the receipt of intimation of grant.
- (b) Interest receivable from customers as per stipulation of the Sales Contract on account of late receipt of full/proportionate payments are accounted for to the extent of such interest is ascertainable with respect to the payment so far received.
- (c) Liquidated Damages received by the Company for delayed execution and delayed supply of equipment/spares are treated as other income.
- (d) Export/Deemed Export benefits are accounted for on completion of despatches in terms of the contract.
- (e) In case of Hooghly Printing Co. Ltd. credit of scrap is taken in miscellaneous receipts when disposed off.
- (f) In case of Katras Jherriah Coal Co. Ltd. interest income and income from debentures are accounted for on accrual basis.
- (g) In case of New Beerbhoom Coal Co. Ltd. interest income and income from debentures are accounted for on accrual basis.

(Contd.)

8. Purchases :

- (a) Insurance charges incurred in relation to the incoming goods where materials are directly relatable are accounted for in respect of individual items' otherwise, such insurance premium is charged off to Profit and Loss Account.
- (b) In case of goods purchased from overseas, the shipment is treated as goods-in-transit (import) :
 - (i) in case of both CIF and C&F Contracts, from the date of intimation received from bank;
 - (ii) in case of FOB Contracts, from the date of actual shipment as per Bill of Lading.

Customs Duty is charged on the basis of the date of arrival in port.

9. Other Revenue Expenses :

- (a) Issue of materials/components as free replacements during the guarantee period which can not be provided being unknown, is accounted for on actual despatches. Known free replacements upto the close of the accounting year are provided for.
- (b) Liability in respect of rectification work/replacement involving estimated value above Rs.0.25 lakh per case is booked on the basis of claims from the customers admitted by the Company wherever it is possible to estimate.
- (c) Liabilities in respect of Liquidated Damages are provided if and to the extent, not disputed by the Company. Liquidated Damages disputed by the Company are treated as contingent liability. The amount of liability/contingent liability is estimated on the basis of contracted terms and the facts of each case to the extent of revenue recognised.
- (d) Liability in respect of commission is provided in proportion to sales.
- (e) Interest on delayed payments of Income Tax/Agricultural Income Tax is accounted for on the basis of assessment orders of the Tax Authorities, if not disputed by the Company or actual payment effected, as the case may be.
- (f) Provisions made and Provisions no longer required written back during the year are netted against in respect of each individual items.
- (g) Payment of Technical Know how Fees is accounted for in compliance with the relevant Accounting Standard.
- (h) Provision for unrealised profit is made in respect of partially completed composite/turnkey contracts on basis of proportionate direct cost on the revenue recognised.
- (i) Medicine purchased for Tea Estates are all charged out as per consistent practice.

- (j) Guarantee commission is taken in the year of Guarantees issued/renewed.
- (k) In case of Phoenix Yule Ltd. commission to consignment agents is recognised on despatch of goods to customers in accordance with the terms of the related agreements.

10. Taxation :

- (a) Taxation comprises of Deferred Tax, Fringe Benefit Tax and Wealth Tax. Fringe Benefit Tax and Wealth Tax are measured as the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961 and Wealth Tax Act, 1957.
- (b) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax assets/liabilities is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

11. Contingent Liabilities/Capital Losses and Contingent Assets :

Disputed liabilities and claims against the Company including claims by Tax Authorities (for example, Income-tax, Sales tax etc.) pending in appeal, are treated as contingent liabilities. Contingent assets are not accounted for.

Contingent liabilities are considered by using a substantial degree of estimates in compliance with Accounting Standard-29.

12. Booking/Writing Back of Liabilities :

- (a) For providing liabilities, cut-off date is 30th April (For Hooghly Printing Co. Ltd. 15th April,) but all known liabilities, if material, are booked as far as practicable.
- (b) Liabilities which are more than 5 years old and not likely to materialise are written back except government debts. In case of extraordinary items only, separate disclosure is given in the Accounts.

13. Conversion of Foreign Currencies:

- (a) Foreign currency loans to finance fixed assets including technical know-how fees are converted either at the exchange parity rate ruling at the close of the accounting year or at the fixed rate when the exchange is booked in advance, as the case may be. Necessary adjustments with regard to such exchange rate difference are made to secured loans, fixed assets and depreciation.
- (b) In respect of any import of materials both under CIF, FOB and C&F Contracts, purchases are booked at the exchange

(Contd.)

rates ruling on the date of Bill of Entry. The exchange difference, if any, arising from the difference between the above rate and the rate at which the actual payment is made or at the rate prevailing on 31st March, whichever is earlier, is accounted for in the Profit and Loss Account.

- (c) Exports/Overseas Sales are booked at the rates ruling on the date of bill of lading. Exchange difference, if any, relating to such bills arising either on realisation of the proceeds or on conversion thereof at the exchange rate ruling at the close of the year, whichever is earlier, is accounted for in Profit and Loss Account.
- (d) Receivables and Payables in foreign currency are reported in the Balance Sheet at the parity rate ruling at the close of the financial year. The exchange difference arising on the settlement of such receivables/payable or on reporting such receivables/payables at rates different from those at which those are initially recorded during the period or reported in previous Balance Sheet is accounted for in Profit and Loss Account.
- (e) Wherein contract for import or export is covered by forward exchange contract any premium or discount at inception of such contract and any other gain or loss arising out of exchange differences between the forward contract rate and the rate on the day of reporting are treated in compliance with Accounting Standard-11.
- (f) In case of Phoenix Yule Ltd.
 - (i) Transactions in foreign currency are recorded in the books of the Company at the exchange rates prevailing on the dates of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies, other than those covered by foreign exchange contracts, are translated at the year-end foreign exchange rates.
 - (ii) Exchange differences arising on settlement/translations are recognised in the Profit and Loss Account for the year, except when such exchange differences are related to acquisition of fixed assets from outside India. In those cases, the exchange differences are adjusted in the carrying values of assets.
 - (iii) In case of forward exchange contracts other than those

related to acquisition of fixed assets from outside India, premium or discount on such contracts are recognised in the Profit and Loss Account over the lives of the contracts. In case the contracts are related to acquisition of fixed assets from outside India premium or discount on such contracts are adjusted to the carrying values of the assets.

14. Research and Development Costs :

Expenditure in relation to Research and Development activities are treated in accordance with the relevant provision of AS-26.

In case of Tide Water Oil Co. (I) Ltd. revenue expenditure for Research and Development are charged to the Profit and Loss Account in the year in which these are incurred.

15. Employee Benefits :

- (a) Defined Contribution Schemes (DCS) : Company's contribution towards Provident Fund paid/payable during the year to the Provident Fund Authority are charged to the Profit and Loss Account.
- (b) Company's liabilities towards Defined Benefit Schemes for Gratuity, Superannuation and Pension, value of Plan Assets of the Trustee managed Funds maintained for meeting such liabilities, contribution to those Funds and benefits paid out of such Funds are ascertained and accounted for on the basis of independent actuarial valuation as per the requirement of Accounting Standard-15 (Revised 2005) on "Employee Benefit".

In respect of a section of employees, the Company's liability towards Defined Benefit for Provident Fund is determined and accounted for on the basis of prescribed contributions to the respective Trustee managed Funds and shortfall, if any, in plan assets as per Audited Accounts of such Fund.

In respect of post retirement Defined Benefit Scheme of Leave Encashment, the Company's liability is determined and accounted for on the basis of independent actuarial valuation as required by Accounting Standard-15 (Revised 2005) though there is no funding for such liability.

- (c) Leave encashment and Pension fund is unfunded but benefits have been determined and accounted for in accordance with Accounting Standard-15 (Revised 2005).

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ANDREW YULE & CO. LTD.
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have examined the attached consolidated Balance Sheet of Andrew Yule & Co. Ltd. (The Company) and its Subsidiary, Associates and Joint Venture Companies (the Andrew Yule Group) as at 31st March, 2009, and the Consolidated Profit and Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Andrew Yule & Co. Ltd.'s management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, associates and joint venture. These financial statements have been audited by other auditors whose reports have been furnished to us unless otherwise disclosed in the Notes to Accounts under Schedule 20, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, associates and joint venture is based solely on the report of the other auditors. The details of Assets and Revenues in respect of these subsidiary, Associates and Joint Venture to the extent to which they are reflected in the Consolidated Financial Statements are given below :

(Rupees in lakhs)

| <u>Name of the Companies</u> | <u>Total Assets</u> | <u>Total Revenues</u> |
|--------------------------------|---------------------|-----------------------|
| A. Subsidiary | | |
| [i] Hooghly Printing Co. Ltd. | 955.36 | 650.19 |
| [ii] Yule Engineering Co. Ltd. | 2.71 | ... |
| [iii] Yule Electrical Co. Ltd. | 8.74 | ... |
| B. Joint Venture | | |
| Phoenix Yule Ltd. | 5005.50 | ... |

| | | |
|--|---|-----------------------------------|
| | Net Carrying cost of investment as on 31st March, 2009 | Current year's share of Profit |
| | | |

C. Associates

| | | |
|------------------------------------|---------|---------|
| 1. Tide Water Oil Co. (India) Ltd. | 2259.68 | 666.98 |
| 2. Katras Jherriah Coal Co. Ltd. | 4.30 | (-)0.58 |
| 3. The New Beerbhoom Coal Co. Ltd. | 10.74 | (-)0.07 |

1. We report that, the consolidated financial statements, read with Note 1 in Schedule 20, have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements, AS-23 Accounting for Investments in Associates in Consolidated Financial Statements and AS-27 Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Andrew Yule Group included in the Consolidated Financial Statements.

2. **In the proceedings of hearing held on 30th October, 2007 before the Board for Industrial and Financial Reconstruction (BIFR), Rehabilitation Scheme of the Company with cut-off date as at 31st March, 2006 has been sanctioned which is in the process of implementation. The Accounts are prepared on the principle applicable to a going concern, even though the net worth of the Company is fully eroded. (Share pending allotment to Government of India Rs.490.00 lakhs and Bank of Baroda Rs.250.80 lakhs totaling to Rs.740.80 lakhs) not considered for the purpose of net worth [Refer Note No.7(a) of Schedule 20].**

3. **Non-provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to Rs.27.88 lakhs.**

4. **Non-confirmation of year end balances in respect of Sundry Debtors, Deposits, Advances, Creditors, Dues to/from Govt. Undertakings and Stock with third Parties etc. (Refer to Note No.14 in Schedule 20).**

(Contd.)

5. Grant of unsecured loan of Rs.500.00 lakhs to Yule Financing & Leasing Co. Ltd. @ 5.5% p.a. which is lower than the rate prescribed under sub-section 3 and the guidelines prescribed by the Central Govt. under sub section 7 of section 372A of the Act.
6. Penalty/interest for non-filing/delayed filing of TDS/ Service Tax Return in some units has not been ascertained and provided for.
7. [i] Non-provision towards dimunition in value of long term investments of Tide Water Oil Co. (India) Ltd., amounting to Rs.60.09 lakhs out of which Group share in Consolidated Accounts is Rs.15.75 lakhs [Refer to Note No.17(b) in Schedule 20].
- [ii] Non-provision towards dimunition in value of long term investments of New Beerbhoom Coal Co. Ltd., amounting to Rs.1.59 lakh out of which Group share in Consolidated Accounts is Rs.0.52 lakh [Refer to Note No.17(c) in Schedule 20].
- [iii] Non Provision towards dimunition in value of long term investments of Katras Jherriah Coal Co. Ltd., amounting to Rs.2.55 lakhs one of which group share in consolidated accounts is Rs.0.81 lakh [Refer to Note No.17(d) in Schedule 20].
8. [i] Non-provision in respect of Advances of Rs.348.00 lakhs in the accounts of Tide Water Oil Co. (India) Ltd., out of which Group share in consolidated accounts is Rs.91.25 lakhs, the status of the recoverability of the same and the corresponding provision as may be required is not ascertainable at this stage (Refer to Note No.24 in Schedule 20).
- [ii] Non-provision of Rs.4.50 lakhs in the Accounts of New Beerbhoom Coal Co. Ltd., in respect of amount due from a Body Corporate, the extent of realisability of which could not be ascertained. Group share in Consolidated Accounts is Rs.1.48 lakhs (Refer to Note No.20 in Schedule 20).
- [iii] In the Accounts of Katras Jherriah Coal Co. Ltd.
- [a] In case of Katras Jherriah Coal Co. Ltd., only those claims in relation to coking/non-coking coal mines which have been admitted by the respective Commissioner of Payments or are subject to appeal filed by the claimants and still pending with the appellate courts have been included in "Sundry Creditors". Accordingly, the extent of adjustments as may be required in respect of claims under appeals still pending with the Appellate Courts is not ascertainable at this stage [Refer to Note No.23(a) in Schedule 20].
- [b] From the available records and information it has not been possible to ascertain the extent to which amount is receivable for Rs.1.79 lakhs. Group share in Consolidated Accounts is Rs.0.57 lakh (Refer to Note No.21 in Schedule 20).
- [c] The extent of realisability of loan given to Body Corporate for Rs.2.00 lakhs. Group share in Consolidated Accounts is Rs.0.63 lakh (Refer to Note No.22 in Schedule 20).
9. Read with our above comments :
- [a] We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit **except our comments in Item No.4 above;**
- [b] in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- [c] the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- [d] in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards (AS) referred to in Section 211(3C) of the Act, **except AS-13 regarding Accounting for investments (refer to our comments in Item No.3 above), and AS-24 in respect of non-disclosure of the date and nature of the initial disclosure events and significant changes, if any, in the amount or timing difference of cash flows relating to the assets and liabilities to be settled (Refer Note No.29 of Schedule 20).**
10. In terms of Notification No.G.S.R.829(E) dated 21st October, 2003, issued by the Central Government, the requirement of Clause (g) of Sub-section (1) of Section 274 of the Act is not applicable to a Government Company.

(Contd.)

11. Without considering the items mentioned in Paragraphs 2, 4, 5, 6 and 8(iii)(a) (to the extent not determinable), the effect of which could not be determined, had the observations in paragraphs 3, 7(i), 7(ii), 7(iii), 8(i), 8(ii), 8(iii)(b) (to the extent determinable) above been considered, profit after Extraordinary items and tax would have been Rs.3466.96 lakhs as against the reported profit of Rs.3605.85 lakhs, accumulated loss net of General Reserve would have been Rs.12874.17 lakhs as against the reported figure of Rs.12829.21 lakhs, net current assets would have been Rs.12968.10 lakhs as against the reported figure of Rs.11966.09 lakhs, and investments would have been Rs.2828.95 lakhs as against the reported figure of Rs.2873.91 lakhs.

Subject to the foregoing paragraphs 1 to 9, we report that on the basis of the information and explanations given to

us and on the consideration of the separate audit reports on individual audited financial statements of Andrew Yule Group we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- [a] in the case of the Consolidated Balance Sheet, of the state of affairs of Andrew Yule Group as at 31st March, 2009;
- [b] in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Andrew Yule Group for the year ended on that date; and
- [c] in the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Andrew Yule Group for the year ended on that date.

Kolkata – 26th August, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

ANDREW YULE & CO. LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | Schedules | As at 31.03.09 | As at 31.03.08 |
|---|-----------|------------------------|------------------------|
| SOURCES OF FUNDS | | | |
| (1) Shareholders' Funds : | | | |
| (a) Share Capital | 1 | 5926.57 | 5674.37 |
| (b) Share pending allotment to Govt. of India | | 740.80 | 150.00 |
| (c) Reserves and Surplus | 2 | 10874.41 | 10874.01 |
| | | <u>17541.78</u> | <u>16698.38</u> |
| (2) Loan Funds : | | | |
| (a) Secured Loans | 3 | 13599.89 | 16329.28 |
| (b) Unsecured Loans | | 15269.81 | 14499.92 |
| | | <u>28869.70</u> | <u>30829.20</u> |
| (3) Deferred Tax Liability (Net) | | | |
| (Note No.26 on Schedule 20) | | 212.25 | 211.53 |
| TOTAL | | <u>46623.73</u> | <u>47739.11</u> |
| APPLICATIONS OF FUNDS | | | |
| (1) Fixed Assets : | | | |
| (a) Gross Block | 4 | 24434.32 | 23891.08 |
| (b) Less: Depreciation and Impairment of Assets | | 6511.07 | 6322.30 |
| (c) Net Block | | 17923.25 | 17568.78 |
| (d) Less: Impairment of Assets | | 181.51 | 863.76 |
| | | 17741.74 | 18432.54 |
| (e) Capital Work-in-Progress | | 1078.53 | 113.85 |
| | | 18820.27 | 18546.39 |
| (f) Pre-operative Expenditure (Pending Allocation) | | 113.85 | 113.85 |
| | | <u>18934.12</u> | <u>...</u> |
| (2) Investments | 5 | <u>2873.91</u> | <u>2212.79</u> |
| (3) Current Assets, Loans and Advances : | | | |
| (a) Inventories | 6 | 3349.65 | 3131.14 |
| (b) Sundry Debtors | 7 | 5862.84 | 6142.46 |
| (c) Cash and Bank Balances | 8 | 13228.99 | 14391.66 |
| (d) Other Current Assets | 9 | 0.05 | 0.05 |
| (e) Loans and Advances | 10 | 4839.37 | 4921.44 |
| | | <u>27280.90</u> | <u>28586.75</u> |
| Less: Current Liabilities and Provisions : | | | |
| (a) Current Liabilities | 11 | 13222.17 | 15368.37 |
| (b) Provisions | 12 | 2092.64 | 2672.21 |
| | | <u>15314.81</u> | <u>18040.58</u> |
| Net Current Assets | | 11966.09 | 10546.17 |
| (4) (a) Miscellaneous Expenditure to the extent not written off or adjusted: | | | |
| (i) Other Expenses | | 20.40 | 40.44 |
| (b) Profit and Loss Account | | 12829.21 | 16393.32 |
| TOTAL | | <u>46623.73</u> | <u>47739.11</u> |

NOTES ON ACCOUNTS

20

NOTES ON ACCOUNTS, STATEMENT ON ACCOUNTING POLICIES AND SCHEDULES 1 TO 20 FORM AN INTEGRAL PART OF THE ACCOUNTS

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA - 26th August, 2009.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA, Director.

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

Kolkata - 26th August, 2009.

ANDREW YULE & CO. LTD.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | Schedules | 2008-09 | 2007-08 |
|---|-----------|--------------|--------------|
| INCOME | | | |
| Sales | 13 | 18699.70 | 24592.09 |
| Interest and Dividend on Investments (Gross) | | 289.38 | 41.56 |
| Other Income | 14 | 6653.48 | 6617.40 |
| Accretion/Decretion (-) in Stocks | 15 | 213.94 | 5.96 |
| | | 25856.50 | 31257.01 |
| EXPENDITURE | | | |
| Materials Consumed | 16 | 7188.93 | 11774.88 |
| Salaries, Wages and Bonus | 17 | 7449.81 | 7464.35 |
| Interest | 18 | 2281.10 | 1975.85 |
| Other Expenses | 19 | 7390.56 | 7487.41 |
| Depreciation | 4 | 371.39 | 521.53 |
| Impairment of Assets | | 4.50 | 32.64 |
| | | 24686.29 | 29256.66 |
| Profit/Loss(-) before Extra-ordinary items | | 1170.21 | 2000.35 |
| Add/Less : Extra-ordinary items : | | | |
| Extra-ordinary Expenses net of Extra-ordinary Income | | 2012.00 | 22.67 |
| Profit/Loss(-) for the year | | 3182.21 | 1977.68 |
| Add/Less : Provision for Taxation : | | | |
| (a) Wealth Tax (Proportionate share of Joint Venture) Rs.Nil; (2007-08 Rs.0.02 lakh) | 2.50 | | 4.52 |
| (b) Income Tax (Proportionate share of Joint Venture) Rs.Nil; (2007-08 Rs.488.39 lakhs) | 211.22 | | 490.99 |
| (c) Fringe Benefit Tax (Proportionate share of Joint Venture) Rs.Nil; (2007-08 Rs.4.42 lakhs) | 28.25 | | 37.45 |
| (d) Deferred Tax | 0.72 | 242.69 | 290.15 |
| | | 2939.52 | 823.11 |
| Add : Provision for deferred tax liability written back [Proportionate share of Joint Venture Rs.Nil lakhs; 2007-08 Rs.108.36 lakhs] | | ... | 108.36 |
| | | 2939.52 | 1262.93 |
| Add : Share of Profit of Associates | | 666.33 | 547.63 |
| | | 3605.85 | 1810.56 |
| Add : Loss brought forward from last account | | (-) 18902.06 | (-) 43493.78 |
| | | (-) 15296.21 | (-) 41683.22 |
| Add/Less : Capital Reduction | | ... | 22697.48 |
| | | (-) 15296.21 | (-) 18985.74 |
| Less : Dividend Tax (Proportionate share of Joint Venture Rs.Nil; 2007-08 Rs.40.58 lakhs) | | ... | 40.58 |
| | | (-) 15296.21 | (-) 19026.32 |
| Add : Balance in General Reserve (per contra) | | 2467.00 | 2633.00 |
| Balance carried to Balance Sheet | | (-) 12829.21 | (-) 16393.32 |
| Basic and Diluted earnings per share before extraordinary income(Note No.31 of Schedule 20) | | 0.56 | 3.07 |
| Basic and Diluted earnings after extraordinary income (Note No.31 of Schedule 20) | | 1.27 | 3.07 |

NOTES ON ACCOUNTS

20

NOTES ON ACCOUNTS, STATEMENT ON ACCOUNTING POLICIES AND SCHEDULES 1 TO 20 FORM AN INTEGRAL PART OF THE ACCOUNTS

D. BANDYOPADHYAY,
Company Secretary.

KOLKATA – 26th August, 2009.

On behalf of the Board,

K. DATTA, Chairman and Managing Director.

I. SENGUPTA, Director.

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

Kolkata – 26th August, 2009.

ANDREW YULE & CO. LTD.**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009
PREPARED PURSUANT TO THE LISTING AGREEMENTS WITH STOCK EXCHANGES**

(Rupees in lakhs)

| | <u>2008-09</u> | <u>2007-08</u> |
|--|----------------|------------------|
| Cash Flow Statement has been prepared by following Indirect Method mentioned in AS-3 | | |
| (A) CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax and extraordinary items | 1836.54 | 2547.98 |
| Adjustments for | | |
| Depreciation/Impairment of Assets | 375.89 | 554.17 |
| Miscellaneous Expenditure written off | 20.04 | 64.74 |
| Interest charged | 2281.10 | 1975.85 |
| Profit on sale of fixed assets | ... | 0.21 |
| Investment Income | (1345.55) | (510.73) |
| Operating profit before changes in amount of Current Liabilities and Current Assets | 3168.02 | 4632.22 |
| Adjustments for | | |
| Trade Receivables | 125.27 | (10277.69) |
| Inventories | (218.51) | (69.54) |
| Trade payable | (2790.12) | 1790.46 |
| Cash Generated from Operations | 284.66 | (3924.55) |
| Wealth Tax paid | (2.71) | (2.47) |
| Fringe Benefit Tax paid | (54.15) | (6.29) |
| Agricultural Income Tax | (165.42) | ... |
| Cash-flow before Extraordinary Items | 62.38 | (3933.31) |
| Extraordinary Items (Net) | 2012.00 | (22.67) |
| Extraordinary Income | | |
| Capital Reduction | ... | 22697.48 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 2074.38 | 18741.50 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure) | (758.01) | (1403.05) |
| Loans | 30.06 | (305.03) |
| Investment made | ... | (774.81) |
| Income from Investments | 937.73 | 487.58 |
| NET CASH FROM INVESTING ACTIVITIES (B) | 209.78 | (1995.31) |

(Contd.)

ANDREW YULE & CO. LTD.**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009
PREPARED PURSUANT TO THE LISTING AGREEMENTS WITH STOCK EXCHANGES - (Contd.)** (Rupees in lakhs)

| | <u>2008-09</u> | <u>2007-08</u> |
|---|-------------------------|--------------------------|
| (C) CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from borrowings | (2525.61) | 3439.95 |
| Interest paid | (1717.28) | (7191.65) |
| Advance against equity | 590.80 | (152.34) |
| Proceeds from equity | 252.20 | (10742.90) |
| NET CASH USED IN FINANCING ACTIVITIES (C) | <u>(3399.89)</u> | <u>(14646.94)</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C) | (1115.73) | 2099.25 |
| CASH AND CASH EQUIVALENT Opening Balance as at 1st April,2008 | 5751.72 | 3652.47 |
| CASH AND CASH EQUIVALENT Closing Balance as at 31st March,2009 | 4635.99 | 5751.72 |

Notes :

[1] Break-up of Cash and Cash equivalent

| | | |
|---|----------------|----------------|
| Cash in hand | 16.15 | 10.76 |
| Postage and Stamps in hand | 0.05 | 0.04 |
| Cheques in hand | 82.83 | 426.94 |
| Remittance in transit | 684.26 | 147.20 |
| Remittance with Scheduled Banks : | | |
| On Current Account | 2243.48 | 460.44 |
| Fixed Deposit with Banks maturing within 3 months | 1609.22 | 4706.34 |
| | <u>4635.99</u> | <u>5751.72</u> |

[2] Suitable modifications have been made in the prescribed form to provide for adequate information.

[3] Figures of the previous year have been re-grouped/re-arranged wherever necessary.

D. BANDYOPADHYAY,
Company Secretary,
KOLKATA - 26th August, 2009.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA, Director.

In terms of our attached Report of even date.

Kolkata - 26th August, 2009.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. GHOSH)
Partner,
Membership No.53079

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised : | | |
| 37,50,00,000 Equity Shares of Rs.2/- each (Previous year 37,50,00,000 Equity Shares of Rs.2/- each) | <u>7500.00</u> | <u>7500.00</u> |
| Issued, Subscribed and Fully Paid-up : | | |
| 29,63,28,478 Equity Shares of Rs.2/- each (Previous year 28,37,18,474 Equity Shares of Rs.2/- each) [Of the above, 6,00,000 Shares issued as Bonus Shares by capitalisation of General Reserve, 21,35,344 Shares issued pursuant to a Contract without payment being received in cash and 11,57,600 Shares issued to Government of India in the name of The President of India pursuant to Transformer & Switchgear Ltd. (Acquisition and Transfer of Undertakings) Act, 1983 and Brentford Electric (India) Ltd. (Acquisition and Transfer of Undertakings) Act, 1987 against compensation money paid by them.] Out of the above (i) 225451400 Nos. of shares issued to Govt. of India in the name of President of India of Rs.2/- each towards conversion of Govt. of India loan and advance against Equity as per Sanctioned Rehabilitation Scheme (SRS) dated 30th October, 2007. (ii) 12610000 Nos. of Shares Issued to Bank of Baroda of Rs.2/- each towards conversion of funded interest of Rs.252.02 lakhs. [Refer Note No.3(b) of Schedule 20] | <u>5926.57</u> | <u>5674.37</u> |
| | <u>5926.57</u> | <u>5674.37</u> |
| SCHEDULE 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve : | | |
| General : | | |
| Balance as per last account | <u>10735.56</u> | <u>10735.16</u> |
| Special : | | |
| Central/State Subsidy for Capital Assets : | | |
| Balance as per last account | 11.40 | 11.40 |
| Tea Board Subsidy for Capital Assets | 46.50 | 46.50 |
| Less: Transfer to Profit and Loss Account | <u>7.80</u> | <u>7.80</u> |
| State Housing Subsidies | <u>38.70</u> | <u>38.70</u> |
| | <u>4.06</u> | <u>4.06</u> |
| | <u>54.16</u> | <u>54.16</u> |
| | <u>10789.72</u> | <u>10789.32</u> |
| Preference Share Capital Redemption Reserve : | | |
| Balance as per last account | <u>84.69</u> | <u>84.69</u> |
| General Reserve : | | |
| Balance as per last account | 2467.00 | 2467.00 |
| Less: Shown as deduction from balance in Profit and Loss Account (Per Contra) | <u>2467.00</u> | <u>2467.00</u> |
| | <u>...</u> | <u>...</u> |
| | <u>10874.41</u> | <u>10874.01</u> |

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| SCHEDULE 3 | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| LOANS | | |
| Secured Loans : | | |
| Term Loans : | | |
| Tea Board Special Purpose Tea Fund Loan (Secured by a charge on certain movable and immovable assets of Banarhat and Hoolungooree Tea Estates ranking subsequent to the charge in favour of the Bank on those assets) | 29.45 | ... |
| West Bengal Government Sales Tax Loan (To be secured by a residuary charge over certain immovable property ranking next only to the charges in favour of the Banks) | 381.42 | 381.42 |
| Add: Interest accrued and due thereon | <u>100.16</u> | <u>66.79</u> |
| | 481.58 | 448.21 |
| Others (Secured by hypothecation of certain movable properties) | 185.13 | 180.00 |
| Bonds : | | |
| 9% Secured Redeemable Non-convertible 12 Years Bond (Secured by creation of 2nd charge on mortgage of Banarhat and Karballa Tea Estates.) | 1500.00 | 2000.00 |
| Add: Interest accrued and due thereon | ... | <u>2.09</u> |
| | 1500.00 | 2002.09 |
| 9.1% Secured Redeemable Non-convertible 10 Years Bond (Secured by GOI Guarantee) | 2000.00 | 2000.00 |
| From Scheduled Banks on Cash Credit Accounts : | | |
| State Bank of India | 1257.75 | 1257.75 |
| Add: Interest accrued and due thereon | <u>768.09</u> | <u>653.14</u> |
| | 2025.84 | 1910.89 |
| Bank of Baroda | 3193.66 | 5050.55 |
| Add: Interest accrued and due thereon | ... | <u>231.34</u> |
| | 3193.66 | 5281.89 |
| Allahabad Bank | 636.88 | 344.65 |
| (The above loans are secured by the whole of the Company's present and future stocks of raw materials, work-in-progress, finished goods and manufactured goods and articles, stores, components and spares, other movable properties wherever situate, book debts and all other current assets, claims, rights to movable properties by way of first charge ranking pari-passu inter-se without any preference to one over the other) | | |
| United Bank of India (for Desam, Khowang, New Dooars and Choonabhutti Tea Estates) | 1461.35 | 1541.89 |
| Union Bank of India (for Banarhat, Karballa, and Hoolungooree Tea Estates) | 665.38 | 806.88 |
| United Bank of India (for Hooghly Printing Co. Ltd.) | 104.33 | 199.07 |
| Allahabad Bank | 1315.79 | 1613.71 |
| Add: Interest accrued and due thereon (for Tinkong, Basmatia, Rajgarh, Murphulani and Mim Tea Estates) | <u>0.50</u> | ... |
| (The above loans are secured by Hypothecation of the whole of crop, book-debts and all other movable assets both present and future, and by equitable mortgage of all immovable properties of the Estates) | 1316.29 | 1613.71 |
| | <u>13599.89</u> | <u>16329.88</u> |
| Carried over | | |

(Contd.)

ANDREW YULE & CO. LTD.**SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009 - (Contd.)**

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| SCHEDULE 3 - (Contd.) | | |
| LOANS - (Contd.) | | |
| Secured Loans - (Contd.) | | |
| Brought forward | <u>13599.89</u> | <u>16329.28</u> |
| Unsecured Loans : | | |
| From Bodies Corporate | 1000.00 | 1000.00 |
| Fixed Deposits | 0.87 | 221.70 |
| Add: Interest accrued and due thereon | <u>0.81</u> | <u>...</u> |
| | 1.68 | 221.70 |
| From Government of India (Including interest free loan of Rs.8706.00 lakhs (2007-08 Rs.8706.00 lakhs) | 13348.00 | 13008.00 |
| Add: Interest accrued and due thereon | <u>649.91</u> | <u>0.00</u> |
| | 13997.91 | 13008.00 |
| From West Bengal Industrial Development Corp'n. Ltd.(Interest free) | 268.86 | 268.86 |
| West Bengal Govt. Subsidised Housing Scheme Loan for Plantation Workers | 0.50 | 0.50 |
| Add: Interest accrued and due thereon | <u>0.86</u> | <u>0.86</u> |
| | 1.36 | 1.36 |
| | <u>15269.81</u> | <u>14499.92</u> |
| | <u>28869.70</u> | <u>30829.20</u> |

ANDREW YULE & CO. LTD.

SCHEDULE 4

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

FIXED ASSETS

(Rupees in lakhs)

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | IMPAIRMENT OF ASSETS | | NET BLOCK | |
|--|--|--|--|--|-----------------------|---------------|---|-----------------------|-----------------------|-----------------|------------------------|------------------------|
| | Cost/Book Value as at 31st March, 2008 | Additions/ Adjustments during the year | Less: Sales/ Adjustments during the year | Cost/Book Value as at 31st March, 2009 | Upto 31st March, 2008 | For the year | Less: On Sales/ Adjustments during the year | Upto 31st March, 2009 | Upto 31st March, 2008 | During the year | As at 31st March, 2009 | As at 31st March, 2008 |
| Goodwill | 12.15 | ... | ... | 12.15 | ... | ... | ... | ... | ... | ... | 12.15 | 12.15 |
| Land (including cost of development and leasehold land Rs.15.10 lakhs; 2007-08 Rs.15.10 lakhs) | 175.43 | ... | ... | 175.43 | ... | ... | ... | ... | ... | ... | 175.43 | 175.43 |
| Estates[Leasehold(including garden development expenses)] | 12422.96 | 10.56 | ... | 12433.52 | 222.55 | 6.30 | ... | 228.85 | ... | ... | 12204.67 | 12200.41 |
| Buildings | 2771.31 | 41.13 | 5.94 | 2806.50 | 1094.64 | 55.68 | 2.62 | 1147.70 | ... | ... | 1658.80 | 1676.67 |
| Roads and Culverts | 56.94 | 2.96 | ... | 59.90 | 14.37 | 0.96 | ... | 15.33 | ... | ... | 44.57 | 42.57 |
| Plant and Machinery | 4327.75 | 453.56 | 16.83 | 4764.48 | 2722.88 | 210.61 | 36.17 | 2897.32 | 91.65 | 4.50 | 1771.01 | 1513.22 |
| Drawings, Designs and Tracings etc. | 74.99 | ... | ... | 74.99 | 40.91 | ... | ... | 40.91 | 34.08 | ... | ... | ... |
| Electrical Installations | 716.77 | 26.40 | 1.34 | 741.83 | 369.15 | 28.04 | 9.87 | 387.32 | ... | ... | 354.51 | 347.62 |
| Water Installations | 471.21 | 3.23 | ... | 474.44 | 197.01 | 19.67 | 1.58 | 215.10 | ... | ... | 259.34 | 274.20 |
| Furniture, Fittings and Office Equipments | 419.02 | 15.28 | 14.05 | 420.25 | 323.89 | 12.85 | 2.45 | 334.29 | ... | ... | 85.96 | 95.13 |
| Vehicles | 511.56 | 8.29 | 2.92 | 516.93 | 312.13 | 32.46 | 4.20 | 340.39 | ... | ... | 176.54 | 199.43 |
| | 21960.09 | 561.41 | 41.08 | 22480.42 | 5297.53 | 366.57 | 56.89 | 5607.21 | 125.73 | 4.50 | 16742.98 | 16536.83 |
| Computer Software (intangible Assets) | 10.00 | 22.91 | ... | 32.91 | 1.42 | 4.82 | ... | 6.24 | ... | ... | 26.67 | 8.58 |
| | 21970.09 | 584.32 | 41.08 | 22513.33 | 5298.95 | 371.39 | 56.89 | 5613.45 | 125.73 | 4.50 | 16769.65 | 16545.41 |
| Share of Joint Venture(Op.Bal) [Note No.2(iii) of Sch-20] | 1920.99 | ... | ... | 1920.99 | 897.62 | ... | ... | 897.62 | ... | ... | 1023.37 | 1023.37 |
| | 23891.08 | 584.32 | 41.08 | 24434.32 | 6196.57 | 371.39 | 56.89 | 6511.07 | 125.73 | 4.50 | 17793.02 | 17568.78 |
| Capital Work-in-Progress | 911.15 | 326.46 | 162.97 | 1074.64 | ... | ... | ... | ... | 51.28 | ... | 1023.36 | 859.87 |
| Share of Joint Venture(Op.Bal) [Note No.2(iii) of Sch-20] | 3.89 | ... | ... | 3.89 | ... | ... | ... | ... | ... | ... | 3.89 | 3.89 |
| | 915.04 | 326.46 | 162.97 | 1078.53 | ... | ... | ... | ... | 51.28 | ... | 1027.25 | 863.76 |
| TOTAL | 24806.12 | 910.78 | 204.05 | 25512.85 | 6196.57 | 371.39 | 56.89 | 6511.07 | 177.01 | 4.50 | 18820.27 | 18432.54 |
| PREVIOUS YEAR'S TOTAL | | 2142.94 | 752.35 | 24806.12 | 5702.03 | 521.53 | 26.99 | 6196.57 | 144.37 | 32.64 | 18432.54 | (Contd.) |

(58)

ANDREW YULE & CO. LTD.

SCHEDULE 4 - (Contd.)**FIXED ASSETS - (Contd.)**

- Notes:** [1] Land valuing Rs.1.84 lakhs has been acquired by the Government of West Bengal under the West Bengal Estate Acquisition Act, 1953 but pending finalisation of the compensation amount, no adjustment thereof has been made in these accounts.
- [2] Estates include lease-hold land, fencing of Rs.228.85 lakhs and expenses on extension Planting/Maintenance and Up-keep expenses on immature plants.
- [3] Renewal lease agreement for Banarhat and Choonabhutti Tea Estates covering a grant area of 1336.24 hectares is pending.
- [4] Following leasehold land of the Company have been acquired by various Government Authorities and other agencies :

| <u>Name of Gardens</u> | <u>Land (Bighas) Approx.</u> | |
|------------------------|------------------------------|--------|
| Basmatia | 310 | (310) |
| Hoolungooree | 2 | (2) |
| Murphulani | 2475 | (2475) |
| Khowang | 18 | (18) |
| Rajgarh/Tinkong | 61 | (61) |
| Mim | 20 | (20) |
| New Dooars | 145 | (145) |
| Hingrijan | 16 | (16) |

Against the above acquisitions, part compensation aggregating to Rs.14.03 lakhs (Rs.14.03 lakhs) has been received by the Company which is included under the head "Sundry Creditors". Appropriate adjustment entries in this regard would be made in the Accounts after settlement of the Final Compensation in respective cases.

- [5] Buildings include Rs.15.66 lakhs representing the cost of structure on rented land (Rs.15.66 lakhs).
- [6] Capital Work-in-Progress includes capital advances Rs.99.50 lakhs (Rs.99.50 lakhs) against which provision for doubtful advances of Rs.99.50 lakhs (Rs.99.50 lakhs) has been provided.
- [7] Depreciation for the current year includes Rs.0.69 lakh relating to previous year.

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| SCHEDULE 5 INVESTMENTS (Long Term) (At Cost less written off) | No. of Shares/ Units | Face Value per Share/ Unit | Book Value | |
|--|----------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| | | | As at 31.3.09 | As at 31.3.08 |
| 1. (A) In Associates - Non-Trade Investments : | | | | |
| Equity Shares (Fully Paid) : | | | | |
| Quoted : | | | | |
| Tide Water Oil Co. (India) Ltd. Cost of Acquisition (Net of Capital Reserve of Rs.1730.45 lakhs Add: Group Share of Profit as on 31st March, 2009 | 2,28,390 | 10 | 141.07 2118.61 <u>2259.68</u> | 141.07 1451.63 <u>1592.70</u> |
| Unquoted : | | | | |
| New Beerbhoom Coal Co. Ltd. Cost of Acquisition (Net of Capital Reserve of Rs.2.10 lakhs) Add/Less: Group Share of Profit upto 31st March, 2009 | 1,05,355 | 10 | 12.27 1.53 <u>10.74</u> | 12.27 -1.46 <u>10.81</u> |
| Katrass Jherriah Coal Co. Ltd. Cost of Acquisition (Net of Capital Reserve of Rs.6.71 lakhs) Add: Group Share of Profit upto 31st March, 2009 | 60,260 | 10 | 6.95 2.65 <u>4.30</u> | 6.95 -2.07 <u>4.88</u> |
| (B) In Other Companies - Non-Trade Investments : | | | | |
| Equity Shares (Fully Paid) : | | | | |
| Quoted : | | | | |
| Yule Financing & Leasing Co. Ltd. | 3,00,000 | 10 | 27.88 | 27.88 |
| Dishergarh Power Supply Co. Ltd. | 3,01,269 | 10 | 12.50 | 12.50 |
| WEBFIL Ltd. | 1,45,000 | 10 | 14.50 | 14.50 |
| Fort Gloster Industries Ltd. | 1,040 | 10 | 0.13 | 0.13 |
| Gloster Jute Mills Ltd. | 208 | 10 | ... | ... |
| Exide Industries Ltd. | 2,12,714 | 1 | 4.22 | 4.22 |
| The Gillapukri Tea & Industries Ltd. | 26 | 10 | ... | ... |
| Unquoted : | | | | |
| * The Bengal Coal Co. Ltd. | 10,305 | 100 | 0.51 | 0.51 |
| The Statesman Ltd. | 9,966 | 100 | 4.70 | 4.70 |
| ABC Tea Workers Welfare Services | 750 | 10 | 0.08 | 0.08 |
| Jalpaiguri Club Company Ltd. | 40 | 10 | ... | ... |
| 6% Cumulative Redeemable Preference Shares-WEBFIL Ltd. | 20,44,000 | 10 | 204.40 | 204.40 |
| Debentures (Fully Paid) : | | | | |
| Unquoted : | | | | |
| Woodlands Hospital & Medical Research Centre Ltd. (formerly The East India Clinic Ltd.) Rs.67,700 - 5% Non-Redeemable Registered Mortgage Debenture Stock, 1957 Woodlands Hospital & Medical Research Ltd. (formerly The East India Clinic Ltd.) Rs.600 - 1/2% Registered Mortgage Debenture Stock | ... | ... | 0.68 | 0.68 |
| Bonds (Fully Paid): Unquoted: **WEBFIL Ltd. Zero Rate Unsecured Redeemable Bond | 6 | 100 | 0.01 | 0.01 |
| 305 | 100000 | | 305.00 | 305.00 |
| 2. Units (Fully Paid) : | | | | |
| Quoted : | | | | |
| Unit Trust of India Balance Fund (14267.669 Units reinvested during the year) | 139506 | 10 | 29.79 2879.12 <u>2873.91</u> | 29.79 2212.79 <u>2212.79</u> |
| Less: Provision for diminution in value for long term investments | | | 5.21 | ... |
| | | | <u>8702.70</u> | <u>9147.99</u> |
| Market value of quoted investments | | | 8702.70 | 9147.99 |

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 5 - (Contd.)

INVESTMENTS - (Contd.)

- Notes:**
- * The Coal mines of these Companies have been nationalised. Pending finalisation of compensation rolls by the Commissioners of Payments, the Company is not in a position to estimate the amount receivable on its holding in these Companies. However, losses, if any, in this regard will be adjusted against Capital Reserve.
 - ** Bonds Issued by WEBFIL Ltd. in lieu of adjustment of Advance to WEBFIL Ltd., as per their approved Revival package of BIFR.
 - The following Investments having been written down to a nominal value of Re.1/- each, do not appear in the details given above :

| <u>Name of the Company</u> | <u>No. of Shares</u> | <u>Face Value per Share</u> |
|---|----------------------|-----------------------------|
| Unquoted - Preference Shares : | | |
| Transformer & Switchgear Ltd. 71/2% Tax-free Redeemable Cumulative Preference Shares | 1000 | 100 |
| Unquoted - Equity Shares : | | |
| Transformer & Switchgear Ltd. | 22395 | 10 |
| Hooghly Docking & Engineering Co. Ltd. | 4410 | 50 |
| Brentford Electric (India) Ltd. | 52500 | 10 |
| India Paper Pulp Co. Ltd. (In liquidation) | 439675 | 10 |

- During the year the following current investments were purchased and sold
10555.870 units of UTI floating Rate fund short term plan Growth option
11788.703 units of UTI liquid cash plan institutional growth option
15381.644 units of UTI Treasury Advantage Institutional Plan - Growth Fund.

SCHEDULE 6

INVENTORIES

At or under cost :

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| Raw materials, Components and Packaging Materials (Includes Stores-in-Transit Rs.36.49 lakhs; 2007-08 Rs.15.83 lakhs) | 925.59 | 1029.50 |
| Stores and Spare parts | 655.53 | 536.54 |
| Food-stuff | 18.62 | 19.54 |
| Loose tools | 6.21 | 4.81 |

At Cost or net realisable value whichever is lower :

| | | |
|---------------------------------------|--------|--------|
| Finished goods | 454.80 | 367.95 |
| Finished goods-in-transit | 5.52 | 29.15 |
| Work-in-Progress | 795.42 | 731.49 |
| Scrap (at estimated realisable value) | 98.31 | 22.51 |

| | | |
|---|----------------|----------------|
| | 2960.00 | 2741.49 |
| Add: Share of Joint Venture (Note No.2(iii) of Schedule-20)(Net of provision) (Op.Bal.) | 389.65 | 389.65 |
| | <u>3349.65</u> | <u>3131.14</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|---|------------------------|------------------------|
| SCHEDULE 7 | | |
| SUNDRY DEBTORS | | |
| Unsecured : | | |
| Debts outstanding for a period exceeding six months : | | |
| Considered good | 916.26 | 1719.74 |
| Considered doubtful | <u>4206.52</u> | <u>6760.25</u> |
| | 5122.78 | 8479.99 |
| Other Debts : | | |
| Considered good | <u>3836.39</u> | <u>3287.19</u> |
| | 8959.17 | 11767.18 |
| Less: Provision for doubtful debts | <u>4206.52</u> | <u>6760.25</u> |
| | 4752.65 | 5006.93 |
| Add: Net share of Joint Venture (Note No.2(iii) of Schedule-20) (Op.Bal.) | <u>1110.19</u> | <u>1135.53</u> |
| | <u><u>5862.84</u></u> | <u><u>6142.46</u></u> |
| SCHEDULE 8 | | |
| CASH AND BANK BALANCES | | |
| Cash-in-hand | 16.15 | 10.76 |
| Postage and Stamps-in-hand | 0.05 | 0.04 |
| Cheques-in-hand | 82.83 | 426.94 |
| Remittances-in-transit | 684.26 | 147.20 |
| Balances with Scheduled Banks : | | |
| On Current Account (Net)(Including debit balance of Cash Credit of Subsidiary Rs..... lakhs; 2007-08 Rs.3.48 lakhs) | 2243.04 | 460.44 |
| On Deposit Account : | | |
| Employees' Security Deposit | 0.06 | 0.06 |
| * Others | <u>8860.75</u> | <u>12004.81</u> |
| | 8860.81 | 12004.87 |
| Unclaimed Preference Share Redemption Account | <u>0.80</u> | <u>0.80</u> |
| | 11888.38 | 13051.05 |
| Add: Share of Joint Venture (Note No.2(iii) of Schedule-20) (Op.Bal.) | <u>1340.61</u> | <u>1340.61</u> |
| | <u><u>13228.99</u></u> | <u><u>14391.66</u></u> |

- Notes:** *1. (a) Includes Bank deposits of Rs.10.00 lakhs (Rs.10.00 lakhs) had been pledged with United Industrial Bank Ltd., (since amalgamated with Allahabad bank) as a lien against clean cash credit facilities to the extent of Rs.10.00 lakhs provided by them to Brentford Electric (India) Ltd., (BEIL). Following the take over of undertakings of BEIL, the pledge stands vacated and the return of deposit receipts is awaited.
- (b) Includes Rs.1485.49 lakhs (Rs.743.03 lakhs) is pledged with Banks against Letter of Credit, Bank Guarantee and Overdraft facilities.

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|--|----------------------|----------------------|
| SCHEDULE 9 | | |
| OTHER CURRENT ASSETS | | |
| Considered Good | | |
| Deposits with National Bank for Agricultural and Rural Development under Tea Development Account Scheme, 1985 and 1990 | 0.05 | 0.05 |
| | <u>0.05</u> | <u>0.05</u> |
| SCHEDULE 10 | | |
| LOANS AND ADVANCES | | |
| Secured | | |
| Loans | 28.69 | 36.95 |
| Unsecured | | |
| Loans | 621.26 | 631.90 |
| Advances recoverable in cash or in kind or for value to be received | 2153.34 | 2500.98 |
| Advance Payment of Income/Wealth-tax/Fringe Benefit Tax (including Tax deducted at source) | 1053.10 | 1165.29 |
| Balance with Government Authorities | 46.58 | 49.58 |
| Interest accrued on Loans, Deposits etc. | 444.59 | 36.77 |
| Deposits - lodged with various authorities (including National Plan Savings Certificates Rs..... lakh; 2007-08 Rs.0.71 lakh) | 251.64 | 259.80 |
| | <u>4570.51</u> | <u>4644.32</u> |
| | 4599.20 | 4681.27 |
| Add: Share of Joint Venture (Note No.2(iii) of Schedule-20) (Op.Bal.) | 240.17 | 240.17 |
| | <u>4839.37</u> | <u>4921.44</u> |
| Notes: 1. Classification of Loans and Advances : | | |
| (A) Secured Considered Good | 28.69 | 36.95 |
| (B) Unsecured Considered Good | 4810.68 | 4884.49 |
| Considered Doubtful | 1396.37 | 1986.10 |
| | 6207.05 | 6870.59 |
| Less: Provision | 1396.37 | 1986.10 |
| | <u>4810.68</u> | <u>4884.49</u> |
| | <u>4839.37</u> | <u>4921.44</u> |

2. Secured Loans represent House Building and Car Loans (including loan of Rs.0.22 lakhs to a Director; 2007-08 Rs.0.32 lakhs - Maximum amount due at any time during the year Rs.0.31 lakh; 2007-08 Rs.0.32 lakhs) secured against mortgage of Land, Buildings, Flats and Cars etc.

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| SCHEDULE 11 | <u>As at 31.3.09</u> | <u>As at 31.3.08</u> |
|---|----------------------|----------------------|
| CURRENT LIABILITIES | | |
| Sundry Creditors and Other Liabilities : | | |
| Micro Small and Medium Enterprises (Refer Note No.8 of Schedule-20) | 24.81 | 13255.83 |
| *Others (including Rs.1.58 lakhs and Rs.79.02 being Earnest Money and Security Deposits; 2007-08 Rs.2.20 lakhs and Rs.79.02 lakhs) | 11162.83 | 7.83 |
| Advances and Deposits received from Customers and others (including Rs.127.75 lakhs being security deposits; 2007-08 Rs.16.53 lakhs) | 739.35 | 807.24 |
| Employees' Security Deposits | 0.06 | 0.06 |
| Interest accrued but not due on loans and deposits | 219.39 | 221.68 |
| Unclaimed Redeemed Preference Shares | 0.80 | 0.80 |
| | <u>12147.24</u> | <u>14293.44</u> |
| Add: Share of Joint Venture [Note No.2(iii) of Schedule-20] (Op.Bal.) | 1074.93 | 1074.93 |
| | <u>13222.17</u> | <u>15368.37</u> |

SCHEDULE 12

PROVISIONS

For Taxation :

| | | |
|---|----------------|----------------|
| Income Tax | 500.10 | 784.29 |
| Wealth Tax | 16.00 | 13.50 |
| Fringe Benefit Tax | 117.18 | 92.73 |
| | <u>633.28</u> | <u>890.52</u> |
| " Superannuation and Pension | 5.32 | 239.65 |
| " Employees' Benefit | ... | 3.39 |
| " Stock Obsolescence | 462.77 | 539.23 |
| " Contingencies | 546.03 | 554.18 |
| " Aqua-culture Project | 222.29 | 222.29 |
| | <u>1869.69</u> | <u>2449.26</u> |
| Add: Share of Joint Venture [Note No.2(iii) of Schedule-20] (Op.Bal.) | 222.95 | 222.95 |
| | <u>2092.64</u> | <u>2672.21</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | 2008-09 | 2007-08 |
|---|----------|----------|
| SCHEDULE 13 | | |
| SALES | | |
| Sales and Work done [including trading item Rs.352.81 lakhs (2007-08 Rs.142.33 lakhs)(after adjusting Rs.Nil being returns/adjustments in respect of earlier year; 2007-08 Rs.5.35 lakhs)] | 19771.53 | 18824.57 |
| Add: Inter Unit Transfer of Capital Goods manufactured | 28.68 | 19.53 |
| | 19800.21 | 18844.10 |
| Less: Excise Duty recovered on sales | 922.00 | 1360.02 |
| Trade and Other Discount | 178.51 | 168.97 |
| | 1100.51 | 1528.99 |
| Net sales and job work done | 18699.70 | 17315.11 |
| Add: Share of Joint Venture [Note No.2(iii) of Schedule 20] | ... | 7276.98 |
| | 18699.70 | 24592.09 |
| SCHEDULE 14 | | |
| OTHER INCOME | | |
| Interest on Loans, Advances, Deposits etc. (Gross) (including TDS for Rs.63.50 lakhs; 2007-08 Rs.3.62 lakhs) | 1056.17 | 469.17 |
| Profit on sale of stores | 0.14 | 0.21 |
| Net Profit on Sales/Adjustment of Fixed Assets | 0.76 | ... |
| Profit on sale of Current Investments | 1.73 | ... |
| Sundry Receipts (including insurance claims of Rs.20.80 lakhs; 2007-08 Rs.2.61 lakhs) | 749.29 | 549.18 |
| Tea Board Replantation Subsidy | 9.06 | 9.44 |
| Rent and Hire charges | 69.02 | 28.39 |
| Fees and Commission received by Directors and Employees | 0.44 | 0.32 |
| Scrap/Tea waste sale | 62.27 | 58.34 |
| Service charges | 15.97 | 44.33 |
| Profit on Exchange | 0.40 | ... |
| Items relating to previous years (including depreciation for earlier year) | 154.52 | 69.34 |
| Liabilities no longer required written back | 871.64 | 5269.24 |
| Provisions no longer required written back : | | |
| Superannuation and Pension | 239.65 | ... |
| Doubtful Debs | 2691.97 | ... |
| Doubtful Loans and Advances | 590.72 | ... |
| Contingencies | 8.40 | 37.89 |
| Stock Obsolescence and Depreciation | 131.33 | ... |
| | 3662.07 | 37.89 |
| | 6653.48 | 6535.85 |
| Add : Share of Joint Venture [Note No.2(iii) of Schedule-20] | ... | 81.55 |
| | 6653.48 | 6617.40 |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | 2008-09 | 2007-08 |
|---|---------|-----------|
| SCHEDULE 15 | | |
| ACCRETION / DECRETION (-) IN STOCKS | | |
| Opening Stock : | | |
| Finished goods | 367.95 | 427.77 |
| Finished goods-in-transit | 29.15 | 64.97 |
| Semi-Finished Articles | 187.35 | 180.94 |
| Work-in-Progress | 544.13 | 406.58 |
| Scrap | 22.51 | 2.74 |
| | 1151.09 | 1083.00 |
| Closing Stocks : | | |
| Finished goods | 454.80 | 367.95 |
| Finished goods-in-transit | 5.52 | 29.15 |
| Semi-Finished Articles | 191.19 | 187.35 |
| Work-in-Progress | 604.23 | 544.13 |
| Scrap | 98.31 | 22.51 |
| | 1354.05 | 1151.09 |
| | 202.96 | 68.09 |
| Add: Excise Duty on Accretion(+)/Decretion(-) on finished goods | 10.98 | ... |
| | 213.94 | 68.09 |
| Add: Share of Joint Venture [Note No.2(iii) of Schedule-20] | ... | (-) 62.13 |
| | 213.94 | 5.96 |
| SCHEDULE 16 | | |
| MATERIALS CONSUMED | | |
| Stocks as at 1st April, 2008 : | | |
| Raw materials, components and packaging materials | 1003.07 | 831.62 |
| Materials-in-transit | 26.43 | 39.22 |
| Stores and spare parts | 536.54 | 565.72 |
| Loose tools | 4.81 | 5.34 |
| | 1570.85 | 1441.90 |
| Less: Book value of Stocks sold/adjusted/written off | 175.19 | 0.07 |
| | 1395.66 | 1441.83 |
| Purchases during the year : | | |
| Raw materials, components and packaging materials (including erection expenses in case of composite contracts and processing charges) | 6416.05 | 6915.17 |
| Stores and spare parts | 1796.21 | 1668.99 |
| Loose tools | 4.71 | 3.23 |
| | 8216.97 | 8587.39 |
| | 9612.63 | 10029.22 |
| Less: Stocks as at 31st March, 2009 : | | |
| Raw materials, components and packaging materials | 899.16 | 1003.07 |
| Materials-in-transit | 26.43 | 26.43 |
| Stores and spare parts | 655.52 | 536.54 |
| Loose tools | 6.21 | 4.81 |
| | 1587.32 | 1570.85 |
| Raw materials and stores used on Capital Jobs Rs.Nil and on Repair Jobs, Advertising, Transport, Power and Fuel, Research and Development etc. Rs.863.38 lakhs; 2007-08 Rs.1.03 lakhs and Rs.1013.13 lakhs. | 836.38 | 1014.16 |
| | 2423.70 | 2585.01 |
| | 7188.93 | 7444.21 |
| Add : Share of Joint Venture [Note No.2(iii) of Schedule-20] | ... | 4330.67 |
| | 7188.93 | 11774.88 |

ANDREW YULE & CO. LTD.**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rupees in lakhs)

| | <u>2008-09</u> | <u>2007-08</u> |
|--|----------------|----------------|
| SCHEDULE 17 | | |
| SALARIES, WAGES AND BONUS | | |
| Salaries, Wages, Bonus and Gratuity | 5845.66 | 5665.09 |
| Contribution to Provident and Other Funds | 884.14 | 584.43 |
| Welfare and Other Expenses | 874.39 | 1089.98 |
| | <u>7604.19</u> | <u>7339.50</u> |
| Less: Incurred on Capital jobs, Repair Jobs, Research and Development, Advertising, Transport etc. | 154.38 | 177.49 |
| | <u>7449.81</u> | <u>7162.01</u> |
| Add: Share of Joint Venture [Note No.2(iii) of Schedule-20] | ... | 302.34 |
| | <u>7449.81</u> | <u>7464.35</u> |

SCHEDULE 18**INTEREST**

| | | |
|----------------|----------------|----------------|
| Fixed Deposits | 0.76 | 26.67 |
| Term Loans | 1076.98 | 375.68 |
| Others | 1203.36 | 1573.50 |
| | <u>2281.10</u> | <u>1975.85</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| SCHEDULE 19 | 2008-09 | 2007-08 |
|---|---------|---------|
| OTHER EXPENSES | | |
| Power and Fuel | 1245.59 | 1267.10 |
| Miscellaneous Tea Cultivtion and Manufacturing Expenses | 250.88 | 251.89 |
| Research and Development Expenses | 6.68 | 7.90 |
| Directors' Salaries | 19.17 | 16.20 |
| Director' Fees | 3.03 | 1.03 |
| Rent (Net) | 81.80 | 63.06 |
| Rates and Taxes | 22.77 | 26.52 |
| Repairs and Maintenance : | | |
| Buildings | 132.67 | 195.28 |
| Plant and Machinery | 210.62 | 231.73 |
| Others | 44.09 | 49.27 |
| | 387.38 | 476.28 |
| Travelling Expenses and Upkeep of Vehicles | 393.98 | 397.03 |
| Insurance | 28.68 | 31.53 |
| Brokers' Commission | 116.68 | 89.06 |
| Selling Expenses : | | |
| Selling Agents' Commission | 34.62 | 44.17 |
| Others | 386.18 | 446.11 |
| | 420.80 | 490.28 |
| Miscellaneous Expenses | 754.51 | 583.86 |
| Excise Duty | 4.62 | ... |
| Turnover Tax | ... | 0.34 |
| Assam Cess on Green Tea Leaf | ... | 1.54 |
| West Bengal Primary Education Cess | ... | 5.96 |
| West Bengal Rural Employment Cess | ... | 11.92 |
| Tea Cess | 27.15 | 28.68 |
| Educaion Cess | 0.80 | 0.88 |
| Assam Entry Tax | 0.48 | ... |
| Bank Charges | 60.73 | 93.00 |
| Auditors' Remuneration : | | |
| Audit Fees | 1.99 | 3.38 |
| In Other Capacity : | | |
| Tax Audit Fees | 0.40 | 0.68 |
| For Certificates etc. | 0.66 | 1.12 |
| Out of Pocket Expenses | 0.25 | 0.69 |
| | 3.30 | 5.87 |
| Miscellaneous Expenditure Written off : | | |
| Other Expenses | 20.04 | 64.74 |
| Net Loss on Exchange Fluctuation | 3.48 | 0.27 |
| Items relating to previous years (Refer to Note No.33 of Schedule 20) | 92.13 | 1217.20 |
| Bad Debts written off | 2513.76 | ... |
| Irrecoverable Advance written off | 538.04 | ... |
| Loss on sale/write off of stores | 91.39 | ... |
| Loss on sale/write off of fixed assets | 4.41 | ... |
| Liquidated Damages and Penalty etc. | 64.96 | 251.03 |
| Rectification/Replacement | 33.75 | 47.42 |
| Provision for : | | |
| Doubtful Debts | 138.23 | 456.27 |
| Doubtful Loans, Advances and Deposits | 0.99 | 121.26 |
| Investments | 5.21 | ... |
| Stock Obsolescence | 54.89 | 113.61 |
| Contingencies | 0.25 | ... |
| | 199.57 | 691.14 |
| | 7390.56 | 6121.73 |
| Add : Share of Joint Venture [Note No.2(iii) of Schedule-20] | ... | 1365.68 |
| | 7390.56 | 7487.41 |

SCHEDULE 20

1. Principles of Consolidation :

The Consolidated Financial Statements (CFS) relate to Andrew Yule & Co. Ltd. (the Company), its Subsidiary Company, its Associates and Joint Venture entity. The Consolidated Financial Statements have been prepared on the following basis :

- [i] The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- [ii] The difference between the cost of investment in the Subsidiary, over the net assets at the time of acquisition of shares in the Subsidiary is recognized in the financial statements as Goodwill. As the date of investments in this Company was not readily available, the subsidiary’s audited Balance Sheet as on 31st March, 2001 was consistently taken into consideration to determine the Goodwill.
- [iii] In case of Associates where the Company holds 20% or more of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS-23) – “Accounting for Investments in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India. As the dates of investments in those Associates are not readily available, the audited Balance Sheet of those Associates as at 31st March, 2002 was consistently taken into consideration to determine the Capital Reserve.
- [iv] In case of Joint Venture, interest in the jointly controlled entity has been accounted for by proportionate consolidation method in accordance with Accounting Standard (AS-27) – “Financial Reporting of Interests in Joint Ventures” issued by the Institute of Chartered Accountants of India. Under this method, the Company’s share of Joint Venture’s individual income and expenses, assets and liabilities and cash flows are included in the relevant components of the Consolidated Financial Statements.

2. Ownership Interest in Subsidiary, Associates and Joint Venture :

- [i] The Subsidiary (which alongwith “Andrew Yule & Co. Ltd., (AY) the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

| <u>Name</u> | <u>Country of Incorporation</u> | <u>Percentage of voting power as at 31st March, 2009</u> |
|---------------------------|---------------------------------|--|
| Hooghly Printing Co. Ltd. | India | 100 |
| Yule Engineering Co. Ltd. | India | 100 |
| Yule Electrical Co. Ltd. | India | 100 |

The financial statement of the Subsidiary is drawn upto 31st March every year.

- [ii] Ownership interest of the Company in the Associates considered in the CFS are as follows :-

| <u>Name of the Company</u> | <u>Country of Incorporation</u> | <u>Ownership Interest as at 31st March, 2009</u> | <u>Ownership interest as at 31st March, 2008</u> |
|---------------------------------|---------------------------------|--|--|
| Tide Water Oil Co. (India) Ltd. | India | 26.22% | 26.22% |
| New Beerbhoom Coal Co. Ltd. | India | 32.95% | 32.95% |
| Katras Jherriah Coal Co. Ltd. | India | 31.66% | 31.66% |

These investments have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group’s share of net assets. During the year, the Group has received dividend aggregating Rs.45.68 lakhs in respect of the investments in Associates.

Financial Statements of all the Associates are drawn upto 31st March. The Group’s investment in Associates were reported as long term investments as on 31st March, 2009 (Schedule-5) as per AS-23.

(Contd.)

SCHEDULE 20 - (Contd.)

[iii] Interest in Joint Venture :

| <u>Name of the Joint Venture</u> | <u>Country of Incorporation</u> | <u>Percentage of ownership interest as at 31st March, 2009</u> |
|----------------------------------|---------------------------------|--|
| Phoenix Yule Ltd. | India | 26% |

The financial statement of the Joint Venture Company is drawn upto 31st December every year. The proportionate share of assets, liabilities of the above Joint Venture as on 01.04.2008 (opening balance) excluding amounts requiring adjustments as appearing in the Books of Group Company has been included in this Consolidated Financial Statements as the audit of the accounts for the year ending 31st December, 2008 is yet to be completed. During the year the Group has received dividend of Rs.238.86 lakhs in respect of investment in Joint Venture.

3. Sanctioned Rehabilitation Scheme approved by Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 30th October, 2007.

Pursuant to Sanctioned Rehabilitation Scheme (hereinafter SRS) of BIFR Order stated above, the necessary effects have been given during the year in the Accounts as under :-

- [a] Consequent upon receipt of sanction from Bank of Baroda dated 17.03.2009 which has been approved by the Board of Directors of the Company on 25.03.2009, funded interest upto cut-off date 31.03.2006 amounting to Rs.1261.00 lakhs has been converted into equity to the extent of Rs.252.20 lakhs i.e. 20% of the funded interest comprising 12610000 shares @ Rs.2/- per share. Balance 80% of funded interest i.e. Rs.1008.80 lakhs has been considered as reduction in capital arising out of remission of funded interest charged to Profit and Loss Account in earlier years. This has been accounted for as an exceptional items in the Profit and Loss Account during the year.
 - [b] Funded interest after cut-off date to 31.03.2009 amounting to Rs.1254.00 lakhs which was sanctioned by Bank of Baroda and Board of Directors of the Company as stated in point No.(a) above for conversion into Equity to the extent 20% of Rs.1254.00 lakhs i.e. Rs.250.80 lakhs comprising of 12540000 shares @ Rs.2/- per share has been kept in Shares pending allotment account till the receipt of approval from BIFR and the balance 80% i.e. Rs.1003.20 lakhs has been considered as reduction in capital arising out of remission of funded interest charged to Profit and Loss Account in earlier years. This has been accounted for as an exceptional items in the Profit and Loss Account during the year.
 - [c] In absence of confirmation from the respective banks namely State Bank of India and Allahabad Bank, the conversion of equity shares of Rs.1280.22 lakhs as per terms of SRS dated 30.10.2007 has not been considered. The entire amount of outstanding loan of the Banks as on 31.03.2006 (cut off date) has been bifurcated into (i) waiver of penal interest, (ii) WCTL, (iii) Need Based Cash Credit, (iv) Funded interest (at PLR) to be converted into equity as per terms of SRS dated 30.10.2007. Interest rate on WCTL and Cash Credit @ Rs.9% and 10.75% respectively has been considered in the books of accounts in the current year.
 - [d] Consequent upon One Time Settlement with creditors on payment i.e. @ 54%, the balance amount @ 46% amounting to Rs.99.45 lakhs has been taken into account as liability no longer required and written back.
4. In the Consolidated Financial Statements depreciation on assets belonging to Group has been provided under "Written down value" method, except in case of Computer Software where the value is amortised on a "Straight line basis" over its useful life of five years. Interest on Term Loan obtained for acquisition of Heidelberg Machine has been capitalised upto 31.03.2008 and interest thereafter has been charged to revenue.
 5. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs.331.22 lakhs (Rs.518.53 lakhs).
 6. Contingent liabilities not provided for in respect of :
 - [a] Claims against the Group not acknowledged as debts :
 - [i] Disputed labour matters (amount not ascertainable).
 - [ii] Others Rs.411.49 lakhs (Rs.729.09 lakhs).

(Contd.)

SCHEDULE 20 - (Contd.)

- [b] Guarantees and Indemnities given to various institutions and Authorities in connection with Company's operations amounting to Rs.1648.16 lakhs (Rs.1253.40 lakhs).
- [c] Guarantees given to banks in favour of other Group and/or Associate Companies :
- [i] India Paper Pulp Co. Ltd. - Rs.265.00 lakhs (Rs.265.00 lakhs).
- Although the notice of invocation of the guarantees have been received neither any payment nor any provision has been made as the matters are sub-judice.
- [d] Disputed Sales Tax matters aggregating to Rs.8177.66 lakhs (Rs.5404.57 lakhs).
- [e] Aggregate Income Tax demands amounting to Rs.58.60 (Rs.66.69) not admitted, against which appeals have been preferred by the Company.
- [f] Agricultural Income Tax demands amounting to Rs.44.41 lakhs (Rs.517.62 lakhs) not admitted, against which appeals have been preferred by the Company.
- [g] Disputed Excise/Customs Duty matters Rs.606.46 lakhs (Rs.736.82 lakhs).
- [h] Unexpired Letter of Credit opened by the Company's bankers - Rs.171.43 lakhs (Rs.321.00 lakhs).
- [i] In case of Tide Water Oil Co. (I) Ltd. contingent liability towards Bill Discounting, Income Tax and Sales Tax, Excise demand, other disputed claim and Bank Guarantees amounting to Rs.24.18 lakhs (Rs.22.26 lakhs) Group Company's share of liability Rs.7.33 lakhs (Rs.5.84 lakhs).
7. [a] Share pending allotment consisting of
- [i] Govt. of India vide letter 10(3)/2008-PE-I dated 31st March, 2008 and No.10(26)/2005-PE-I dated 18th March, 2008 allocated Rs.150.00 lakhs towards Equity @ Rs.10 per share as investment in the Company for upgradation of Engineering Division and West Bengal Gardens. Since in terms of BIFR order dated 30th October, 2007 the face value of Equity share of the Company will be reduced to Rs.2 in place of Rs.10, the decision of issuance of fresh shares @ Rs.2 per share after diminution has been kept pending till revised order in this regard is received from Govt. of India. Hence the amount of Rs.150.00 lakhs so received has been shown in the Balance Sheet under head "Share pending allotment".
- [ii] The Govt. of India has released Rs.340.00 lakhs as plan equity towards project for plantation and augmentation of manufacturing and related facilities in Assam Tea Gardens of AYCL under North East and Sikkim Region for the year 2008-09 vide letter 10(11)/2004-PE-I dated 27th March, 2009 which was in transit as on 31st March, 2009 and the same has been kept under remittance in transit pending allotment towards shares.
- [iii] Rs.250.80 lakhs as stated in point No.3(b)
8. The Group has adopted Accounting Standard-15 (AS-15) (Revised 2005) on "employee benefits". These Consolidated Financial Statements include the obligations as per requirement of this Standard.
9. The medical benefits for the employees for domiciliary treatment is for a block of three years and shall lapse yearly thereafter if the concerned employee does not avail it. The liability towards such unavailed quantum of medical benefits has been determined on actual basis instead of actuarial valuation method since the eligible amount will remain fixed during the next block. Similarly the liability towards accrued annual leave of the staff/sub-staff of Tea Estates has been determined on actual basis instead of actuarial valuation method since this is a non-vesting item of defined employee benefit. The impact on this count is Rs.104.58 lakh (Rs.96.52 lakh) and Rs.30.52 lakh (Rs.27.68 lakh) respectively.
10. [a] Loans and Advances in Schedule 10 includes an interest free amount of Rs.117.83 lakhs (Rs.128.78 lakhs) given for the Agro Projects, which was subsequently transferred to Yule Agro Industries Ltd. (YAIL), a Company promoted by the two Associate Companies in the Group. YAIL has since informed that pending implementation of the aforesaid Agro Project, they will have in the meantime engaged in the activities of Oyster Mushroom, Vermiculture and Tea Nursery and will repay the balance advance gradually.
- [b] Pursuant to an arrangement with YAIL, regarding takeover of Telepara Unit by them and pending implementation of the Agro

(Contd.)

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

Projects on commercial scale, an amount of Rs.28.12 lakhs (Rs.21.55 lakhs) consisting of salaries, wages and other administrative expenses of the said unit has been charged to the Profit and Loss Account of the Company.

11. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

| Sl.No. | Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 | 2008-09 | 2007-08 |
|--------|---|---------|---------|
| I | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year | | |
| | [i] Principal Amount unpaid | 15.32 | ... |
| | [ii] Interest Due | ... | ... |
| II | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year | | |
| | [i] Payment made beyond the Appointed Date | 158.32 | ... |
| | [ii] Interest paid beyond the Appointed Date | ... | ... |
| III | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | 5.23 | ... |
| IV | The amount of interest accrued and remaining unpaid at the end of the year; and | 9.49 | ... |
| V | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | ... | ... |

The above disclosures are furnished based on information available in respect of the Registration status of its vendors/suppliers.

12. Directors' Remuneration :-

| | (Rupees in lakhs) | |
|--|--|--|
| | For the year ended 31st March, 2009 | For the year ended 31st March, 2008 |
| Salaries | 19.17 | 16.20 |
| Directors' Fees | 3.03 | 1.03 |
| Contribution to Provident Fund/Superannuation Fund | 2.25 | 1.83 |
| Other Perquisites/benefits | 1.26 | 0.97 |
| | 25.71 | 20.03 |
| Add : Share of Joint Venture [Note No.2(iii) on Schedule-20] | 3.80 | 3.80 |
| | 29.51 | 23.83 |

Since the liability for leave encashment, gratuity and superannuation has been computed and accounted for on Actuarial Valuation basis for the Company as a whole as per AS-15 and no separate figure was provided by the Actuary for Directors, the same has not been included in the above figures.

13. Inventories include Rs.93.06 lakhs (Rs.59.04 lakhs) worth of stocks lying with third parties for which confirmations are awaited and/or under reconciliation and the same has been fully provided for.
14. Confirmation for balances of Sundry debtors, deposits and advances to the parties, Trade Creditors and stock with third parties have been sought from the concerned parties. We have started receiving back confirmation from the parties and the process is continuing.
15. Compensation amounting to Rs.610.00 lakhs received from M/s. Viocans Infrastructure and Equipment Engineering Pvt. Ltd. for handing over of vacant possession of Adyar land at Chennai as per decision of the Board Meeting dated 16th September, 2008 has been considered as Other Income.

(Contd.)

SCHEDULE 20 - (Contd.)

16. Provision for Liquidated damages amounting to Rs.1630.78 lakhs (Rs.1343.15 lakhs) have been set off against Sundry Debtors.
17. [a] Provision for investments to the extent of Rs.5.21 lakhs is made in Bengal Coal Co. Ltd. and The Statesman Ltd. on account of erosion in their value otherwise than of temporary in nature.
- [b] In Tide Water Oil Co. (India) Ltd. diminution in value of long term investments amounting to Rs.60.09 lakhs (Rs.60.09 lakhs) is in the opinion of the management not of a permanent nature and accordingly no provision has been made. The Group interest in the same amount is Rs.15.75 lakhs (Rs.15.75 lakhs).
- [c] In New Beerbhoom Coal Co. Ltd. diminution in value of long term investment amounting to Rs.1.59 lakh (Rs.1.42 lakh) is in the opinion of the management not of a permanent nature and accordingly no provision has been made. The Group interest in the same amount is Rs.0.52 lakhs (Rs.0.47 lakhs).
- [d] In Katras Jherriah Coal Co. Ltd. diminution in value of long term investment amounting to Rs.2.55 lakhs (Rs.2.25 lakhs) is in the opinion of the management not of a permanent nature and accordingly no provision has been made. The group interest in the same amount is Rs.0.81 lakh (Rs.0.71 lakh).
18. Yule Financing & Leasing Co. Ltd. (YFLC), an Associate Company of Andrew Yule & Co. Ltd. (AYCL), had large amount of overdue public deposits lying outstanding which could neither be repaid nor serviced primarily because of serious liquidity problem faced by them. Affected depositors resorted to legal action through various Regulatory Authorities, Consumers' Forum and Court of Law. Under the circumstances and in order to pre-empt any coercive action, AYCL being a premier promoter was compelled to intervene with dual objectives of bailing out YFLC and to protect the interest of the affected public depositors.
- In November, 2003, GOI approved a Financial Restructuring proposal of AYCL which also included funding to YFLC to the extent of Rs.500.00 lakhs to pay off its large number of affected public depositors. Since fund approved under the scheme was insufficient due to non materialisation of important components namely receipt from dis-investments of shares in Group Companies and mobilisation of fund through Bond issue, the Company could release partly Rs.75.00 lakhs only in 2005-06. Owing to pressing requirement, balance fund of Rs.425.00 lakhs was released in favour of YFLC out of the proceeds of 9.1% Bond issued by the Company for Rs.2000.00 lakhs in February, 2007 prior to receipt of fund from Govt. of India vide approval letter dated 19th March, 2007 wherein required Interest Free Government Fund earmarked for this purpose was received during the year 2007-08.
- Under this circumstances, the decision of the Company to provide unsecured loan of Rs.500.00 lakhs to YFLC @ 5.5% interest p.a. was based on judicious assessment of situation keeping in view the larger interest of the affected small depositors and consequential obligation of the Company as a whole being the premier promoter. However, YFLC has serviced the interest due for the financial year 2008-09 including earlier years. Repayment of the said loan will be due in the year 2015. Hence any assessment need to be made after taking into account of the view of this issue in totality of sub-section (1) of Section 372(A) of the Companies Act.
19. Phoenix Yule Ltd. was entitled to remission of Central Sales Tax under the provision of the West Bengal Sales Tax Act, 1994, that was effective till 31st March, 2005. The West Bengal Value Added Tax Rules, 2005, (VAT Rules) had been introduced with effect from 1st April, 2005. In the previous year, specific clarification was awaited from the West Bengal Sales Tax authorities regarding continuation of the remission benefits under the VAT Rules. Also, the Company was yet to receive the renewed Eligibility Certificate that would enable the Company to avail of the remission benefits after 31st March, 2005. Pending receipt of the aforesaid clarification and Eligibility Certificate, it had been considered prudent not to recognise Central Sales Tax aggregating Rs.36574468, collected/collectible on sales made during the period 1st April, 2005 to 31st December, 2005, as revenue for the previous year. Accordingly, the aforesaid amount had been considered as liability in the financial statements of the previous year.
- In the current year, the Company has received the required Eligibility Certificate from the West Bengal Sales Tax authorities, pursuant to which the aforesaid liability on account of Central Sales Tax aggregating Rs.36574468 collected/collectible on sales made during the period 1st April, 2005 to 31st December, 2005 has been considered as revenue for the year. The group interest in the same amount is Rs.9509362.
20. New Beerbhoom Coal Co. Ltd. an Associate of the Company, the extent of realisability of a loan given to a body corporate amounting to Rs.4.50 lakhs (Rs.4.50 lakhs) is not ascertainable. Group interest in the said amount is Rs.1.48 lakhs (Rs.1.48 lakhs).

(Contd.)

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

21. In Katras Jherriah Coal Co. Ltd., the extent to which amount receivable Rs.1.79 lakhs from Central Government is not ascertainable. Group interest in the said amount is Rs.0.57 lakh (Rs.0.57 lakh).
22. In Katras Jherriah Coal Co. Ltd., an Associate of the Company, the extent of realisability of a loan given to a Body Corporate amounting to Rs.2.00 lakhs (Rs.2.00 lakhs) is not ascertainable. Group interest in the said amount is Rs.0.63 lakh (Rs.0.63 lakh).
23. [a] In case of Katras Jherriah Coal Co. Ltd., only those claims in relation to coking/non-coking coal mines which have been admitted by the respective Commissioner of Payments or are subject to appeal filed by the claimants and still pending with the appellate courts have been included in "Sundry Creditors". Accordingly, the extent of adjustments as may be required in respect of claims under appeals still pending with the Appellate Courts is not ascertainable at this stage.
[b] Amounts receivable from Central Government aggregating Rs.178572 as shown in the Balance Sheet are after adjustments of Rs.6298861 being payments made by the Commissioners of Payments, Dhanbad and Calcutta upto 31st March, 2009 against admitted claims of the Company's bankers and other creditors, and Rs.4296359 received by the Company in November, 1992 and April, 1998 and December, 2002 from the Office of the Commissioner of Payments, Calcutta. Necessary communication/confirmation from appropriate authorities substantiating recoverability of otherwise of the aforesaid year end balance is awaited.
24. In Tide Water Oil Co. (India) Ltd. a loan of Rs.348.00 lakhs has been given as advance towards proposed issue of shares by Yule Agro Industries Limited (YAIL). In view of the present status of activities of YAIL, shares have not been issued. Hence the status of the recoverability of the aforesaid advance of Rs.348.00 lakhs and the corresponding provision as may be required is not ascertainable at this stage. The Group interest in the same amount is Rs.91.25 lakhs (Rs.91.25 lakhs).
25. In respect of Assessment years proceedings of which are pending before the various Income Tax/Agricultural Income Tax Authorities on account of Appeal/Rectification filed by the Company, adjustment will be made on final settlement of such proceedings.
26. In computing Deferred Tax Liability of the Company for the Financial Year 2008-09, unabsorbed depreciation, business loss as per Income Tax Act, 1961 has not been recognised as Deferred Tax Assets. The balance of Deferred Tax Liability net of Deferred Tax Assets as on 31st March, 2009 stood at Rs.212.23 lakhs (Rs.211.53 lakhs) including share of Joint Venture Rs.(102.22 lakhs i.e. deferred assets)(Rs.12.11 lakhs).
27. Change in Accounting Policy and Effect of such changes in Profit
 - [i] Interest receivable on loan to employees is considered as per accrual system from cash system followed in earlier years. The profit for the year is increased by Rs.2.23 lakhs due to such changes.
 - [ii] Compensation paid under Voluntary Retirement Scheme upto 31.03.2009 has been charged to Profit and Loss Account during the year irrespective of the policy of spread over earlier followed. The profit for the year is reduced by Rs.115.70 lakhs during the year due to change in Accounting Policy.
28. Consolidated Segment Reporting :

The Group's segment information as at and for the year ended 31st March, 2009 are as below :-

[Rupees in lakhs]

| | 2008-09 | | |
|--------------------|----------------------|------------------------|----------------------|
| | External Sales | Inter Segment Sales | Total |
| 1. Segment Revenue | | | |
| Electrical | 6387.71 [7769.65] | 11.94 [9.34] | 6399.65 [7778.99] |
| Tea | 9467.52 [7458.37] | 2.16 [1.75] | 9469.68 [7460.12] |
| Engineering | 2173.00 [1663.23] | 2.34 [2.15] | 2175.34 [1665.38] |
| Printing | 642.79 [404.33] | 8.32 [7.48] | 651.11 [411.81] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| | | | |
|---|------------|---------|-------------|
| Conveyor Belt System | | | |
| | [7276.98] | [...] | [7276.98] |
| Segment Total | 18671.02 | 24.76 | 18695.78 |
| | [24572.56] | [20.72] | [24593.28] |
| IUT Sale of Capital Goods | | | 28.68 |
| | | | [19.53] |
| Eliminations | | | 24.76 |
| | | | [20.72] |
| Consolidated Total | | | 18699.70 |
| | | | [24592.09] |
| 2. Segment Results | | | |
| Electrical | | | 1741.42 |
| | | | [1827.23] |
| Tea | | | 153.85 |
| | | | [(-)71.04] |
| Engineering | | | 451.32 |
| | | | [688.38] |
| Printing | | | 48.73 |
| | | | [29.34] |
| Conveyor Belt System | | | |
| | | | [1126.55] |
| Segment Total | | | 2395.32 |
| | | | [3600.46] |
| Unallocated Corporate Expenses (Net of Unallocated Income) | | | (-)289.56 |
| | | | [(-)147.28] |
| Profit before Interest and Taxation | | | 2105.76 |
| | | | [3453.18] |
| Interest etc. paid | | | 2281.10 |
| | | | [1975.85] |
| Interest/Dividend Income | | | 1345.55 |
| | | | [523.02] |
| Profit from ordinary activity | | | 1170.21 |
| | | | [2000.35] |
| Extra ordinary Income (Net) | | | 2012.00 |
| | | | [...] |
| Extra ordinary Expenses (Net) | | | |
| | | | [22.67] |
| Net Profit | | | 3182.21 |
| | | | [1977.68] |
| Provision for Taxation (Net of written back) | | | (-)242.69 |
| | | | [(-)714.75] |
| 3. Profit after taxation before share of results of Associates | | | 2939.52 |
| | | | [1262.93] |
| Share of Profit of Associates | | | 666.33 |
| | | | [547.63] |
| 4. Profit after taxation | | | 3605.65 |
| | | | [1810.56] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| Other Information | <u>Segment Assets</u> | <u>Segment Liabilities</u> | | |
|--|-----------------------|----------------------------|---------------------|---------------------|
| Electrical | 8179.59 | 6385.26 | | |
| | [7385.42] | [7582.39] | | |
| Tea | 19276.81 | 3927.43 | | |
| | [19286.48] | [4856.31] | | |
| Engineering | 2788.18 | 2244.16 | | |
| | [2736.32] | [2638.66] | | |
| Printing | 960.59 | 673.00 | | |
| | [735.88] | [450.13] | | |
| Conveyor Belt System | 4210.10 | 1297.88 | | |
| | [4226.18] | [1259.62] | | |
| Segment Total | 35415.27 | 14527.73 | | |
| | [34370.28] | [16787.11] | | |
| Unallocated Corporate Assets/Liabilities | 13781.11 | 29942.31 | | |
| | [15068.62] | [32358.16] | | |
| Total | 49196.38 | 44470.04 | | |
| | [49438.90] | [49145.27] | | |
| | | | Non-Cash | Expenditure |
| | <u>Capital</u> | <u>Depreciation</u> | <u>including</u> | <u>Other than</u> |
| | <u>Expenditure</u> | <u>Impairment</u> | <u>Depreciation</u> | <u>Depreciation</u> |
| Electrical | 224.44 | 47.59 | 88.26 | |
| | [340.89] | [75.52] | [598.53] | |
| Tea | 456.39 | 302.17 | 54.89 | |
| | [572.28] | [294.77] | [12.05] | |
| Engineering | 56.97 | 11.86 | 51.22 | |
| | [29.02] | [15.69] | [80.38] | |
| Printing | 4.01 | 3.12 | 5.32 | |
| | [309.39] | [3.46] | [...] | |
| Conveyor Belt System | ... | ... | ... | |
| | [636.37] | [158.87] | [422.02] | |
| Segment Total | 741.81 | 364.74 | 199.69 | |
| | [1887.95] | [548.31] | [1112.98] | |

Notes: [1] The business groups comprise the following segments :-

| | | |
|----------------------|---|--|
| Engineering | - | Industrial Fans. |
| | - | Tea Machinery. |
| | - | Air Pollution and Water Pollution Control equipments. |
| | - | Turn-key projects involving the above products. |
| Electrical | - | HT and LT Switchgears. |
| | - | Transformers |
| | - | Relay and Contactors |
| | - | Turn-key projects on power distribution. |
| Tea | - | Tea growing and manufacturing. |
| Printing | - | Printing of books, periodicals & publicity materials. |
| Conveyor Belt System | - | Manufacturing and marketing of Steel Cord and Textile Conveyor Belt. |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

29. Particulars relating to discontinued operations.

[a] Description of discontinued operations

Business Segments

[i] Engineering Division

[ii] Electrical Division

[iii] Residual Assets/Liabilities of Belting Division
(shown under unallocated assets and liabilities)

Discontinued Operations

Air Handling Unit (AHU)

Core Lamination Project (CLP)
Project

Port Engineering Works (PEW)
Turnkey
Agency

[b] Carrying amount of fixed Assets, Current Assets and Current Liabilities in respect of discontinued operations included in the total Assets and liabilities as shown in the Balance Sheet as on 31st March, 2009 :

| Sl. No. | Discontinued operations | Fixed Assets | Current Assets | Current liabilities and provisions |
|---------|-------------------------|--------------|----------------|------------------------------------|
| 1. | AHU | ... | ... | ... |
| 2. | CLP | 15.10 | ... | ... |
| 3. | PEW | ... | ... | 170.70 |
| 4. | Turnkey | ... | ... | ... |
| 5. | Agency | ... | ... | 1.76 |
| 6. | Project | 0.10 | 40.09 | 35.82 |
| 7. | Belting | ... | 61.03 | 93.26 |
| | Total | 15.20 | 101.12 | 301.54 |

[c] Revenue, Expenses and Pre-Tax, Profit/Loss in respect of discontinued operations

| Particulars | AHU | CLP | PEW | Agency | Turnkey | Project | Belting | Total |
|------------------------|-----|-----|------|--------|---------|---------|---------|-------|
| Turnover/Other income | ... | ... | 3.17 | ... | ... | 24.40 | 6.56 | 34.13 |
| Operating Expenses | ... | ... | ... | ... | ... | 6.52 | 4.82 | 11.34 |
| Interest ... | ... | ... | ... | ... | ... | 23.20 | 23.20 | ... |
| Provisions | ... | ... | ... | ... | ... | ... | ... | ... |
| Profit/Loss before tax | ... | ... | 3.17 | ... | ... | 17.88 | -21.46 | -0.41 |
| Provision for Taxation | ... | ... | ... | ... | ... | ... | ... | ... |
| Profit/Loss after tax | ... | ... | 3.17 | ... | ... | 17.88 | -21.46 | -0.41 |

30. Related party disclosure

[i] Names of Related Parties with whom the Group had transactions during the year.

| | | |
|---------------------|---|-----------------------------------|
| Associate Companies | - | Dishergarh Power Supply Co. Ltd. |
| | - | Bengal Coal Co. Ltd. |
| | - | Yule Agro Industries Ltd. |
| | - | WEBFIL Ltd. |
| | - | Yule Financing & Leasing Co. Ltd. |

[ii] Key Management Personnel

| | | |
|---------------------|---|--------------------------------------|
| [a] Kallol Datta | - | Chairman and Managing Director |
| [b] S. Muralidharan | - | Director (Finance) (till 22.07.2008) |
| [c] I. Sengupta | - | Director (Personnel) |
| [d] R. K. Sikdar | - | Director (Planning) |
| [e] T. K. Mukherjee | - | Managing Director, Phoenix Yule Ltd. |
| [f] R. K. Babaycon | - | Chief Executive, Tea Division |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

(iii) Disclosure of transactions between the Group and related parties and the status of outstanding balance as on 31st March, 2009.

[Rupees in lakhs]

| | <u>Associates</u> | <u>Key Management Personnel and Relatives</u> |
|--|-------------------|---|
| Purchase of goods | ... | ... |
| | [...] | [...] |
| Purchase of services | 1.87 | ... |
| | [4.66] | [...] |
| Sale of goods | 0.61 | ... |
| | [0.45] | [...] |
| Sale of services | 0.04 | ... |
| | [...] | [...] |
| Interest income | 27.50 | ... |
| | [27.50] | [...] |
| Dividend income | 3.01 | ... |
| | [3.77] | [...] |
| Rent / Hire charges received | 18.00 | ... |
| | [1.42] | [...] |
| Miscellaneous Receipt | 1.58 | 0.02 |
| | [0.02] | [0.01] |
| Expenses recovered | 57.59 | ... |
| | [26.43] | [...] |
| Loan given | ... | ... |
| | [17.14] | [...] |
| Remuneration to Directors | ... | 22.68 |
| | [...] | [19.00] |
| Remuneration to Others | ... | 6.09 |
| | [...] | [11.58] |
| Loan recovered | 10.96 | ... |
| | [...] | [...] |
| <u>Balances as on 31st March, 2009</u> | | |
| Debtors / Receivable | 0.21 | ... |
| | [0.86] | [...] |
| Advance recoverable | 251.83 | ... |
| | [376.85] | [...] |
| Creditors / Payable | 0.32 | ... |
| | [0.10] | [...] |
| Deposits from | 29.05 | ... |
| | [0.25] | [...] |
| Loan given | 617.83 | ... |
| | [500.00] | [0.32] |
| Loan taken | ... | ... |
| | [...] | [...] |
| Interest payable | ... | ... |
| | [...] | [...] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| 31. Earning per share | For the year ended 31st March, 2009 | For the year ended 31st March, 2008 |
|---|--|--|
| [a] Number of Equity Share :- | | |
| At the beginning of the year | 28,37,18,478 | 5,82,67,078 |
| At the end of the year | 29,63,28,478 | 28,37,18,478 |
| Weighted average number of Equity Shares outstanding during the year | 28,37,53,026 | 5,88,83,065 |
| Face value of each Equity Share | Rs.2.00 | Rs.2.00 |
| [b] Profit after Tax before extra ordinary income available for Equity Shareholders | Rs.1593.76 lakhs | Rs.1810.56 lakhs |
| [c] Profit after Tax after extra ordinary income available for Equity Shareholders | Rs.3605.76 lakhs | Rs.1810.56 lakhs |
| [d] Basic earnings per Share before extra ordinary income | Rs.0.56 | Rs.3.07 |
| [e] Basic earnings per Share after extra ordinary income | Rs.1.27 | Rs.3.07 |

Note: There was no change in basic structure of Paid-up Share Capital during the year. Hence diluted earning per share is not applicable.

32. Provision has been made against "Contingencies" for the following items :-

| | As on 01.04.08 | Provision written back(-)/Provision made during the year | As on 31.03.09 |
|--|----------------|---|----------------|
| [a] Unconfirmed stock with various third parties | 73.93 | -8.40 | 65.53 |
| [b] Hooghly Docking & Port Engineering Co. Ltd. | 117.66 | ... | 117.66 |
| [c] Orissa Cements Ltd. | 351.37 | ... | 351.37 |
| [d] Fixed Deposit as Guarantee for Brentford Unit after Nationalisation and other Miscellaneous | 10.00 | ... | 10.00 |
| [e] Others | 1.22 | 0.25 | 1.47 |
| Total | 554.18 | -8.15 | 546.03 |

The contingent liabilities and liabilities mentioned at Note No.6 and 30 above respectively are dependent upon Court decision/out of Court settlement/disposal of appeals etc.

No reimbursement is expected as against above.

33. Details of Expenses under Item relating to previous year are as under (Schedule 19) :-

| Particulars | 2008-09 | 2007-08 |
|--|---------|---------|
| Interest on Sales tax loan | ... | 7.83 |
| Interest on Sales tax dues | 2.35 | 5.67 |
| Interest (Others) | 15.89 | ... |
| Service and erection cost | 0.26 | 0.20 |
| Security service charges | 0.55 | 0.28 |
| Travelling expenses | 1.45 | 4.20 |
| Legal expenses | ... | 5.71 |
| Excise duty | ... | 16.36 |
| Bonus | 10.42 | 16.47 |
| Central sales tax | 0.89 | 1.06 |
| Interest on State Bank of India | ... | 2.94 |
| One Time settlement with State Bank of India | ... | 58.90 |
| Employees State Insurance | 7.66 | 0.33 |

(Contd.)

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

| <u>Particulars</u> | <u>2008-09</u> | <u>2007-08</u> |
|-----------------------------------|----------------|----------------|
| Miscellaneous expenses | 15.36 | 35.89 |
| Arrear salary of Executive/Asstt. | 0.22 | 971.91 |
| Comm. Tax | ... | 0.27 |
| Establishment expenses | ... | 0.16 |
| Stock of stores | 0.25 | 1.88 |
| Food Stuff | 4.47 | 3.34 |
| Warehouse | 0.12 | 0.20 |
| Professional Tax | ... | 0.12 |
| Vermiculture | ... | 2.53 |
| Repair | 4.12 | 0.97 |
| Gas | 2.90 | 6.35 |
| Professional fees | ... | 0.10 |
| Input tax | ... | 0.32 |
| CENVAT/Service tax | 0.64 | 0.15 |
| Labour welfare | 18.02 | 0.17 |
| Settlement money | 0.14 | 4.91 |
| Medical | 0.82 | 0.10 |
| Firewood | 0.04 | 67.78 |
| Packing material | 2.14 | 0.10 |
| Freight | 1.94 | ... |
| Trusteeship fees | 0.20 | ... |
| Cultivation expenses | 1.23 | ... |
| Total | <u>92.08</u> | <u>1217.20</u> |

34. The Company has obtained exemption from the Company Law Board in respect of disclosure of quantitative information relating to production/sale of spares and components.
35. [a] Previous year's figures have been re-arranged and/or re-grouped wherever necessary.
- [b] The figures in these accounts have been rounded off to nearest lakhs of rupees and, as such, the balances in certain heads of account amounting to Rs.500 or less, although maintained in the books of accounts of the Company, do not appear in these accounts.

Hooghly Printing Co., Ltd

DIRECTORS' REPORT

The Directors are pleased to present their Report and Audited Statement of Accounts for the financial year ended 31st March, 2009.

| | (Rs. in lakhs) | |
|---|------------------|---------------------|
| Profit before charging depreciation | 49.71 | |
| Less: Depreciation | 39.89 | |
| Interest | 3.12 | 43.01 |
| Profit for the year | <u>6.70</u> | |
| Less: Provision for Taxation | 2.50 | |
| Provision for Deferred Tax Liability | (0.42) (0.66) | |
| Provision for Fringe Benefit Tax | 0.90 | 2.98 |
| | | <u>3.72</u> |
| Add: Profit brought forward from the last year's Accounts | | <u>23.16</u> |
| Balance carried to Balance Sheet | | <u><u>26.88</u></u> |

In view of the inadequate profit the Directors regret their inability to recommend any dividend for the year under review.

During the year under review the sales recorded was Rs. 651.11 lakhs compared to Rs. 411.81 lakhs in the previous year. The profit increased to Rs. 6.70 lakhs from Rs. 5.48 lakhs in 2007-08. It is expected that with the operation of the Heidelberg Printing Machine, services to the Customers will vastly improve, and the Company will also venture to book high value-added quality jobs, resulting in better operating results.

The Comptroller and Auditor General of India has no comments upon or supplements to the Auditors Report under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year ended 31st March, 2009.

A statement detailing Major Accounting Policies of the Company is annexed to the Accounts.

In terms of Section 217(2AA) of the Companies Act, 1956 your Directors have –

- (a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures ;
- (b) adopted such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period ;
- (c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities ; and
- (d) prepared the Annual Accounts for the year ended 31st March, 2009 on a going concern basis.

There was no employee of the Company who received remuneration in excess of the limit prescribed in Section 217(2A) of the Companies Act, 1956.

The activity of the Company being printing and trading in allied products, the Directors have nothing to report on technology absorption and adoption in compliance with the provisions of Section 217(1)(e) of the Companies Act, 1956. However, action has been initiated for monitoring use of energy as a part of the energy conservation programme. There was no inflow and outflow of foreign exchanges.

Shri Subir Das, retires from the Board by rotation and being eligible offers himself for re-appointment.

Shri R. K. Babaycon, resigned from the Board of Directors of the Company with effect from

HOOGHLY PRINTING CO., LTD.

23rd July, 2009. The Board of Directors place on record the valued guidance received from him during his tenure with the Company.

The Comptroller and Auditor General of India has appointed Messrs. K. Agrawal & Co., Chartered Accountants as Statutory Auditors of the Company for the year ended 31st March, 2009.

The Auditors for the year ending 31st March, 2010 will be appointed by the Comptroller and Auditor General of India.

Kolkata,
Dated the 19th August, 2009.

A Compliance Certificate issued by Mr. P. N. Sinha, Practising Company Secretary, under proviso to Section 383A of the Companies Act, 1956, is annexed hereto and forms part of this report.

The Board gratefully acknowledges the co-operation and support received from the Bankers, esteemed customers and suppliers.

The Board records its appreciation of the endeavour and hard work of the employees at all levels.

On behalf of the Board,
KALLOL DATTA,
Chairman.

COMPLIANCE CERTIFICATE
Under Rule 3, Companies (Compliance Certificate) Rules, 2001

| | | |
|---------------------------------|---|-----------------------------|
| Registration No. of the Company | - | 21-004390 |
| | - | CIN : U22219WB1922SGC004390 |
| Nominal Capital | - | Rs. 1,05,00,000/- |
| Paid-up Capital | - | Rs. 1,02,71,280/- |

To
The Members
M/s. HOOGLY PRINTING COMPANY LIMITED
8, Dr. Rajendra Prasad Sarani
Kolkata-700 001

I have examined the registers, records, books and papers of M/s. HOOGLY PRINTING COMPANY LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009 (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year –

1. The Company has kept and maintained all Registers as stated in Annexure 'A' to this Certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, three within the time prescribed under the Act and the rules made thereunder and two with additional fee for some delay.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met Five (5) times respectively on 30th June, 2008; 14th August, 2008; 3rd October, 2008; 30th December, 2008; and 31st March, 2009 (excluding resolutions by circulation on 13th January, 2009 and 24th February, 2009) in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 15.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.

10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - (i) There was no allotment / transfer / transmission of securities during the financial year.
 - (ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) There company not require to post warrant to any member of the company as no dividend was declared during the financial year.
 - (iv) There was no amount in unpaid dividend account etc. for seven years and hence the provisions of section 205C do not apply to the company for the period under certification.
 - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of One Directors at the AGM held on 15.09.2008 has been duly made.
15. The Company has not appointed any Managing Director / Wholetime Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. There was no allotment of shares, debentures, or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares during the financial year.
22. There was no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The borrowings made by the Company during the financial year ended 31st March, 2009 were within the borrowing limits of the Company.

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Kolkata
Date : 20th July, 2009

Signature :
Name of the
Company Secretary : P. N. SINHA
C. P. No. 1676

ANNEXURE - A

Registers as maintained by the Company

Statutory Registers

1. Register of Members U/S 150
2. Register of Directors U/S 303
3. Minutes Book for Shareholders' Meetings U/S 193
4. Minutes Book for Directors' Meetings U/S 193
5. Books of Accounts U/S 209
6. Registers & Returns U/S 163
7. Register U/S 301
8. Register of Directors' shareholdings U/S 307
9. Register of Charges U/S 143 & Instruments U/S 136
10. Register of Loans, Investments etc. U/S 372A

Other Registers

1. Register of Transfers

Note : The Company was not required to maintain the following Registers for having no entries / transactions to be recorded therein.

- i) Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.
- ii) Register of Securities Bought Back U/S 77A.

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2009.

| Sl. No. | Form No./ Return | Filed under Section | For | Date of Filing | Whether filed within prescribed time (Yes/No) | If delay in filing whether requisite additional fee paid (Yes/No) |
|---------|--------------------------------------|---------------------|------------|----------------|---|---|
| 1 | e-form 32 | 303 (2) | 15.09.2008 | 14.10.2008 | Yes | N. A. |
| 2 | e-form 32 | 303 (2) | 23.07.2008 | 20.09.2008 | No | Yes |
| 3 | Balance Sheet e-forms 23 AC & 23 ACA | 220 | 31.03.2008 | 21.10.2008 | No | Yes |
| 4 | Compliance Certificate e-form 66 | 383A (1) | 08.08.2008 | 01.10.2008 | Yes | N. A. |
| 5 | Annual Return e-form 20 B | 159 | 15.09.2008 | 13.11.2007 | Yes | N. A. |

AUDITORS' REPORT

**TO THE MEMBERS OF
HOOGLY PRINTING COMPANY LIMITED**

We have audited the attached Balance Sheet of HOOGLY PRINTING COMPANY LIMITED, as at 31st March, 2009, the annexed Profit & Loss Account and also the annexed Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (The 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.

(iii) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

(iv) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report, comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

(v) As per the Notification No. G.S.R.829 (E), dated 21st October 2003 under Section 620(1)(a), Disqualification of Directors under clause (g) of sub-section (i) of Section 274 is not applicable to this Company.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required except point no. 6 of Schedule 17 to Notes to Accounts regarding disclosure of Leave Encashment under AS 15 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 31st March, 2009; and

(b) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

(c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For K. AGRAWAL & CO.
Chartered Accountants

(K. C. AGRAWAL)
Partner
Membership No. 10277

34, Ezra Street,
Kolkata-700 001
Dated : The 30th June, 2009.

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our Report of even date on the accounts for the year on 31st March, 2009 of Hooghly Printing Company Limited.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the Management at reasonable intervals during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. To the best of our knowledge, no material discrepancies have been noticed on such verification conducted during the year as compared to book records.
c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. a) As per the information and explanations given to us, the inventories of the Company have been physically verified during the year and also at the year-end by the Management. In our opinion, the frequency of such verification is reasonable.
b) In our opinion and as per the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and as per the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company and the nature of its own business.
3. As per the information and explanations given to us and the records produced before us for verification, the Company has neither granted nor taken any loans, secured or unsecured, during the year to or from any party covered in the Register maintained under Section 301 of the Act. Hence, para iii (a) to iii (g) to Paragraph 4 of the aforesaid Order are, in our opinion, not applicable.
4. In our opinion and on the basis of the test checks applied by us, it appears that there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of inventories. 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 weakness in the internal control procedures.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into a Register in pursuance of Section 301 of the Act have been duly entered.
b) In our opinion and as per the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in terms of Sections 58A and 58AA of the Act and the rules framed thereunder.

7. The Company has an Internal Audit System that is commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 for any product of the Company.
9. a) According to the informations and explanation given to us and according to the books and records of the Company, as produced and examined by us, in our opinion the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty and Customs Duty and other material statutory dues as applicable have been deposited regularly by the Company during the year with the appropriate authorities. except the under noted items. The arrears of statutory dues which have remained outstanding as at 31st March, 2009 for the period of more than six months from the date they became payable are furnished below.

| | |
|--------------------------------|-----------|
| Employment Tax | 28262.00 |
| Sales Tax Deducted at Source | 109529.26 |
| Income Tax Collected at Source | 6609.14 |
| Central Sales Tax | 105.60 |

- b) According to the records of the Company and as per the information and explanations given to us, disputed Sales Tax demands have not been deposited since the matters are pending with relevant authorities as follows :-

| Year Ended | Name of the Statute | Nature of dues | Amount (Rs.) | Forum where dispute is pending |
|------------|---------------------|----------------|--------------|---|
| 31.03.2006 | W B VAT Act, 2003 | Sales Tax Dues | 1893146/- | West Bengal Commercial Taxes Appellate & Revisional Board |
| 31.03.2006 | W B CST Act, 1956 | Sales Tax Dues | 20100/- | West Bengal Commercial Taxes Appellate & Revisional Board |

10. In our opinion, there are no accumulated losses at the end of the financial year and the Company has not incurred any cash losses in the current financial year and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.
12. In our opinion and according to information and explanations given to us, the Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies and hence clauses xii (a) to xii (d) to Paragraph 4 of the aforesaid Order are, in our opinion, not applicable.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing / trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and as per the records verified by us, the Company has not given any guarantees for loans taken by others from bank or financial institutions during the year.

16. Based on the information and explanations given to us by the management, term loans were applied for the Purpose for which the loans were obtained.
17. On the basis of review of utilization of funds on an overall basis as on 31st March, 2009, related information, explanations and statements as made available to us by the Management, in our opinion, no short term fund was raised by the Company which was used for long term application.
18. According to the information and explanations given to us, 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.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. 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, was noticed or reported during the year, nor have we been informed of such case by the Management.

34, Ezra Street,
Kolkata-700 001
Dated : The 30th June, 2009.

For K. AGRAWAL & CO.
Chartered Accountants

(K. C. AGRAWAL)
Partner
Membership No. 10277

**COMMENTS ON THE ACCOUNTS OF HOOGLY PRINTING COMPANY LIMITED,
FOR THE YEAR ENDED 31ST MARCH, 2009,
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956.**

The preparation of financial statements of Hooghly Printing Company Limited, year ended 31st March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards-prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30 June 2009.

I, on behalf of the Comptroller & Auditor General of India, have decided not to review the report of the Statutory Auditors' on the accounts of Hooghly Printing Company Limited for the year ended 31st March 2009 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(A. Roychoudhury)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-I,
Kolkata.

Place : Kolkata
Date : 27 July, 2009.

STATEMENT OF MAJOR ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2009

1. BASIS OF PREPARATION OF ACCOUNTS

The accounts have been prepared to comply in all material aspects with applicable accounting principles as specified by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2. FIXED ASSETS

- (a) The physical verification of Fixed Assets is carried out in a phased manner so as to cover each item of the Fixed Assets over a period of 3 years.
- (b) The gross amount of interest on loan taken for purchase of various Assets is capitalised up to the date of commissioning.
- (c) Depreciation has been calculated on written down value method in accordance with the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- (d) Intangible Assets including computer software are stated at cost of acquisition less accumulated amortisation. These assets are amortised over a period of five years.
- (e) Profit on Sale of Fixed Assets including Capital Profit is taken into Profit & Loss Account, if it is realised.

3. INVESTMENT

Long term Investments are valued at cost and provision for diminution in the value is made only if such decline is other than temporary.

4. INVENTORIES

- (a) The Stock of stores, spares and raw materials etc. barring small and insignificant items are physically verified in a phased manner at least once in a year.
- (b) Finished goods are valued at cost or net realisable value whichever is lower.
- (c) Raw materials are valued at cost.
- (d) Stores & Spares are valued at cost.
- (e) Work-in-progress : All jobs at different stages of completion or after completion but before sale are valued at cost or net realisable value whichever is lower.

- (f) Estimated liabilities, if any, for expenses are not taken into the account for the purpose of stock valuation.

5. INCOME

- (a) Credit for scrap is taken in Miscellaneous receipts when disposed off.
- (b) (i) Sales are accounted for on the basis of receipted challans in respect of goods received by the Customers by 31st March.
(ii) Sales against FOR Contracts are booked on the basis of deliveries to transport carriers upto 31st March, irrespective of whether the goods have been received by the Customer by 31st March or not.
- (c) Partial deliveries are accounted for in accordance with billing schedules as per the terms of respective sales contracts.
- (d) Sales return, if any, upto 30th April are accounted for.
- (e) Income from delivery etc. are set off against the delivery expenses.

6. EXPENSES

- (a) For Providing Liabilities, cut off date is 15th April, but all known liabilities, if material are booked as far as practicable.
- (b) Liabilities which are more than 3 years old and not likely to materialise are written back. In case of extraordinary items only, separate disclosure is given in the Accounts.
- (c) Interest on loans to employees as per approved Schemes, other than under House Building Loan Scheme, which is recovered and accounted for after repayment of the principal amount.
- (d) Provisions made and Provision no longer required written back during the year are netted off in respect of each individual items.

7. CONTINGENT LIABILITIES/CAPITAL LOSSES AND CONTINGENT ASSETS

Disputed Liabilities and Claims against the Company including claims by Tax Authorities (for example, Sales Tax) pending in appeal are

treated as Contingent Liabilities and not accounted for. Contingent Assets are also not accounted for.

8. PROVISION

A provision is made in respect of an obligation if and only if

- (a) the Company has a present obligation as a result of a past event,
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- (c) reliable estimate can be made of the amount of obligation.

9. EMPLOYEES BENEFIT

- i) Defined Contribution Schemes : Company's contribution towards Provident Fund on arithmetical basis (DCS) paid/payable during the year to the Provident Fund Authority are charged to Profit & Loss Account.
- ii) Defined Benefit Schemes : Company's Liabilities towards Gratuity, Medical and Leave Encashment are defined benefit scheme (DBS). Liabilities in respect of Gratuity and Leave Encashment are determined by Life Insurance Corporation of India based on actuarial valuation. In respect of Medical Expenses independent actuarial valuation has been made as per requirements of AS-15 (Revised 2005). Gratuity and Leave Encashment benefits to eligible employees have been funded under separate arrangement with Life Insurance Corporation of India (LIC).

10. IMPAIRMENT OF FIXED ASSETS

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognises an impairment loss as the

differences between the carrying value and fair value less costs to sell.

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic and Diluted Earnings per share are reported in accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during a year. Diluted earnings during a year, adjusted for effects of all dilutive potential equity shares, is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

12. TAXATION

Income Tax expense comprises current tax and deferred tax or credit. The deferred tax for timing difference between the book and tax profit for the year is accounted using tax rates and tax laws that have enacted or subsequently enacted after the Balance Sheet date. Deferred tax assets arising from the timing difference are recognised to the extent that there is reasonable certainty that sufficient taxable income will be available. Fringe benefit tax payable is determined in accordance with the provisions of Income Tax Act, 1961 and disclosure made in the Balance Sheet after adjusting the advance fringe benefit tax paid during the year.

13. BORROWING COST

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

HOOGLY PRINTING CO., LTD.

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | Schedule | 2008-2009 Rs. | 2007-2008 Rs. |
|--|----------|------------------|------------------|
| SOURCES OF FUNDS | | | |
| (1) Shareholders' Funds : | | | |
| (a) Share Capital | 1 | 102.71 | 102.71 |
| (b) Reserves and Surplus | 2 | 192.28 | 188.56 |
| | | <u>294.99</u> | <u>291.27</u> |
| (2) Loan Funds : | | | |
| (a) Secured Loan | 3 | 298.46 | 199.07 |
| (3) Deferred Tax Liabilities (Net) (Note No. 5 on Schedule 17) | | 1.94 | 2.36 |
| | | <u>586.39</u> | <u>492.70</u> |
| APPLICATION OF FUNDS | | | |
| (1) Fixed Assets : | | | |
| (a) Gross Block | 4 | 167.53 | 165.92 |
| (b) Less : Depreciation | | 149.05 | 145.93 |
| (c) Net Block | | <u>18.48</u> | <u>19.99</u> |
| (d) Work-in-Progress A/c. Plant & Machinery | | 312.99 | 309.39 |
| (2) Investments | 5 | <u>0.03</u> | <u>0.03</u> |
| (3) Current Assets, Loans and Advances : | | | |
| (a) Inventories | 6 | 28.26 | 8.46 |
| (b) Sundry Debtors | 7 | 367.54 | 174.27 |
| (c) Cash and Bank Balances | 8 | 4.22 | 13.81 |
| (d) Loans and Advances | 9 | 232.67 | 212.25 |
| | | <u>632.69</u> | <u>408.79</u> |
| Less : Current Liabilities and Provisions : | | | |
| (i) Current Liabilities | 10 | 178.98 | 51.41 |
| (ii) Provisions | 11 | 198.82 | 194.09 |
| | | <u>377.80</u> | <u>245.50</u> |
| Net Current Assets | | <u>254.89</u> | <u>163.29</u> |
| Total | | <u>586.39</u> | <u>492.70</u> |
| NOTES ON ACCOUNTS | 17 | | |

Statement of Accounting Policies and Schedules 1 to 17 form an integral part of the Accounts.

In terms of our attached Report of even date.
For K. AGRAWAL & CO.
Chartered Accountants
K. C. Agrawal
Partner
KOLKATA, 30th June, 2009

On behalf of the Board,

Kallol Datta, }
Indrajit Sengupta, } Directors.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | Schedule | 2008-2009 Rs. | 2007-2008 Rs. |
|--|--------------|------------------|------------------|
| INCOME | | | |
| Sales | | 651.11 | 411.81 |
| Accretion/Decretion (-) in stocks | 12 | (+) 5.89 | (-) 0.12 |
| Miscellaneous Receipts | | 1.42 | 2.17 |
| Provision no longer required written back | | — | — |
| Interest | | 0.09 | 2.48 |
| Liabilities written back | | — | 3.47 |
| Profit on sale of Fixed Assets | | — | 0.21 |
| Insurance claim | | — | 3.86 |
| | | <u>658.51</u> | <u>423.88</u> |
| EXPENDITURE | | | |
| Works Expenses | 13 | 410.13 | 240.80 |
| Salaries, Wages & Bonus | 14 | 145.79 | 129.22 |
| Rent, Rates and Taxes | 15 | 5.76 | 5.22 |
| Insurance | | 1.54 | 1.00 |
| Miscellaneous Expenses | | 45.30 | 36.08 |
| Interest | 16 | 39.89 | 2.34 |
| Depreciation | | 3.12 | 3.46 |
| Auditors' Remuneration | | 0.28 | 0.28 |
| | | <u>651.81</u> | <u>418.40</u> |
| Profit for the year | | 6.70 | 5.48 |
| Less : | Rs. | | |
| Provision for Current Tax | | 2.50 | 2.60 |
| Provision for Deferred Tax | | (0.42) | (0.66) |
| Provision for Fringe Benefit Tax | | 0.90 | 2.57 |
| | | <u>2.98</u> | <u>0.63</u> |
| Add : | | 3.72 | 2.91 |
| Profit brought forward from last year's account | | 23.16 | 20.25 |
| PROFIT AVAILABLE FOR APPROPRIATION | | <u>26.88</u> | <u>23.16</u> |
| APPROPRIATION : | | | |
| Proposed Dividend on Equity Shares | | — | — |
| Dividend Tax | | — | — |
| General Reserve | | — | — |
| Balance carried to Balance Sheet | | 26.88 | 23.16 |
| | Total | <u>26.88</u> | <u>23.16</u> |
| Basic and Diluted Earnings per Share (Note 8 on Schedule 17) | | <u>Rs. 0.36</u> | <u>Rs. 0.28</u> |

NOTES ON ACCOUNTS

17

Statement of Accounting Policies and Schedules 1 to 17 form an integral part of the Accounts.

In terms of our attached Report of even date.
For K. AGRAWAL & CO.
Chartered Accountants
K. C. Agrawal
Partner
KOLKATA, 30th June, 2009

On behalf of the Board,

Kallol Datta, }
Indrajit Sengupta, } *Directors.*

HOOGLY PRINTING CO., LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in lakhs)

| | 2008-2009 Rs. | 2007-2008 Rs. |
|--|------------------|------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 10,50,000 Ordinary Shares of Rs. 10 each | 105.00 | 105.00 |
| Issued and Subscribed | | |
| 1,70,000 Ordinary Shares of Rs. 10 each fully paid, issued for payment in cash | 17.00 | 17.00 |
| 8,37,628 Ordinary Shares of Rs. 10 each fully paid (pursuant to conversion of unsecured loan and accrued interest) | 83.76 | 83.76 |
| 19,500 Ordinary Shares of Rs. 10 each fully paid, issued by way of Bonus Shares by Capitalisation of undistributed profits | 1.95 | 1.95 |
| Note : The entire issued and subscribed share capital of the Company is held by Andrew Yule & Company Ltd. | <u>102.71</u> | <u>102.71</u> |
| SCHEDULE 2 | | |
| RESERVES & SURPLUS | | |
| Capital Reserve | 0.40 | 0.40 |
| General Reserve | 165.00 | 166.00 |
| Less : Transition effect of opening Liability for Employees benefit as per AS 15 | <u>—</u> | <u>1.00</u> |
| | 165.00 | 165.00 |
| Profit & Loss Account | 26.88 | 23.16 |
| | <u>192.28</u> | <u>188.56</u> |
| SCHEDULE 3 | | |
| SECURED LOAN | | |
| United Bank of India | | |
| Cash Credit Account | 104.33 | — |
| Term Loan Account | 185.13 | 196.53 |
| Interest Accrued & due | — | 2.54 |
| (Secured by hypothecation of movable assets, plant and machinery, stocks and present and future book debts. The loans are Guaranteed by Andrew Yule & Co. Ltd., to the extent of Rs. 328.00 lakhs (Previous year – Rs. 328.00 lakhs) | <u>289.46</u> | <u>199.07</u> |

HOOGHLY PRINTING COMPANY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 (Contd.)

FIXED ASSETS

SCHEDULE 4

(Rupees in lakhs)

| | GROSS BLOCK | | | | DEPRECIATION | | | | Net Block as at 31st March, 2009 | Net Block as at 31st March, 2008 |
|--------------------------------|-----------------------------------|--------------------------|-----------------------------------|-----------------------------------|-------------------------------------|--|-----------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| | Book Value as at 31st March, 2008 | Addition during the year | Sales/ Adjustment during the year | Book Value as at 31st March, 2009 | Depreciation up to 31st March, 2008 | Depreciation amortization for the year | Sales/ Adjustment during the year | Depreciation up to 31st March, 2009 | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | | |
| Machinery and Plant | 157.87 | — | — | 157.87 | 138.35 | 2.79 | — | 141.14 | 14.73 | 17.52 |
| Electrical Installation | 3.32 | — | — | 3.32 | 1.96 | 0.09 | — | 2.05 | 1.27 | 1.36 |
| Office Furniture and Equipment | 5.94 | 1.20 | — | 7.14 | 4.83 | 0.22 | — | 5.05 | 2.09 | 1.11 |
| Motor Vehicles and Bicycles | — | — | — | — | — | — | — | — | — | — |
| Building 2nd Class | 0.79 | — | — | 0.79 | 0.79 | — | — | 0.79 | — | — |
| Intangible Assets | — | 0.41 | — | 0.41 | — | 0.02 | — | 0.02 | 0.39 | — |
| Computer Software | — | — | — | — | — | — | — | — | — | — |
| Total | 165.92 | 1.61 | — | 167.53 | 145.93 | 3.12 | — | 149.05 | 18.48 | 19.99 |
| Capital W. I. P. | — | — | — | — | — | — | — | — | 312.99 | 309.39 |
| <i>2007-2008</i> | <i>166.07</i> | <i>—</i> | <i>0.15</i> | <i>165.92</i> | <i>142.61</i> | <i>3.46</i> | <i>0.14</i> | <i>145.93</i> | <i>19.99</i> | <i>23.46</i> |

HOOGLY PRINTING CO., LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 (Contd.)

(Rupees in lakhs)

| | 2008-2009 Rs. | 2007-2008 Rs. |
|---|------------------|------------------|
| SCHEDULE 5 | | |
| INVESTMENTS (Other than trade) | | |
| Unquoted—at cost (Long Term) | | |
| 2,500 Non-Redeemable 5% Registered Mortgage Debenture Stock, 1956 in East India Clinic Ltd. | 0.03 | 0.03 |
| SCHEDULE 6 | | |
| INVENTORIES | | |
| Finished Goods – at lower of cost or net realisable value | 0.42 | 0.42 |
| Work-in-Progress – at lower of cost or realisable value | 6.16 | 0.28 |
| Raw Materials – at cost | 20.97 | 7.08 |
| Stores at cost | 0.71 | 0.68 |
| | <u>28.26</u> | <u>8.46</u> |
| SCHEDULE 7 | | |
| SUNDRY DEBTORS – Unsecured | | |
| Debts outstanding over six months : | 7.05 | 4.55 |
| Considered good | 7.05 | 4.55 |
| Other Debts : | | |
| Considered good | 360.49 | 169.72 |
| | <u>367.54</u> | <u>174.27</u> |

HOOGLY PRINTING CO., LTD.**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 (Contd.)**

(Rupees in lakhs)

| | 2008-2009 Rs. | 2007-2008 Rs. |
|---|------------------|------------------|
| SCHEDULE 8 | | |
| CASH AND BANK BALANCES | | |
| Cash Deposit a/c. with Insurance | 0.19 | 0.11 |
| Cash in hand (As certified by the Management) | 0.01 | 0.04 |
| Fixed Deposit with Scheduled Bank | 0.44 | 0.27 |
| Hongkong Bank - Current Account | 3.58 | 9.91 |
| United Bank of India Cash Credit A/c. (Debit Balance) | — | 3.48 |
| | <u>4.22</u> | <u>13.81</u> |

SCHEDULE 9**LOANS AND ADVANCES – Unsecured**

| | | |
|---|---------------|---------------|
| Interest receivable | — | 0.07 |
| Advance recoverable in cash or in kind or for value to be received | 19.67 | 11.29 |
| Furniture Loan | — | — |
| Advance Income Tax | 195.98 | 189.62 |
| Prepaid Expenses | 1.29 | 1.47 |
| Deposit with Government Authorities | 1.31 | 0.81 |
| Deposit - Others | 12.11 | 6.98 |
| VAT Recoverable | 2.03 | 2.73 |
| Miscellaneous Security Deposit | 1.00 | — |
| | <u>233.39</u> | <u>212.97</u> |
| Less : Provision for doubtful Loans & Advances | 0.72 | 0.72 |
| | <u>232.67</u> | <u>212.25</u> |

NOTE : Classification of Loans and Advances

| | | |
|---------------------|---------------|---------------|
| Considered good | 232.67 | 212.25 |
| Considered doubtful | 0.72 | 0.72 |
| | <u>233.39</u> | <u>212.97</u> |

HOUGHLY PRINTING CO., LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 (Contd.)

(Rupees in lakhs)

| | 2008-2009 | 2007-2008 |
|----------------------------|---------------|--------------|
| | Rs. | Rs. |
| SCHEDULE 10 | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors | 158.05 | 32.27 |
| Other Liabilities | 8.46 | 7.67 |
| Advance from Customer | 11.47 | 11.47 |
| Suppliers Security Deposit | 1.00 | — |
| | <u>178.98</u> | <u>51.41</u> |

SCHEDULE 11

PROVISIONS

| | | |
|--|---------------|---------------|
| Provision for Fringe Benefit Tax | 3.99 | 3.09 |
| Less : Advance paid | <u>3.80</u> | <u>3.20</u> |
| | (+) 0.19 | (-) 0.11 |
| Provision for Income Tax | 193.31 | 190.81 |
| Provision for Gratuity | 0.50 | — |
| Provision for Employees Benefit | 4.82 | 3.39 |
| Proposed Dividend including Dividend Tax | | |
| Rs. NIL lakhs (Previous year - NIL) | | |
| | <u>198.82</u> | <u>194.09</u> |

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in lakhs)

| | 2008-2009 Rs. | 2007-2008 Rs. |
|--------------------------------------|------------------|------------------|
| SCHEDULE 12 | | |
| ACCRETION/DECRETION IN STOCKS | | |
| Opening Stock | | |
| Finished Goods | 0.42 | 0.53 |
| Work-in-Progress | 0.27 | 0.28 |
| | 0.69 | 0.81 |
| Closing Stock | | |
| Finished Goods | 0.42 | 0.42 |
| Work-in-Progress | 6.16 | 0.27 |
| | 6.58 | 0.69 |
| | (+) 5.89 | (-) 0.12 |

| | 2008-2009 Rs. | 2007-2008 Rs. |
|------------------------|------------------|------------------|
| SCHEDULE 13 | | |
| WORKS EXPENSES | | |
| Power and Fuel | 7.29 | 5.36 |
| Raw Materials Consumed | 326.64 | 201.61 |
| Stores Consumed | 3.44 | 1.71 |
| Sub-contractor | 71.87 | 29.69 |
| Machinery Repairs | 0.89 | 2.43 |
| | 410.13 | 240.80 |

| SCHEDULE 14 | | |
|---|--------|--------|
| SALARIES, WAGES AND BONUS | | |
| Salaries, Wages and Bonus | 119.95 | 106.60 |
| Contribution to Gratuity Fund | 6.09 | 4.00 |
| Contribution to Provident Funds and other Funds | 10.16 | 9.70 |
| Medical and Welfare Expenses | 7.63 | 6.10 |
| State Insurance Act Special Contribution | 0.53 | 1.31 |
| Provision for Medical Expenses | 1.43 | 1.51 |
| | 145.79 | 129.22 |

HOOGHLY PRINTING CO., LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd.)
(Rupees in lakhs)

| | 2008-2009 Rs. | 2007-2008 Rs. |
|------------------------------|------------------|------------------|
| SCHEDULE 15 | | |
| RENT, RATES AND TAXES | | |
| Rent | 5.60 | 4.19 |
| Rates and Taxes | 0.13 | 1.00 |
| Tax on Profession | 0.03 | 0.03 |
| | <u>5.76</u> | <u>5.22</u> |

SCHEDULE 16

INTEREST ON LOAN

| | | |
|-------------------|--------------|-------------|
| On Bank Borrowing | 39.89 | 2.34 |
| On Others | — | — |
| | <u>39.89</u> | <u>2.34</u> |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE 17

NOTES ON THE ACCOUNTS

1. Counter guarantees given to Andrew Yule & Co. Ltd. in respect of guarantees issued by them on behalf of the Company to United Bank of India amounted to Rs. 328.00 lakhs (Rs. 328.00 lakhs).
2. *Contingent Liability not provided for in respect of :*
 - (a) Disputed Demands on account of Sales Tax Rs. 19.13 lacs (Rs. 27.50 lacs).
 - (b) Bank Guarantee given to various Institutions and Authorities in connection with the Company's operations Rs. 2.00 lacs (2007-2008 Rs. 1.00 lacs)
3. Interest on Term Loan obtained for aquisition of Heidelberg Machine has been capitalised upto 31.03.2008 and interest thereafter has been charged to revenue.
4. Details of Deferred Tax Liability/(Assets) as per Accounting Standard - 22 for taxes on income issued by The Institute of Chartered Accountants of India as at 31st March, 2005 are as follows :

| | Value (Rs. in lakhs) |
|--|----------------------|
| Deferred Tax Liability : | |
| Opening as on 01.04.08 | 2.72 |
| <i>Less :</i> Liability reversed during the year | (0.42) |
| | 2.30 |
| Deferred Tax Assets : | |
| <i>Less :</i> Closing Balance as at 31.03.09 | 0.38 |
| Net Deferred Tax Liability as at 31.03.09 | 1.92 |

5. The Company has carried out comprehensive exercise to assess the impairment loss of assets. Based on such exercise, there is no impairment of assets. Accordingly no adjustment in respect of loss on impairment of assets is required to be made in the Accounts.
6. Company was recognizing the Provision for the employee retirement benefits as per Revised Accounting Standard 15 "Accounting for retirement benefits". Independent actuarial valuation of Medical Benefits and Gratuity has been made on 31st March, 2009. In respect of Gratuity and Leave Encashment actuarial valuation was made by Life Insurance Corporation of India but disclosures in respect of DBS on account of Leave Encashment requirement of AS 15 (Revised) could not be made in absence of information from Life Insurance Corporation of India.

HOOGLY PRINTING CO., LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

| SCHEDULE 17 | Medical Benefit | | Gratuity | | |
|---|---|--|-----------|-----------|---|
| | 2008-2009 | 2007-2008 | 2008-2009 | 2007-2008 | |
| EMPLOYEES BENEFITS | | | | | |
| Defined benefit plans/long term compensated absences As per actuarial valuation as on 31st March, 2009 | | | | | |
| (i) | Change in present value of Defined Benefit Obligations during the year ended 31st March, 2009. | | | | |
| (1) | Present value of DBO at beginning of period | 3.39 | 1.88 | 70.13 | - |
| (2) | Current Service cost | - | - | 2.36 | - |
| (3) | Interest cost | 0.27 | 0.15 | 5.61 | - |
| (4) | Curtailment cost / (credit) | - | - | - | - |
| (5) | Settlement cost (credit) | - | - | - | - |
| (6) | Plan amendments | - | - | - | - |
| (7) | Acquisitions | - | - | - | - |
| (8) | Actuarial IGains) / Losses | 1.35 | 1.53 | 1.45 | - |
| (9) | Benefits paid | (0.19) | (0.17) | (2.19) | - |
| (10) | Present Value of DBO at the end of period | 4.82 | 3.39 | 77.36 | - |
| (ii) | Change in fair value of Assets during the year ended 31st March, 2009 | | | | |
| (1) | Plan assets at beginning of period | - | - | 66.62 | - |
| (2) | Acquisition Adjustment | - | - | - | - |
| (3) | Actual return on plan assets | - | - | 6.65 | - |
| (4) | Actual company contribution | 0.19 | 0.17 | 5.87 | - |
| (5) | Benefits paid | (0.19) | (0.17) | (2.19) | - |
| (6) | Plan assets at the end of the period | - | - | 76.86 | - |
| (iii) | Net assets / (Liability) recognised in Balance Sheet as at 31st March, 2009 | | | | |
| (1) | Present value of Defined Benefit Obligation | 4.82 | 3.39 | 77.36 | - |
| (2) | Fair value of plan assets | - | - | 76.86 | - |
| (3) | Funded status (Surplus / Defecit) | (4.82) | (3.39) | (0.50) | - |
| (4) | Unrecognised past service cost | - | - | - | - |
| (5) | Net assets/(liability) recognised in Balance Sheet | (4.82) | (3.39) | (0.50) | - |
| (iv) | Components of employer expenses recognised in Profit and Loss Account for the year ended 31st March, 2009 | | | | |
| (1) | Current Service Cost | - | - | 2.36 | - |
| (2) | Interest Cost | 0.27 | 0.15 | 5.61 | - |
| (3) | Expected return on plan assets | - | - | (6.55) | - |
| (4) | Curtailment cost / (credit) | - | - | - | - |
| (5) | Settlement cost (credit) | - | - | - | - |
| (6) | Past Service cost | - | - | - | - |
| (7) | Actuarial Losses / (Gains) | 1.35 | 1.53 | 1.45 | - |
| (8) | Total expenses recognised in the Statement of profit & Loss Account-under the head Salaries & Wages | 1.62 | 1.68 | 2.87 | - |
| (vi) | Actuarial Assumption | | | | |
| (1) | Discount Rate | 8.00% | 8.10% | 8.00% | - |
| (2) | Expected return on plan assets | - | - | 6.55 | - |
| (3) | Salary escalation | - | - | 7.65% | - |
| (4) | Expected Average remaining working lives of employees (years) | - | - | - | - |
| (5) | Method of valuation | (Projected Unit Credit Actuarial Method) | | | - |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE (Contd.)**

SCHEDULE 17 (Contd.)

7. Cost relating to Computer Software which is acquired are capitalised and amortised on a straight line basis over its useful life of five years.
8. As the Creditors have not confirmed their status about registration under "Micro Small and Medium Enterprise Development Act, 2006" the dues such parties, if any, could not be ascertained. Hence necessary disclosure as required under the aforesaid Act could not be made.

9. Related party disclosure

- (i) Name of Related Parties with whom Company had transactions during the year :

| | | |
|----------------------|---|-------------------------------------|
| Associated Companies | - | Tide Water Oil Co. (I) Ltd. |
| | - | Bengal Coal Co. Ltd. |
| | - | New Beerbhoom Coal Co. Ltd. |
| | - | Katras Jherriah Coal Col Ltd. |
| | - | Webfil Ltd. |
| | - | Yule Financing and Leasing Co. Ltd. |

- (ii) Key Management Personnel

| | |
|---|-------------------|
| - | Kallol Datta |
| - | Indrajit Sengupta |
| - | R. K. Sikdar |
| - | R. K. Babaycon |
| - | R. N. Ghosal |

- (iii) Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2009

| | Associates | Joint Venture | Key Management Personnel and relatives |
|-------------------------------------|---------------|---------------|---|
| | 2008-2009 | 2008-2009 | 2008-2009 |
| | (Rs. in lacs) | | |
| Sale of goods | | | |
| Tide Wate Oil (I) Ltd | 15.06 | | |
| Bengal Coal Co. Ltd. | 0.73 | | |
| New Beerbhoom Coal Co. Ltd. | 0.24 | | |
| Katras Jherriah Coal Col. Ltd. | 0.24 | | |
| Webfil Ltd. | 0.53 | | |
| Yule Financing and Leasing Co. Ltd. | 0.56 | | |
| | <u>17.36</u> | - | - |
| Balance as on 31st March, 2009 | | | |
| Debtors / Receivable | 1.93 | - | - |

HOOGLY PRINTING CO., LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE (Contd.)

SCHEDULE 17 (Contd.)

10. Basic and diluted Earnings per Share :

| (i) Basic : | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31st March, 2009 | 31st March, 2008 |
| (a) No. of Ordinary Shares at the beginning of the year | 1027128 | 1027128 |
| No. of Ordinary Shares at the end of the year | 1027128 | 1027128 |
| Weighted average number of Ordinary Shares outstanding during the year | 1027128 | 1027128 |
| Face value of each Ordinary Share (Rupees) | 10 | 10 |
| (b) Profit after Tax available for Ordinary Shareholders (Rupees in lakhs) | 3.72 | 2.91 |
| Basic earnings per Share (Rupees) | 0.36 | 0.28 |
| (ii) Diluted Earnings per Share (Rupees) : | 0.36 | 0.28 |

9. In the absence of confirmation of balances from sundry debtors, sundry creditors and other parties the balances as appearing in the books at the year-end have been considered in these Accounts.

10. Income Tax deducted at source by the customers for the year amounting to Rs. 4,06,065.00 (Rs. 1,21,405.00)

11. Miscellaneous expenses include :

| | Value (Rs. in lakhs) | |
|----------------------------|----------------------|-----------|
| | 2008-2009 | 2007-2008 |
| Sales & Marketing Expenses | 16.20 | 11.85 |
| Delivery Expenses | 10.12 | 7.40 |

12. (a) Particulars in respect of Manufacture :

| Class of Jobs | No. of Jobs Completed | | Licenced Capacity | Installed Capacity |
|----------------------------------|-----------------------|-----------|-------------------|-----------------------|
| | 2008-2009 | 2007-2008 | | |
| Periodicals | 37 | 5 | Not applicable | No specified capacity |
| Books | 72 | 77 | | |
| Miscellaneous printing materials | 228 | 181 | | |

(b) (i) Particulars in respect of Raw Materials Consumed :

| Items | Unit of Quantity | Quantity | | Value (Rs. in lakhs) | |
|--------|------------------|-----------|-----------|----------------------|---------------|
| | | 2008-2009 | 2007-2008 | 2008-2009 | 2007-2008 |
| Paper | Reams | 20,878 | 14,746 | 318.61 | 196.68 |
| Others | — | — | — | 8.03 | 4.93 |
| | | | | <u>326.64</u> | <u>201.61</u> |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE (Contd.)**

SCHEDULE 17 (Contd.)

(ii) Particulars in respect of Printing Sales :

| Class of Jobs | No. of Jobs | | Value (Rs. in lakhs) | |
|----------------------------------|-------------|-----------|----------------------|---------------|
| | 2008-2009 | 2007-2008 | 2008-2009 | 2007-2008 |
| Periodicals | 37 | 5 | 56.87 | 3.57 |
| Books | 72 | 77 | 493.28 | 377.54 |
| Miscellaneous printing materials | 228 | 195 | 100.96 | 30.70 |
| | | | <u>651.11</u> | <u>411.81</u> |

(iii) Particulars in respect of Income from Service Charges :

NIL NIL

(iv) Particulars in respect of Stocks :

| | 2008-2009 | | 2007-2008 | |
|----------------------------------|-------------|-------------------------|-------------|-------------------------|
| | No. of Jobs | Value (Rs. in lakhs) | No. of Jobs | Value (Rs. in lakhs) |
| Opening Stock | | | | |
| Miscellaneous Printing Materials | 28 | 0.42 | 42 | 0.53 |
| Closing Stock | | | | |
| Miscellaneous Printing Materials | 28 | 0.42 | 28 | 0.42 |

| | 2008-2009 Value (Rs. in lakhs) | 2008-2009 Value (Rs. in lakhs) |
|---|--------------------------------------|--------------------------------------|
| 13. (a) Expenditure in Foreign Currency | NIL | NIL |
| (b) Value of Imports (on C.I.F. basis on Machinery Account) | NIL | 217.95 |

14. Previous year's figures have been re-arranged and / or regrouped wherever necessary.

15. Balance Sheet Abstract and the Company's General Business Profile pursuant to Notification No. G.S.R. : 388 (E) dated 15th May, 1995 is given in Annexure - 1.

Signature to all Schedules 1 to 17.

In terms of our attached Report of even date.
For K. AGRAWAL & CO.
Chartered Accountants
K. C. Agrawal
Partner
Kolkata, 30th June, 2009

On behalf of the Board,

Kallol Datta, }
Indrajit Sengupta, } Directors.

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

ANNEXURE—1

I. Registration Details

| | | | | | | | |
|------------------|--|---|---|---|---|------------|---|
| Registration No. | | | | | | State Code | |
| | | 4 | 3 | 9 | 0 | 2 | 1 |

| | | | | | | | | |
|--------------------|---|---|---|---|---|---|---|---|
| Balance Sheet Date | 3 | 1 | 0 | 3 | 2 | 0 | 0 | 9 |
|--------------------|---|---|---|---|---|---|---|---|

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

| | | | | | | | | | | | |
|--------------|--|--|---|---|---|-------------------|--|--|---|---|---|
| Public Issue | | | | | | Rights Issue | | | | | |
| | | | N | I | L | | | | N | I | L |
| Bonus Issue | | | | | | Private Placement | | | | | |
| | | | N | I | L | | | | N | I | L |

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

| | | | | | | | | | | | |
|---------------------|---|---|---|---|---|--------------|---|---|---|---|---|
| Total Liabilities * | | | | | | Total Assets | | | | | |
| 6 | 6 | 9 | . | 2 | 0 | 9 | 6 | 4 | . | 1 | 9 |

SOURCES OF FUNDS :

| | | | | | | | | | | | |
|-----------------|---|---|---|---|---|--------------------|---|---|---|---|---|
| Paid-up Capital | | | | | | Reserves & Surplus | | | | | |
| 1 | 0 | 2 | . | 7 | 1 | 1 | 9 | 2 | . | 2 | 8 |
| Secured Loans | | | | | | Unsecured Loans | | | | | |
| 2 | 8 | 9 | . | 4 | 6 | | | | N | I | L |

APPLICATION OF FUNDS :

| | | | | | | | | | | | |
|--------------------|---|---|---|---|---|-------------|--|--|---|---|---|
| Net Fixed Assets | | | | | | Investments | | | | | |
| | 1 | 8 | . | 4 | 8 | | | | . | 0 | 3 |
| Net Current Assets | | | | | | | | | | | |
| 2 | 5 | 4 | . | 8 | 9 | | | | | | |

* Excluding Shareholders Fund Rs. 294.99 lakhs but including Deferred Tax Liability (Net) Rs. 1.94 lakhs.

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE— (Contd.)

ANNEXURE—1 (Contd.)

IV. Performance of Company (Amount in Rs. Lakhs)

Turnover**

| | | | | | | |
|--|---|---|---|---|---|---|
| | 6 | 5 | 1 | . | 1 | 1 |
|--|---|---|---|---|---|---|

Total Expenditure

| | | | | | |
|---|---|---|---|---|---|
| 6 | 5 | 1 | . | 8 | 1 |
|---|---|---|---|---|---|

Profit/Loss Before Tax

| | | | | | | |
|-----|--|--|---|---|---|---|
| (+) | | | 6 | . | 7 | 0 |
|-----|--|--|---|---|---|---|

Profit /Loss After Tax

| | | | | |
|--|---|---|---|---|
| | 3 | . | 7 | 2 |
|--|---|---|---|---|

(Please tick Appropriate box (+) for Profit (-) for Loss)

EPS. (Rupees)

| | | | | | |
|--|--|---|---|---|---|
| | | 0 | . | 3 | 6 |
|--|--|---|---|---|---|

Dividend Rate %

| | |
|---|---|
| - | - |
|---|---|

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 9 | 0 | 1 | 1 | 0 | 0 | 1 |
|---|---|---|---|---|---|---|---|

Product Description

| | | | | | | | | |
|---|---|---|---|---|---|---|--|--|
| P | R | I | N | T | E | D | | |
| B | O | O | K | S | | | | |
| | | | | | | | | |

Item Code No. (ITC Code)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 9 | 0 | 1 | 1 | 0 | 0 | 2 |
|---|---|---|---|---|---|---|---|

Product Description

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| P | A | M | P | H | L | E | T | S |
| B | O | O | K | L | E | T | S | |
| B | R | O | C | H | U | R | E | S |

** Excluding other income and increases in stocks Rs. 7.40 lakhs.

Note : Signatures to all Schedules 1 to 17.

On behalf of the Board,

Kallol Datta, }
Indrajit Sengupta, } Directors.

KOLKATA, 30th June, 2009

HOOGLY PRINTING CO., LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

| Particulars | Amount (Rupees in lakhs) | 2008-2009 Amount (Rupees in lakhs) | 2007-2008 Amount (Rupees in lakhs) |
|---|-----------------------------|--|--|
| A. Cash Flows from Operating Activities : | | | |
| Net Profit before Tax | | 6.70 | 5.48 |
| Adjustments for : | | | |
| Provision for Staff Benefit | 1.93 | | 1.51 |
| Depreciation | 3.12 | | 3.46 |
| Interest Charge | 39.89 | | 2.34 |
| Profit on Sale of Fixed Assets | - | | (0.21) |
| Interest Income | (0.09) | 44.85 | (2.48) |
| | | <u>51.55</u> | <u>10.10</u> |
| Operating Profit before changes in Working Capital | | | |
| Inventories | (19.80) | | 0.70 |
| Sundry Debtors | (193.28) | | (152.00) |
| Loans & Advances | (20.60) | (233.68) | (14.98) |
| | | <u>(182.13)</u> | <u>(156.18)</u> |
| Current Liabilities | | 130.07 | (15.51) |
| Cash generated from operation | | <u>(52.06)</u> | <u>(171.69)</u> |
| Income Tax Paid | (2.30) | | (5.34) |
| Fringe Benefit Tax Paid | (0.60) | (2.90) | (0.75) |
| Net Cash Flow from operating activities | | <u>(54.96)</u> | <u>(177.78)</u> |
| B. Cash Flows from Investing Activities : | | | |
| Interest received | 0.09 | | 2.48 |
| Purchase of Fixed Assets | (5.21) | | (309.39) |
| Sale of Fixed Assets | - | (5.12) | 0.22 |
| | | <u>(60.08)</u> | <u>(484.47)</u> |
| C. Cash Flows from Financing Activities : | | | |
| Dividend including Tax Paid | - | | (6.01) |
| Cash Credit from Banks | 104.32 | | - |
| Term Loan from Bank | (13.94) | | 199.07 |
| Interest Paid | (39.89) | 50.49 | (2.34) |
| | | <u>(9.59)</u> | <u>(293.75)</u> |
| Cash and cash equivalent at the beginning of the year | | 13.81 | 307.56 |
| Cash and cash equivalent at the end of the year | | <u>4.22</u> | <u>13.81</u> |
| | | <u>(9.59)</u> | <u>(293.75)</u> |

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

For K. AGRAWAL & CO.
Chartered Accountants
K. C. Agrawal
Partner
Kolkata, 30th June, 2009

On behalf of the Board,

Kallol Datta, }
Indrajit Sengupta, } Directors.

YULE ELECTRICAL LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of Yule Electrical Limited will be held at the Registered Office of the Company, "Yule House", 8, Dr. Rajendra Prasad Sarani, Kolkata-700 001 on Tuesday, the 29th day of September, 2009 at 11.30 a.m. to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2009, Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Gouranga Das Sharma who retires by rotation and being eligible offers himself for re-appointment.

Registered Office :
"Yule House",
8, Dr. Rajendra Prasad Sarani,
Kolkata-700 001.
27th July, 2009

By Order of the Board,

Kallol Datta
Chairman

DIRECTORS' REPORT

Your Directors are pleased to present the Balance Sheet as at 31st March, 2009.

There was no employee of the Company who received remuneration during the year 2008-09 in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956.

In terms of Section 217(2AA) of the Companies Act, 1956. Your Directors confirmed that -

- a) In the preparation of Annual Accounts, the applicable accounting Standards have been followed along with proper explanation relating to material departures wherever applicable.
- b) The Directors have selected such accounting policies and applied them and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the accounting year and of the Profit/Loss of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provisions of this Act for safeguarding the asset of the Company and for preventing and detecting for and other irregularities.

- d) The Directors have prepared annual accounts on a going concern basis.

As the Company has not yet commenced the commercial production, the Directors have nothing to report in compliance with the provisions of Section 217 (1)(c) of the Companies Act, 1956.

Shri Gouranga Das Sharma retires from the Board by rotation and being eligible offers himself for re-appointment.

Auditors have to be appointed for the current financial year under the guidance of Comptroller and Auditor General of India .

The Board of Directors would like to place on record their appreciation of the support and assistance received from Central and State Government and the employees in the "Yule Family".

On behalf of the Board

Kallol Datta
Chairman

Kolkata, 27th July, 2009.

YULE ELECTRICAL LIMITED

AUDITOR'S REPORT

TO THE MEMBERS OF YULE ELECTRICAL LIMITED

We report that we have audited the attached Balance Sheet of Yule Electrical Limited as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. A audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Company's (Auditor's Report) order 2003 as amended by the Company's Auditor's Report (Amendment) order, 2004 issued by The Department of Company Affairs in terms of sub-section (4A) of section 227 of the Companies Act, 1956, is not applicable since the company have not yet started its commercial operation.

Further to our comments in the Annexure referred to above, we report that :

- [i] We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- [ii] In our opinion, proper books of account have been kept as required by the Company so far as appears from our examination of those books;

[iii] The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

[iv] In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

[v] On the basis of the written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

[vi] In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

[a] in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;

[b] in the case of the Profit and Loss Account, of the "Loss" of the Company 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.

For R. P. BASU & CO.,
Chartered Accountants,
(S. Bhattacharya)
Partner,

Membership No.51541

Kolkata - 27th July, 2009.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON
THE ACCOUNTS OF YULE ELECTRICAL LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2009**

The preparation of financial statements of Yule Electrical Limited for the year ended 31st March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27th July, 2009.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the Report of the Statutory Auditor on the Accounts of Yule Electrical Limited for the year ended 31st March, 2009 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

Dated, Kolkata
the 25th August, 2009.

For and on the behalf of the
Comptroller & Auditor General of India
(Dr. Smita S. Chaudhuri)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board – I,
Kolkata.

YULE ELECTRICAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

| | | [Amount in Rupees] | |
|--|-----------|--------------------|-----------------|
| | Schedules | As at 31.03.09 | As at 31.03.08 |
| SOURCES OF FUNDS | | | |
| 1 Shareholders' Fund : | | | |
| [a] Share Capital | 1 | 5,00,000 | 5,00,000 |
| 2 Loan Fund | 2 | | |
| [a] Unsecured Loan | | 3,84,696 | 3,71,869 |
| TOTAL | | 8,84,696 | 8,71,869 |
| APPLICATION OF FUNDS | | | |
| 1 Current Assets, Loans and Advances : | | | |
| [a] Cash and Bank Balances | 3 | 3,525 | 10,000 |
| [b] Loans and Advances | | ... | ... |
| | | 3,525 | 10,000 |
| Less : Current Liabilities and Provisions | | | |
| [a] Current Liabilities | 4 | 11,030 | 8,000 |
| Net Current Assets | | -7,505 | 2,000 |
| 2 Miscellaneous Expenditure | 5 | 8,69,869 | 8,69,869 |
| (To the extent not written off/adjusted) | | | |
| 3 Profit and Loss Account | | 22,332 | ... |
| TOTAL | | 8,84,696 | 8,71,869 |
| NOTES ON ACCOUNTS | 7 | | |

Kolkata - 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

In terms of our attached Report of even date.

For R. P. BASU & CO.,
Chartered Accountants,
(S. Bhattacharya)
Partner,
Membership No.51541

Kolkata - 27th July, 2009.

YULE ELECTRICAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

| | | [Amount in Rupees] | |
|--|------------------|--------------------|----------------|
| | <u>Schedules</u> | <u>2008-09</u> | <u>2007-08</u> |
| INCOME | | | |
| Other Income | | ... | ... |
| | | ... | ... |
| | | ... | ... |
| EXPENDITURE | | | |
| Interest | | ... | ... |
| Other Expenses | 6 | 22,332 | ... |
| | | 22,332 | ... |
| Loss for the year | | (-) 22,332 | ... |
| Balance carried over to Balance Sheet | | (-) 22,332 | ... |
| NOTES ON ACCOUNTS | 7 | | |

Kolkata – 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

In terms of our attached Report of even date.

For R. P. BASU & CO.,
Chartered Accountants,
(S. Bhattacharya)
Partner,
Membership No.51541

Kolkata – 27th July, 2009.

YULE ELECTRICAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

| | [Amount in Rupees] | |
|--|--------------------|-------------------|
| | As at 31.3.09 | As at 31.3.08 |
| [A] CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax and extraordinary items | (22,332) | ... |
| Adjustment for : | | |
| Trade payable | 3,030 | 8,000 |
| Cash Generated from Operations | (19,302) | 8,000 |
| Cash-flow before Extraordinary Items | (19,302) | 8,000 |
| NET CASH FROM OPERATING ACTIVITIES (A) | (19,302) | 8,000 |
| [B] CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Pre-operative Expenditure) | ... | (8,69,869) |
| NET CASH FROM INVESTING ACTIVITIES (B) | ... | (8,69,869) |
| [C] CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from borrowings | 12,827 | 3,71,869 |
| Proceeds from Equity | ... | 5,00,000 |
| NET CASH USED IN FINANCING ACTIVITIES (C) | 12,827 | 8,71,869 |
| NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C] | (6,475) | 10,000 |
| CASH AND CASH EQUIVALENT Opening Balance as at 1st April, 2008 | 10,000 | ... |
| CASH AND CASH EQUIVALENT Closing Balance as at 31st March, 2009 | 3,525 | 10,000 |

[1] Cash Flow Statement has been prepared by following Indirect Method mentioned in AS-3

[3] Suitable modifications have been made in the prescribed form to provide for adequate information.

Kolkata – 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

In terms of our attached Report of even date.

For R. P. BASU & CO.,
Chartered Accountants,
(S. Bhattacharya)
Partner,
Membership No.51541

Kolkata – 27th July, 2009.

YULE ELECTRICAL LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009

| | [Amount in Rupees] | |
|---|--------------------|-----------------|
| | As at 31.03.09 | As at 31.03.08 |
| SCHEDULE-1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 15000000 Equity Shares of Rs.10/- each | 15,00,00,000 | 15,00,00,000 |
| Issued and Subscribed | | |
| 50000 Equity Shares of Rs.10/- each Fully paid-up | 5,00,000 | 5,00,000 |
| | <u>5,00,000</u> | <u>5,00,000</u> |
| SCHEDULE-2 | | |
| LOAN FUND | | |
| Secured Loan | ... | ... |
| Unsecured Loan : | | |
| Yule Engineering Limited | 2,36,920 | 236920 |
| Andrew Yule & Co. Ltd. | 1,47,776 | 134949 |
| | <u>3,84,696</u> | <u>3,71,869</u> |
| SCHEDULE-3 | | |
| CASH AND BANK BALANCE | | |
| Cash in Hand | ... | ... |
| Balance with Schedule Bank on Current Account | 3,525 | 10,000 |
| | <u>3,525</u> | <u>10,000</u> |
| SCHEDULE-4 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Current Liabilities | 11,030 | 8,000 |
| Sundry Creditors | ... | ... |
| Provisions | ... | ... |
| | <u>11,030</u> | <u>8,000</u> |
| SCHEDULE-5 | | |
| MISCELLANEOUS EXPENDITURE | | |
| (To the extent not written off/adjusted) | | |
| Printing charges | 1,640 | 1,640 |
| Registration charges | 8,58,000 | 8,58,000 |
| Cost of Common Seal | 700 | 700 |
| Stamping cost of MOA and AOA | 920 | 920 |
| Sundry Expenses | 609 | 609 |
| Auditor's Remuneration : | | |
| Audit Fees | 8000 | 8000 |
| In Other Capacity : | | |
| Certificates etc. | ... | ... |
| | <u>8,000</u> | <u>8,000</u> |
| | <u>8,69,869</u> | <u>8,69,869</u> |
| | <u>2008-09</u> | <u>2007-08</u> |
| SCHEDULE-6 | | |
| MISCELLANEOUS EXPENSES | | |
| Audit Fees | 5,515 | ... |
| Items relating to Previous year | 2,515 | ... |
| Bank charges | 6,475 | ... |
| Data Entry fees | 700 | ... |
| Certification fees | 5,227 | ... |
| Enlistment fees | 1,900 | ... |
| | <u>22,332</u> | <u>...</u> |

YULE ELECTRICAL LIMITED

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

[Amount in Rupees]

SCHEDULE 7

1. Significant Accounting Policies

The Financial Statements have been prepared under the historic cost convention on accrual basis and in compliance with all material aspect of applicable Accounting Standards in India and the relevant provisions of the Companies Act, 1956, and in accordance with the generally accepted accounting principles.

2. Information pursuant to Part-IV of Schedule-VI to the Companies Act, 1956

Balance Sheet abstract and Company's general business profile :

(i) Registration details :

| | |
|--------------------|-------------------------|
| CIN | : U40101WB2007PLC118031 |
| State Code | : 21 |
| Balance Sheet Date | : 31st March, 2009 |

| | <u>As at 31.03.09</u> | <u>As at 31.03.08</u> |
|--|--|------------------------|
| (ii) Capital raised during the year | | |
| Private placement (Initial Subscription) | ... | 5,00,000 |
| (iii) Position of mobilisation and deployment of funds : | | |
| Total Liabilities | 8,84,696 | 8,79,869 |
| Total Assets | 8,84,696 | 8,79,869 |
| Sources of Funds : | | |
| Paid-up Capital | 5,00,000 | 5,00,000 |
| Loan Fund | 3,84,696 | 3,71,869 |
| Current Liabilities | 11,030 | 8,000 |
| | <u>8,95,726</u> | <u>8,79,869</u> |
| Application of Funds : | | |
| Current Assets, Loans and Advances | 3,525 | 10,000 |
| Miscellaneous Expenditure (to the extent not written off/adjusted) | 8,69,869 | 8,69,869 |
| Profit and Loss Account | 22,332 | ... |
| | <u>8,95,726</u> | <u>8,79,569</u> |
| (iv) Earning per share | | |
| (a) Number of Equity Share | | |
| At the beginning of the year | 50,000 | 50,000 |
| At the end of the year | 50,000 | 50,000 |
| Weighted average number of Equity Shares outstanding during the year | 50,000 | 50,000 |
| Face Value of each Equity Share | Rs.10/- | Rs.10/- |
| (b) Loss/Profit after Tax available for Equity Shareholders | (-) 22,332.00 | ... |
| (c) Basic earnings per Share | (-) 0.45 | ... |
| (v) Performance of the Company | : Not applicable as the Company has not yet commenced its commercial operations. | |

3. These Accounts being the first Accounts of the Company, previous years figures have not been given.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

Kolkata - 27th July, 2009.

In terms of our attached Report of even date.

For R. P. BASU & CO.,
Chartered Accountants,
(S. Bhattacharya)
Partner,
Membership No.51541
Kolkata - 27th July, 2009.

YULE ENGINEERING LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of Yule Engineering Limited will be held at the Registered Office of the Company, "Yule House", 8, Dr. Rajendra Prasad Sarani, Kolkata-700 001 on Tuesday, the 29th day of September, 2009 at 11.00 a.m. to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2009, Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri T. K. Mukherjee who retires by rotation and being eligible offers himself for re-appointment.

Registered Office :
"Yule House",
8, Dr. Rajendra Prasad Sarani,
Kolkata-700 001.
27th July, 2009.

By Order of the Board,
Kallol Datta
Chairman

DIRECTORS' REPORT

Your Directors are pleased to present the Balance Sheet as at 31st March, 2009.

There was no employee of the Company who received remuneration during the year 2008-09 in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956.

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors confirmed that -

- a) in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures wherever applicable.
- b) the Directors have selected such accounting policies and applied them and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at the end of accounting year and of the profit/loss of the Company for that period.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provisions of this Act for safeguarding the asset of the Company and preventing and detecting for and other irregularities.

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

As the Company has not yet commenced the commercial production the Directors have nothing to report in compliance with the provisions of Section 217(1)(e) of the Companies Act, 1956.

Shri T. K. Mukherjee retires from the Board by rotation and being eligible offers himself for re-appointment.

Auditors have to be appointed for the current financial year under the guidance of Comptroller & Auditor General of India.

The Board of Directors would like to place on record their appreciation of the support and assistance received from Central and State Government and the employees in the "Yule Family".

On behalf of the Board

Kallol Datta
Chairman

Kolkata, 27th July, 2009.

AUDITOR'S REPORT

**TO THE MEMBERS OF
YULE ENGINEERING LIMITED**

We have audited the attached Balance Sheet of Yule Engineering Limited as at 31st March, 2009. As this is the first accounting period and the Company has not commenced any commercial activity there is no Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibilities are to express an opinion on the Financial Statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether such Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the provisions of the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, are not applicable to the Company for the above year.

We report that -

- [a] We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- [b] In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- [c] The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
- [d] In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956.
- [e] On the basis of written representation received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (4) of section 274 of the Companies Act, 1956.
- [f] In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - [i] in so far as it relates to the Balance Sheet of the State of Affairs of the Company as at 31st March, 2009;
 - [ii] in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - [iii] in the case of the Cash Flow Statement for the year ended on that date.

Kolkata - 27th July, 2009.

For AGRAWAL & CO.,
Chartered Accountants,
(A. K. Agrawal)
Partner,
Membership No.053921

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON
THE ACCOUNTS OF YULE ENGINEERING LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2009**

The preparation of financial statements of Yule Engineering Limited for the year ended 31st March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27th July, 2009.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the Report of the Statutory Auditor on the Accounts of Yule Engineering Limited for the year ended 31st March, 2009 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

Dated, Kolkata
the 25th August, 2009.

For and on the behalf of the
Comptroller & Auditor General of India
(Dr. Smita S. Chaudhuri)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - I,
Kolkata.

YULE ENGINEERING LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2009**

| | | [Amount in Rupees] | |
|---|------------------|-----------------------|-----------------------|
| | <u>Schedules</u> | <u>As at 31.03.09</u> | <u>As at 31.03.08</u> |
| SOURCES OF FUNDS | | | |
| 1 Shareholders' Fund : | | | |
| [a] Share Capital | 1 | 5,00,000 | 5,00,000 |
| 2 Loan Fund | 2 | | |
| [a] Unsecured Loan | | 12,820 | ... |
| TOTAL | | 5,12,820 | 5,00,000 |
| APPLICATION OF FUNDS | | | |
| 1 Current Assets, Loans and Advances : | | | |
| [a] Cash and Bank Balances | 3 | 1,000 | 1,000 |
| [b] Loans and Advances | 4 | 2,36,920 | 2,36,920 |
| | | 2,37,920 | 2,37,920 |
| Less: Current Liabilities and Provisions | | | |
| [a] Current Liabilities | 5 | 10,000 | 8,000 |
| Net Current Assets | | 2,27,920 | 2,29,920 |
| 2 Miscellaneous Expenditure | 6 | 2,70,080 | 2,70,080 |
| (To the extent not written off/adjusted) | | | |
| Profit and Loss Account | | 14,820 | ... |
| TOTAL | | 5,12,820 | 5,00,000 |
| NOTES ON ACCOUNTS | 8 | | |

Kolkata – 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

In terms of our attached Report of even date.

For AGRAWAL & CO.,
Chartered Accountants,
(A. K. Agrawal)
Partner,
Membership No.053921

Kolkata – 27th July, 2009.

YULE ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

| | | [Amount in Rupees] | |
|--|-----------|--------------------|---------|
| | Schedules | 2008-09 | 2007-08 |
| INCOME | | | |
| Other Income | | ... | ... |
| | | ... | ... |
| EXPENDITURE | | | |
| Interest | | ... | ... |
| Other Expenses | 7 | 14,820 | ... |
| | | 14,820 | ... |
| Loss for the year | | (-) 14,820 | ... |
| Balance carried over to Balance Sheet | | (-) 14,820 | ... |
| NOTES ON ACCOUNTS | 8 | | |

Kolkata – 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

In terms of our attached Report of even date.

For AGRAWAL & CO.,
Chartered Accountants,
(A. K. Agrawal)
Partner,
Membership No.053921

Kolkata – 27th July, 2009.

YULE ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

| | [Amount in Rupees] | |
|--|--------------------|-------------------|
| | As at 31.3.09 | As at 31.3.08 |
| [A] CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax and extraordinary items | (14,820) | ... |
| Adjustment for : | | |
| Trade receivable | ... | (2,36,920) |
| Trade payable | 2,000 | 8,000 |
| Cash Generated from Operations | (12,820) | (2,28,920) |
| Cash-flow before Extraordinary Items | (12,820) | (2,28,920) |
| NET CASH FROM OPERATING ACTIVITIES (A) | (12,820) | (2,28,920) |
| [B] CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Pre-operative Expenditure) | ... | (2,70,080) |
| NET CASH FROM INVESTING ACTIVITIES (B) | ... | (2,70,080) |
| [C] CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from borrowings | 12,820 | ... |
| Proceeds from Equity | ... | 5,00,000 |
| NET CASH USED IN FINANCING ACTIVITIES [C] | 12,820 | 5,00,000 |
| NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C] | ... | 1,000 |
| CASH AND CASH EQUIVALENT Opening Balance as at 1st April, 2008 | 1,000 | ... |
| CASH AND CASH EQUIVALENT Closing Balance as at 31st March, 2009 | 1,000 | 1,000 |

[1] Cash Flow Statement has been prepared by following Indirect Method mentioned in AS-3

[3] Suitable modifications have been made in the prescribed form to provide for adequate information.

Kolkata – 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

In terms of our attached Report of even date.

For AGRAWAL & CO.,
Chartered Accountants,
(A. K. Agrawal)
Partner,
Membership No.053921

Kolkata – 27th July, 2009.

YULE ENGINEERING LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT AND LOSS ACCOUNT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009

| | As at 31.03.09 | As at 31.03.08 |
|---|-----------------|-----------------|
| [Amount in Rupees] | | |
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 3000000 Equity Shares of Rs.10/- each | 3,00,00,000 | 3,00,00,000 |
| Issued and Subscribed | | |
| 50000 Equity Shares of Rs.10/- each Fully paid-up | 5,00,000 | 5,00,000 |
| | <u>5,00,000</u> | <u>5,00,000</u> |
| SCHEDULE 2 | | |
| LOAN FUND | | |
| Secured Loan | ... | ... |
| Unsecured Loan : | | |
| Andrew Yule & Co. Ltd. | 17,820 | ... |
| | <u>17,820</u> | <u>...</u> |
| SCHEDULE 3 | | |
| CASH AND BANK BALANCE | | |
| Cash in Hand | ... | ... |
| Balance with Schedule Bank on Current Account | 1,000 | 1,000 |
| | <u>1,000</u> | <u>1,000</u> |
| SCHEDULE 4 | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| Advance recoverable in cash (Yule Electrical) | 2,36,920 | 2,36,920 |
| | <u>2,36,920</u> | <u>2,36,920</u> |
| SCHEDULE 5 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Current Liabilities | 10,000 | 8,000 |
| Sundry Creditors | ... | ... |
| Provisions | ... | ... |
| | <u>10,000</u> | <u>8,000</u> |
| SCHEDULE 6 | | |
| MISCELLANEOUS EXPENDITURE | | |
| (To the extent not written off/adjusted) | | |
| Printing charges | 1,640 | 1,640 |
| Registration charges | 2,58,000 | 2,58,000 |
| Cost of Common Seal | 960 | 960 |
| Stamping cost of MOA and AOA | 700 | 700 |
| Sundry Expenses | 780 | 780 |
| | 2,62,080 | 2,62,080 |
| Auditor's Remuneration : | | |
| Audit Fees | 8,000 | 8,000 |
| In Other Capacity : | | |
| Certificates etc. | ... | ... |
| | <u>8,000</u> | <u>8,000</u> |
| | <u>2,70,080</u> | <u>2,70,080</u> |
| | <u>2008-09</u> | <u>2007-08</u> |
| SCHEDULE 7 | | |
| MISCELLANEOUS EXPENSES | | |
| Audit Fees | 5,000 | ... |
| Items relating to Previous year | 2,000 | ... |
| Data Entry fees | 700 | ... |
| Certification fees | 5,220 | ... |
| Filing fees | 1,900 | ... |
| | <u>14,820</u> | <u>...</u> |

YULE ENGINEERING LIMITED

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

[Amount in Rupees]

SCHEDULE 8

1. Significant Accounting Policies

The Financial Statements have been prepared under the historic cost convention on accrual basis and in compliance with all material aspect of applicable Accounting Standards in India and the relevant provisions of the Companies Act, 1956, and in accordance with the generally accepted accounting principles.

1. Information pursuant to Part-IV of Schedule-VI to the Companies Act, 1956

Balance Sheet abstract and Company's general business profile :

| | | | |
|--|---|--|------------------------|
| (i) Registration details : | | | |
| CIN | : | U29299WB2007PLC118032 | |
| State Code | : | 21 | |
| Balance Sheet Date | : | 31st March, 2009 | |
| | | <u>As at 31.03.09</u> | <u>As at 31.03.08</u> |
| (ii) Capital raised during the year | | | |
| Private placement (Initial Subscription) | | ... | 5,00,000 |
| (iii) Position of mobilisation and deployment of funds : | | | |
| Total Liabilities | | 5,12,820 | 5,00,000 |
| Total Assets | | 5,12,820 | 5,00,000 |
| Sources of Funds : | | | |
| Paid-up Capital | | 5,00,000 | 5,00,000 |
| Loan Fund | | 12,820 | ... |
| Current Liabilities | | 10,000 | 8,000 |
| | | <u>5,22,820</u> | <u>5,08,000</u> |
| Application of Funds : | | | |
| Current Assets, Loans and Advances | | 2,37,920 | 2,37,920 |
| Miscellaneous Expenditure (to the extent not written off/adjusted) | | 2,70,080 | 2,70,080 |
| Profit and Loss Account | | 14,820.00 | ... |
| | | <u>5,22,820</u> | <u>5,08,000</u> |
| (iv) Earning per share | | | |
| [a] Number of Equity Share | | | |
| At the beginning of the year | | 50,000 | 50,000 |
| At the end of the year | | 50,000 | 50,000 |
| Weighted average number of | | | |
| Equity Shares outstanding during the year | | 50,000 | 50,000 |
| Face Value of each Equity Share | | Rs.10/- | Rs.10/- |
| [b] Loss/Profit after Tax available for Equity Shareholders | | (-) 14,820.00 | ... |
| [c] Basic earnings per Share | | (-) 0.30 | ... |
| (v) Performance of the Company | | | |
| | | Not applicable as the Company has not yet commenced its commercial operations. | |

Kolkata – 27th July, 2009.

In terms of our attached Report of even date.

For AGRAWAL & CO.,
Chartered Accountants,
(A. K. Agrawal)
Partner,
Membership No.053921
Kolkata – 27th July, 2009.

On behalf of the Board,
Kallol Datta, Chairman.
Indrajit Sengupta, Director.

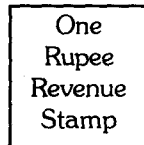
ANDREW YULE & COMPANY LIMITED

PROXY

I/We, of
.....
being a Member/Members of Andrew Yule & Co. Ltd. hereby appoint
..... of
..... or failing him.....
..... of
..... as my/our proxy in my/our absence to attend and vote for me/us, and
on my/our behalf, at the Annual General Meeting of the Company to be held on Thursday the 24th day of
September, 2009 at 11.00 a.m. and at any adjournment thereof.

As WITNESS my/our hand/hand(s) this..... day of..... 2009.

Signed by the said.....



Note: The Proxy must be deposited at the Registered Office of the Company at 8, Dr. Rajendra Prasad Sarani, Kolkata – 700 001 not less than 48 hours before the time for holding the Meeting.

..... ✂ ✂ ✂
**THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER
AT THE ENTRANCE OF THE MEETING HALL**

ANDREW YULE & COMPANY LIMITED

Name of the attending Member.....
(in Block Letters)

Member's Folio Number.....

Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member
.....

No. of Shares held.....

I hereby record my presence at the Annual General Meeting at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata– 700 001 on Thursday, the 24th September, 2009 at 11.00 a.m.

.....
* Member/s/Proxy's Signature

* To be signed at the time of handing over this slip.

