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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)
Sriprakash Kar - Director (Finance)
S. Swaminathan - Director (Planning)
Harbhajan Singh - Non-Executive Director
R. Asokan - Non-Executive Director
Ashok Kumar Basu - Non-Executive Director
Ashoke K. Dutta - 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 Monday, the 27th September, 2010 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, 2010, 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, 2011.
3. To appoint a Director in place of Shri Amitav Kothari 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 Ordinary Resolution :

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

The Registers of Members and Transfer Registers of the Company will remain closed from 21st September, 2010 to 27th September, 2010, both days inclusive.

Registered Office :

"Yule House",

8, Dr. Rajendra Prasad Sarani,

Kolkata-700 001.

20th August, 2010.

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 21st September, 2010 to 27th September, 2010, 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.**

ANDREW YULE & CO. LTD.

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

Item No. 4 :

Shri Harbhajan Singh, Joint Secretary to the Government of India, Department of Heavy Industry, was appointed a Part-time Director with effect from 8th January, 2010, in place of Shri Rajiv Bansal and will hold office till the conclusion of the ensuing Annual General Meeting. Notice under Section 257 of the Act along with requisite fees have been received from one of the members of the Company proposing the appointment of Shri Singh as Director of the Company and he had agreed to act as Director, if appointed.

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

The Board recommends this Resolution for approval by the Shareholders.

Details of Directors seeking appointment in 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 Amitav Kothari	10th Dec., 1952.	1st April, 2008.	Practicing Chartered Accountant and he is the member of different Committees of Institute of Chartered Accountants of India.	F C A	Maharaja Shree Umaid Mills Ltd. and Managing Partner of Kothari & Co., Chartered Accountants. Kanaria Chemicals & Industries Limited..
Shri Harbhajan Singh.	23th November, 1955.	8th January, 2010.	Joint Secretary to the Government of India, Department of Heavy Industry.	I A S	Hindustan Paper Corporation Ltd. Engineering Projects (I) Ltd. Cement Corporation of India Ltd. HMT Ltd. HMT Machine Tools Limited HMT International Limited Heavy Engineering Corporation NTPC-BHEL Power Projects (P) 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, 2010.

1.0 FINANCIAL RESULTS

(Rs. in lakhs)

Profit before Taxation	7549.22
Less: Provision for Taxation :	
(a) Wealth Tax	3.00
(b) Deferred Tax	26.29
(c) Income Tax [in respect of earlier year]	<u>(-)18.07</u>
	11.22
Profit for the year (PAT)	7538.00
Add : Loss brought forward from last Account	<u>(-)16857.50</u>
Balance carried over to Balance Sheet	(-) 9319.50

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, 2010.

3.0 CONTRIBUTION TO NATIONAL EXCHEQUER :

Your Company contributed Rs.442.55 lakhs during the year to national exchequer by way of taxes, duties, levies, cess, etc.

4.0 OPERATIONS :

4.1 Tea :

The Tea Division achieved a turnover of Rs.13547.02 lakhs, production worth Rs.13557.49 lakhs and earned a profit of Rs.1358.36 lakhs as compared to a loss of Rs.199.09 lakhs in previous year.

4.2 Electrical :

During the year the Division achieved a turnover of Rs.3888.56 lakhs, production worth Rs.4038.47 lakhs and recorded a profit of Rs.19.64 lakhs as compared to a profit of Rs.3129.57 lakhs in previous year. The suspension of operation for three months at Transformer & Switchgear Unit, Chennai due to unreasonable demand of workmen, had its effect on the operating results of the Electrical Division.

4.3 Engineering :

During the period under review the Division achieved a turnover of Rs.1210.82 lakhs,

production of Rs.1281.61 lakhs and incurred a loss of Rs.378.45 lakhs as compared to a profit of Rs.245.37 lakhs in previous year. Absence of continuous flow of orders during the first half of the year affected the operations and the operating result of the Division.

4.4 General Division :

After disinvesting the Company's holding of 26% in Phoenix Yule Ltd. and 7.12% in DPSC Ltd. as per BIFR Order dated 30th October, 2007, General Division made a net profit after tax of Rs.6538.45 lakhs.

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-of-Date' of 31st March, 2006.

As per the Scheme two 100% subsidiaries namely, Yule Engineering Ltd. and Yule Electrical Ltd. have already been incorporated and Certificate of Commencement of Business have been obtained.

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, 2008-09 and 2009-10. Balance will be considered in the Books of Accounts for the year 2010-11.

Disinvestment of Shares in Phoenix Yule Ltd. :

As per the BIFR sanctioned Scheme, 26% holdings of AYCL in the Joint Venture Company, Phoenix Yule Ltd., where Phoenix AG of Germany was the Joint Venture Partner with 74% stake, was to be disinvested.

In accordance with the Joint Venture Agreement the stakes were to be offered to Phoenix AG, Germany. An Inter Ministerial Group (IMG) was formed by Government of India to steer this Disinvestment process. Price Waterhouse (PW) appointed by the IMG, for Valuation of Shares, valued the Shares @ Rs.49.50 per share which was accepted by IMG. AYCL by disinvesting its 26% holding, realized Rs.59.12 crores. In

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ANDREW YULE & CO. LTD.

addition, your company received from Phoenix Yule Ltd. a sum of Rs.1.30 crores by granting them to use its "YULE" Trade Mark for a period of two years and Rs.2.40 crores for agreeing not to compete with them for a period of ten years, from the date of the Agreement.

Disinvestment of Shares in DPSC Ltd. :

The BIFR Scheme provided that your Company will also disinvest its stakes in DPSC Ltd. (DPSCCL). Andrew Yule Group holding in DPSCCL was 15.20%. To realize better value, your Company pursued with the Financial Institutions, namely Life Insurance Corporation of India (LICI) and United India Insurance Company Limited (UIICL) to join the Disinvestment Process. The combined Disinvestments of Shares were thus arrived at 57.17%. M/s. Deloitte & Touche Consulting India Private Limited was appointed as Consultant for this Disinvestment. Though, several litigations filed by M/s. Descon Ltd. in various Courts delayed this Disinvestment Process, but finally at the direction of the Hon'ble Calcutta High Court, Auction was conducted by Court Appointed Officer on November 20, 2009. Consortium of Srei Infrastructure Finance Ltd. & IPCL (SPV - Orbis Power Venture (P) Ltd.) were declared the Highest Bidder at Rs.710/- per share. The shares were sold at this price on January 28, 2010 and your company realized Rs.21.38 crores towards its stake of 7.12%.

Refund of Interest Free Loan to Government of India :

Government of India had provided an Interest Free Loan of Rs.87.06 crores to your Company as per the BIFR Scheme which was to be repaid out of the proceeds of disinvestments. On completion of disinvestment of DPSC Ltd. and Phoenix Yule Ltd. AYCL had repaid the entire sum of Rs.87.06 crores to Government of India.

6.0 FIXED DEPOSIT :

Deposits from the public and others amounted to Rs. NIL as on 31st March, 2010.

7.0 EXPORT :

The Company's exports during the year were Rs.133.07 lakhs on F.O.B. basis.

8.0 PROSPECTS :

The overall outlook for the year 2010-11 looks to be positive, considering the fact that, various strategic measures undertaken by the Company are already giving results as reflected through improvement in operational efficiency.

The relaying of emphasis on improvement of yield and quality of tea along with the current favourable trend in both the domestic and international tea markets, it is expected to yield better results for Tea Division.

For future growth and expansion of Engineering Division, the Company is exploring various options and likely to finalise some growth option by the end of this fiscal.

In respect of the Electrical Division of the Company, enhancement and extension of rating & range of power & distribution transformer is underway, to enlarge the area of operation and faster growth.

9.0 SUBSIDIARY :

The performance of Hooghly Printing Co. Ltd. the wholly owned subsidiary continued to be profitable. The sales achieved was Rs.934.80 lakhs compared to Rs.651.11 lakhs in the previous year. The profit before tax recorded was Rs.23.89 lakhs as against Rs.6.70 lakhs in the year 2008-2009.

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) An enterprise is normally viewed as a going concern, if it has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations. As AYCL has neither the intention nor the necessity of liquidation or has plan of curtailing materially the scale of its operation, on the contrary has an growth plan to reach a turnover of Rs.1000 crores over the next five years, the Accounts for the year has been prepared on the assumption of a going concern.
- (b) The investment in YFLC is a long term investment which is usually carried at cost. Decline in value of such investment is considered only when the same is of a permanent nature. However, considering the fact that the investee is a company managed by AYCL and is incurring profit

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continuously over the last couple of years, the decline in the value of investment in the said company has not been considered to be of a permanent nature. No provision against diminution in value of the investment in YFLC has therefore been made in the Accounts. A suitable disclosure in this regard has been made in the Note No.12 of the Schedule 20.

- (c) In view of huge accumulated loss of Rs.197.94 crores as at 31.3.2008, even after financial restructuring of the company, the accumulated loss at the end of the year under report, remained more than 50% of its net worth. However, the accumulated loss could be brought down to Rs.93.20 crores as at 31.03.2010.
- (d) (i) The SBI has not accorded sanction to the restructured cash credit proposal as per BIFR Scheme, till the close of the year. In absence of such sanctioned and stipulation of due dates for repayment by the Bank no payment could be made against WCTL.
- (ii) As per the banking procedure, interest on Working Capital Term Loan is realized by the Bank through the Cash Credit Account and no separate payment for the same is made. Thus no payment towards interest was made separately by the Company.

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

The Comptroller and Auditor General of India has no 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, 2010, Review of the Accounts by the Comptroller & Auditor General of India is annexed to this report.

13.0 HUMAN RESOURCES DEVELOPMENT :

The Company considers its human resources as valuable assets and endeavours 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 2009-10 were 502 (2008-09 : 488) 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, 2010 stood at 15,283.

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 confirm 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 had appointed M/s. S. Ghosh & Co., Chartered Accountants as Auditor for the year ended 31st March, 2010.

M/s. S. Ghosh & Co., Chartered Accountants has also been appointed as Auditor for the year ended 31st March, 2011 by the Comptroller & Auditor General of India.

18.0 DIRECTORS' :

Shri R.K. Sikdar, Director (Planning) retired from the services of the Company on expiry of his term of office on 30th September, 2009.

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ANDREW YULE & CO. LTD.

The Central Government has appointed Shri S. Swaminathan, as Director (Planning) of the Company for a period of five years with effect from 5th October, 2009 or till the date of his superannuation or until further order, whichever would be the earliest.

Shri Rajiv Bansal ceased to be Director with effect from 8th January, 2010 and Shri Harbhajan Singh, Joint Secretary to the Government of India, Department of Heavy Industry was appointed a Director in the casual vacancy caused by the vacation of the office by Shri Rajiv Bansal. Shri Singh will hold office until the forthcoming Annual General Meeting. A notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Shri Harbhajan Singh as Director of the Company at the Annual General Meeting.

Shri Sumanta Chowdhury ceased to be Director with effect from 27th July, 2010 and Shri R. Asokan, Director (Finance), Department of Heavy Industry was appointed a Director in the casual vacancy caused by the vacation of the office by Shri Sumanta Chowdhury.

The Board places on record its appreciation of the contribution made by Sarbashri R.K. Sikdar, Rajiv Bansal and Sumanta Chowdhury during their association with the Company.

Shri Amitav Kothari, Director of the Company, retires from the Board by rotation and being eligible offers himself for re-appointment.

19.0 ROLE OF VIGILANCE :

The Vigilance Department of your Company contributed to various spheres of the Company's functions in a meaningful manner. Though the main stream activities are on prevention of corruption for which the orthodox methods of carrying out periodic and surprise inspection are in place, the Vigilance Department focused on revision of extant rules, procedures and

systems to bring adequate transparency and reduce human interface in various operation of the Company.

CVC guidelines which was received by the Company from time to time were followed as preventive measures.

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

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.

Kolkata,
20th August, 2010.

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

ANNEXURE TO DIRECTORS' REPORT

Management Discussion & Analysis.

Business Scenario :

The overall outlook for the year 2010-11 looks to be positive, considering the fact that, various strategic measures undertaken by the Company are already giving results as reflected through improvement in operational efficiency.

The relaying of emphasis on improvement of yield and quality of tea along with the current favourable trend in both the domestic and international tea markets is expected to yield better results for Tea Division.

For future growth and expansion of Engineering Division, the Company is exploring various options and likely to finalise some growth option by the end of this fiscal.

In respect of the Electrical Division of the Company, enhancement of the rating and extension of range of power & distribution transformer is underway, to enlarge the area of operation and faster growth.

Opportunities & Threats :

Your Tea Gardens have the potential to achieve higher yield & best quality of tea. Investment in planting, replanting, infilling, replacement & modernization of equipment & manufacturing facilities are therefore being made to achieve the desired level.

Your Engineering Division which had established its credibility in supply and installation of Industrial Fans as well as Effluent Treatment Plant for Water Pollution Projects in the past, is on its way to re-establish its credential in the market. As stated various options for future growth of the Division is being explored.

Your Electrical Division has pioneered in specialized energy efficient products for the Rural Electrification

Programme for the country. This Division enjoys sizable 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 reported in Note No.16 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 detail financial performance of the Company are appearing in the Balance Sheet and Profit & Loss Account for the year. During the year compared to the increase in turnover by 3.26%, the profit surged before tax to Rs.75.49 crores from Rs.31.76 crores in the previous year, primarily on account of profit on disinvestment of AYCL's stake in Phoenix Yule Ltd. and DPSC Ltd.

Human Resource :

During the year, employer and employee relationship remained cordial.

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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 Driers and coal stove in Tea Gardens has been made for reduction of fuel consumption and energy cost. Through upgradation of Panel Board and installation of Capacitor Banks in 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 equipments are being installed on consolidation of all the factories of Electrical Division, Kolkata at Mayurbhanj Road, which is nearing completion.

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.

F O R M - A

ANDREW YULE & COMPANY LIMITED : TEA DIVISION

		2009-10	2008-09
CROP	KGS	10893565.00	9325416.00
1. ELECTRICITY			
A. PURCHASED			
UNIT	KWH	9954525.00	8434055.00
TOTAL AMOUNT	Rs.	55428775.00	46522044.00
RATE/UNIT	Rs.	5.57	5.52
B. [i] OWN GENERATION [THROUGH GENERATOR(DIESEL)]			
UNIT	KWH	1444950.00	1566152.00
TOTAL FUEL COST	Rs.	17423553.86	20817437.26
TOTAL FUEL	LTRS.	519802.00	550392.00
UNIT/LITRE OF DIESEL	KWH	2.78	2.85
RATE/UNIT	Rs.	12.06	13.29
[ii] THROUGH GENERATOR (NATURAL GAS)			
UNIT	KWH	220230.00	357410
UNIT/SCM OF GAS	KWH	5.28	6.32
RATE/UNIT	Rs.	4.96	...
2. COAL			
QUANTITY	MT	5977.17	5507.709
TOTAL COST	Rs.	26561717.32	20418383.57
RATE	Rs./MT	4443.86	3707.24
3. FURNACE OIL			
QUANTITY	LTRS.	77037.00	97759
TOTAL COST	Rs.	2560308.69	3148062.96
RATE	Rs./LTR	33.23	32.20
4. USE OF GAS FOR PROCESSING			
QUANTITY	SCM	3032798.00	2607984
TOTAL COST	Rs.	16795631.00	14109842.03
RATE/UNIT	Rs.	5.54	5.41
B. CONSUMPTION PER UNIT OF PRODUCTION			
PRODUCTS BLACK TEA			
ELECTRICITY	KWH/KG	1.07	1.07
FURNACE OIL	LTR/KG	0.02	0.01
COAL	KG/KG	1.20	1.06
NATURAL GAS	SCM/KG	0.51	...

(Contd.)

F O R M - 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 equipment and accessories of Industrial Fans

- The high speed 3790 mm. dia meter ID fans was developed for one of the Steel Plants which was imported earlier.
- Developed higher dynamic seal for the above special application fan.

(b) Electrical Division has carried out R&D activities in the following areas :

- (i) 12KV 20KA/25KA, 1250A / 800A PC VCB Product
- (ii) 12KV, 1250Amps / 200Amps, 40KA VCB Indoor panel.
- (iii) Software for Electrical Design for switchgear manufacturing.

(ii) Benefit derived as well as results of the above R&D Works.

Due to above R&D work Engineering Division has geared up to make further import substitution in steel and other process industries and also it is expected to augment revenue earnings.

Following benefits accrued to Electrical Division due to above R&D Works :

- Enhanced market reach and added new utilities/ Boards as customers after many years.
- New products launched with pricing edge and received orders for bigger quantities.
- The Division is able to receive complete certificates after completion of test.

(iii) Future Plan of Action :

- Engineering Division has planned to take development of Stainless Steel Fan for corrosive fume gas application for Fertilizer Industry.
- The development of acoustically packaged fans for export purpose.
- Development of Silencers for various applications.
- In respect of Electrical Division -

The range enhancement of in-house developed Impulse Generator to test 220 kV class transformers from 132kV class transformers.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

(i) **Efforts Made :**

The efforts made by Engineering and Electrical Division have resulted in Foreign Exchange Savings by indigenously developed components.

(ii) **Benefits derived :**

The R&D effort help to cater the need of changing requirements of the industry for 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.133.07 lakhs.
Foreign Exchange outflow were : Rs.0.33 lakhs.

Kolkata,
20th August, 2010.

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

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance systems and processes at Andrew Yule & Company Limited is as under :

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, 2010 was ten of which four (4) were whole-time Directors, viz. Chairman & Managing Director, Director (Personnel), Director (Finance), Director (Planning), five (5) 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, 2010 are given below :-

Name of Directors	Category of Directorship	No. of other Director-ship held as on 31.03.2010	Committee Membership held in other Companies. xx	
			As Member	As Chairman
1. Shri Kallol Datta	Chairman & Managing Director.	10	2	Nil
2. Shri Indrajit Sengupta	Director (Personnel)	9	2	Nil
3. Shri Sriprakash Kar	Director (Finance)	7	2	Nil
4. Shri S. Swaminathan	Director (Planning)	...	Nil	Nil
5. Shri Harbhajan Singh	Govt. Nominee - Non-Executive Director	7	Nil	Nil
6. Shri Sumanta Chaudhuri	Independent Non-Executive Director	3	Nil	Nil
7. Shri Ashok Kumar Basu	Independent Non-Executive Director	9	4	Nil
8. Prof. Ashoke K. Dutta	Independent Non-Executive Director	6	Nil	Nil
9. Shri Amitav Kothari	Independent Non-Executive Director	2	Nil	Nil
10. Shri A.R. Nagappan	Special Director-BIFR Nominee.	2	7	Nil
11. Shri R. Asokan	Govt. Nominee - Non-Executive Director	5	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 Sumanta Choudhuri was ceased to be a Director with effect from 27th July, 2010.
■ Shri R.Asokan was appointed as an Independent Non-executive Director w.e.f. 27th July, 2010.

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, 2010 Five Meetings of the Board of Directors were held on 29th June, 2009, 24th September, 2009, 4th November, 2009, 20th November, 2009, and 5th March, 2010.

(Contd.)

ANDREW YULE & CO. LTD.

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

Name of Directors	No. of Board Meetings Attended	Attendance of the Last AGM held on 24th September,2009	Remarks
Executive Directors :			
1. Shri Kallol Datta	5	Yes	...
2. Shri Indrajit Sengupta	4	Yes	...
3. Shri Sriprakash Kar	4	Yes	...
4. Shri S. Swaminathan	3	No	Appointed as a Director w.e.f. 5th October, 2009.
5. Shri R.K. Sikdar	...	No	Ceased to be a Director w.e.f. close of business on 30th September, 2009.

Non-Executive Directors :

1. Shri Harbhajan Singh	1	No	Appointed as Independent Non-Executive Director w.e.f.8th January, 2010.
2. Shri Amitav Kothari	4	Yes	...
3. Shri Ashok Kumar Basu	5	Yes	...
4. Prof. Ashoke K. Dutta	3	Yes	...
5. Shri Sumanta Choudhuri	...	No	Ceased to be a Director w.e.f. 27th July, 2010.
6. Shri A.R. Nagappan	5	Yes	...
7. Shri Rajiv Bansal	3	Yes	Resigned from the Board w.e.f. 8th January, 2010.
8. Shri Subir Das	1	No	Ceased to be a Director w.e.f. close of business on 20th July, 2009.
9. Shri Amitava Ray	1	No	Ceased to be a Director w.e.f. close of business on 29th June, 2009.
10. Shri R. Asokan	...	No	Appointed as Independent Non-Executive Director w.e.f. 27th July, 2010.

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.

(Contd.)

ANDREW YULE & CO. LTD.

- (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.

As on 31st March, 2010 the Committee of the Board of Directors were comprised of the following :

Director	Designation	Committee	Status in the 2009-2010	Number of Meeting held Attended	Number of Meetings Remarks
Shri Kallol Datta	Chairman & Managing Director	Chairman	20	20	
Shri Indrajit Sengupta	Director (Personnel)	Member	20	20	
Shri Subir Das	Director(Non-Executive)	Member	20	7	Ceased to be a Director w.e.f. 21st July, 2009.
Shri Sriprakash Kar	Director (Finance)	Member	20	12	Appointed as a Director w.e.f. 22nd July, 2009.
Shri R.K. Sikdar	Director (Planning)	Member	20	1	Ceased to be a Director w.e.f. 01.10.2009.

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, 2010, consist of Sarbashri Ashok Kumar Basu and Prof. Ashoke Kumar Dutta, Amitav Kothari all are Non-Executives Director and Shri S.P. Kar, Director (Finance). Financial Controller and Sr. Manager (Internal Audit) are the permanent invitees and Chief Executive, Tea Division and General Manager, Electrical Division are the Special Invitee and and the Company Secretary acts as Secretary of the Committee.

The Board of Directors in its meeting held on 27th July, 2010 had reconstituted the Audit Committee as follows :-

Shri Ashok Kumar Basu	...	Chairman.
Prof. Ashoke K. Dutta	...	Member.
Shri Amitav Kothari	...	Member.
Shri R. Asokan	...	Member.

- (c) Attendance of each Member :-

During the financial year ended 31st March, 2010, four meetings of the Audit Committee were held on 29th June, 2009, 4th November, 2009, 30th December, 2009 and 26th February, 2010 as under :

			Date of Meeting
Shri Amitava Ray - Chairman.	Shri Subir Das - Member.	Shri Ashok Kumar Basu - Member.	29.06.2009
Shri Ashok Kumar Basu - Chairman.	Shri. S.P.Kar - Member.		04.11.2009
Shri Ashok Kumar Basu - Chairman.	Prof.A.K.Dutta - Member.	Shri Amitav Kothari - Member.	30.12.2009
	Shri S.P.Kar - Member.		
Shri Ashok Kumar Basu - Chairman.	Shri S.P.Kar - Member.		26.02.2010

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

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ANDREW YULE & CO. LTD.

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, 2010 are given below :

Name of the Directors	Salary	Perquisite	Total
Shri Kallol Datta	7,89,730.00	1,94,724.00	9,84,454.00
Shri Indrajit Sengupta	7,21,792.00	35,746.00	7,57,538.00
Shri Sriprakash Kar	4,99,075.00	7,574.00	5,06,649.00
Shri S. Swaminathan	3,55,591.00	8,027.00	3,63,618.00
Shri R.K. Sikdar	6,73,426.00	23,063.00	6,96,489.00

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 -

Name of the Directors	Sitting Fees
Shri Ashok Kumar Basu	Rs. 35,000/-
Shri A.R. Nagappan	Rs. 25,000/-
Shri Subir Das	Rs. 29,000/-
Shri Amitav Kothari	Rs. 28,000/-
Prof. Ashoke K. Dutta	Rs. 17,000/-
Shri Amitava Ray	Rs. 7,000/-

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.

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. Ten complaints were received from the shareholders during the year 2009-10 and all of them have been attended to.

There is no complaint lying pending.

Number of shares pending transfer as on 31st March, 2010 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.18 on Schedule 20 of the Annual Audited Accounts as at 31st March, 2010.

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.

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ANDREW YULE & CO. LTD.

10. GENERAL INFORMATION FOR SHAREHOLDERS :

CIN of the Company - L63090WB1919GOI003229

REGISTRATION NO.021-003229

- 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/ay_secl@rediffmail.com
Telegram: "YULETIDE", Fax : 91-33-2242-9770/2243-4741
- Date of Annual General Meeting, Time and venue : 27th September, 2010 at 11-00 a.m.
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 21st September, 2010 to 27th September,2010 (both
days inclusive)
- Listing on Stock Exchange : The Stock Exchange, Mumbai.
- The Listing Fees for the financial year 2009-10 has been paid to the Stock Exchange, Mumbai on 6th May, 2009.
- Shares in Suspense Account : Pursuant to Clause 5A(g) of the Listing Agreement, it is
hereby confirmed that the Company has no Share
remaining unclaimed and lying in the Suspense
Account at the beginning of the financial year, nor was
the Company approached by any such Shareholder for
transfer of such Shares from such Suspense Account.
- Market price Data, High, Low during the month in
the last Financial Year (2009-2010) 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 7659 Shares (Previous year - 4761
Shares]
- Dematerialisation of Shares : 5.35% Equity Shares have been dematerialised upto 31st
March, 2010 and held with National Securities
Depositories Limited (NSDL) and Central Depository
Services (India) Ltd. (CDSL).
- ISIN Code of the Company : INE 449C01025.
- Scrip Code of the Company : 526173.
- Scrip ID of the Company : ANDREWYU
- Distribution of Shareholding and Shareholding
pattern as on 31st March, 2010. : 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/ay_secl@rediffmail.com

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MEANS OF COMMUNICATION :-

Quarterly Results published in Statesman and Dainik Statesman. 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
2008-2009	24.09.2009	11-00 a.m.	Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001.
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.

(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.
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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.
21.09.2007	N I L	...
16.09.2008	N I L	...
24.09.2009	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 and (v) 5/346, Old Mahabalipuram Road, Perungudi, Chennai - 600 096

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,
17th August, 2010.

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

ANDREW YULE & CO. LTD.

ANNEXURE - "A"

MARKET PRICE DATA : HIGH/LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR (2009-10)

Month	The Stock Exchange, Mumbai		B.S.E. Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	31.00	22.85	11,492.10	9,546.29
May, 2009	59.40	22.20	14,930.54	11,621.30
June, 2009	65.20	40.50	15,600.30	14,016.95
July, 2009	61.85	42.50	15,732.81	13,219.99
August, 2009	54.05	42.00	16,002.46	14,684.45
September, 2009	65.90	46.20	17,142.52	15,356.72
October, 2009	63.05	47.80	17,493.17	15,805.20
November, 2009	71.00	45.05	17,290.48	15,330.56
December, 2009	64.90	53.10	17,530.94	16,577.78
January, 2010	99.70	57.50	17,790.33	15,982.08
February, 2010	71.40	49.05	16,669.25	15,651.99
March, 2010	55.75	41.05	17,793.01	16,438.45

ANNEXURE - "B"

(i) DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2010.

Shareholding (Range)		No. of Shares	% of Total Shares	No. of Shareholders	% of Total Shareholders
From	To				
0	500	16,61,368	0.56	13806	87.93
501	1000	8,56,849	0.29	1017	6.48
1001	2000	6,61,828	0.22	433	2.76
2001	5000	9,58,627	0.32	295	1.88
5001	10000	6,35,855	0.22	86	0.55
10001	Above	29,15,53,951	98.39	63	0.40
Total		29,63,28,478	100.00	15,700	100.00

(ii) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2010

Category	No. of Shares	% of total Shares
Central Government	27,97,89,706	94.42
Financial Institutions	4,19,952	0.14
Nationalised Banks	97,52,625	3.29
Mutual Funds	950	0.00
Domestic Companies	17,79,991	0.60
Non-domestic Companies	500	0.00
Resident Individual	43,37,776	1.46
Non-Resident Individuals (Foreign National)	22,471	0.01
Non-Resident Individuals (Indian)	2,24,507	0.08
Director and their Relatives	-	-
Total :	29,63,28,478	100.00

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 2009-10.

Kolkata,
12th April, 2010.

KALLOL DATTA
Chairman & Managing Director.

CEO AND CFO CERTIFICATION

We, Kallol Datta, Chairman & Managing Director and Shri Sriprakash Kar, 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, 2010.

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.

Sriprakash Kar
Director (Finance)

Kallol Datta
Chairman & Managing Director.

Kolkata, 12th April, 2010.

ANDREW YULE & CO. LTD.

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, 2010, 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 was 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 investors grievances received during the year ended 31st March, 2010, 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, 17th August, 2010.

For S. GHOSH & CO.
Chartered Accountants,
(CA. S. GHOSH)
Partner,
Membership No.5268.

AUDITOR'S REPORT

We have audited the attached Balance Sheet of Andrew Yule & Company Limited as at 31st March, 2010 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, 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

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

implementation. The accounts for the year have been prepared on the principle applicable to a going concern after giving due consideration to the rehabilitation package, even though the net worth of the Company is fully eroded.

2. **Non-provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to Rs.27.88 lakhs. [Refer Note No.12 in Schedule 20].**
3. 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.
 - (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.
4. 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.
5. **Without considering Item No.1 above, the effect of which could not be determined, had the observation under Item No. 2 been considered, the profit for the year after extraordinary income and provision for taxation would have been Rs.7510.42 lakhs as against the reported profit of Rs.7538.30 lakhs,**

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ANDREW YULE & CO. LTD.

accumulated loss would have been Rs.9347.08 lakhs as against the reported accumulated loss of Rs.9319.20 lakhs, value of investments would have been Rs.833.24 lakhs as against the reported value of Rs.861.12 lakhs.

6. 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 Item 2 and 5 and Note No.15 in Schedule-20 and our comments in paragraph 1, 5, 7 and 8 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, 2010;
- (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 - 27th July, 2010

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. Mukherjee)
Partner.
Membership No.5243

**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. unsecured loan to any Company, Firm or other party listed in the register maintained under Section 301 of the Companies Act, 1956.
- (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 fixed assets was carried out by the Company during the year in respect of Engineering and Electrical Divisions only of the Company. Discrepancies noticed on such verification valuing Rs.22.47 lakhs have been written off during the year in the books. (Refer Note No.23 of Schedule 20). (b) Clause (iii)(b) to (d) of the Annexure are not applicable to the Company.
- (c) During the year, in our opinion, any substantial part of fixed assets has not been disposed off by the Company. (c) The Company has not taken any unsecured loan from any 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.Nil.
- (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. However, the loan has since been repaid.
- (e) Paragraph 4(iii)(g) of the Order is not applicable in respect of loan taken.
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. 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.
- (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. 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.
- (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. (b) In view of above para 4(v)(b) of the Annexure is not applicable to the Company.
3. (a) According to the information and explanations given to us, the Company has not granted any

(Contd.)

ANDREW YULE & CO. LTD.

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. The Company has also appointed outside agencies in respect of Internal Audit of operating Divisions. 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.
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 latest information given and explanations offered and according to the books and records of the Company as produced, there is no undisputed statutory dues as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (ii) As at 31st March, 2010 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	27.53	Preamalgamation	Appellate Authority
		5841.59	1987-88 to 1988-89	Moved Revision before the Board against Appellate Order.
			1999-2000 to 2001-02	
			1996-97 to 1997-98	
		139.81	2003-04 to 2004-05 & 1998-99	Appellate Authority Taxation Tribunal
		128.28	1973-74, 1979-80 & 1986-87	Appellate Authority before DCCT.
		252.96	2005-06 & 2006-07	Appellate Authority before the High Court.
		113.21	1992-93	Appellate Authority, SoD
			1980-81, 1982-83 to 1985-86	
Assam Sales Tax and VAT	Assam Gardens	199.93	2002-03 to 2006-07	Appellate Authority, Dy. Commissioner/ Commissioner Commercial Taxes.
		129.41	1997-98 and 1998-99	Appellate Authority Revenue Board.
Orissa Sales Tax and VAT	Orissa Sales Tax	161.83	1999-2001	Appellate Authority Tribunal at High Court Cuttack.
Central Excise	Central Excise	425.79	1989-90 to 2001-02	Appeal at CESTAT.
		104.02	1991-92 to 1998-99	Appeal at Commissioner of C.E.
		52.59	1991 to 1993	Appeal at High Court.

(Contd.)

10. The accumulated loss of the Company at the end of the financial year is more than fifty percent of its net worth. The Company has not incurred cash loss in the financial year and immediately preceding such financial year also.
11. In our opinion and according to the information and 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 not made repayment of dues to Banks within due dates as stated below :-
- | | |
|-------------------------|-----------------|
| (a) State Bank of India | Rs.216.95 lakhs |
| (b) Bank of Baroda | Rs.378.00 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, 2010, 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.
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 – 27th July, 2010.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA A. K. Mukherjee)
Partner,
Membership No.5243

**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, 2010**

The preparation of financial statements of Andrew Yule & Company Limited for the year ended 31st March, 2010 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, 2010.

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, 2010. 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 11th August, 2010.

For and on the behalf of the
Comptroller & Auditor General of India
(Nandana Munshi)
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) The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the profit and loss account where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

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) Provisions for slow and non moving stores lying for more than three years but less than five years are made at 15% of Book Value for such stores remaining more than 5 years, provision @ 36.25% of Book Value are made. Provision for obsolete stores are made at 100% of Book Value.
- (c) 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

(Contd.)

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%.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) Imported materials lying in bonded warehouse and at Port are valued at cost including Customs Duty, Port Charges etc.
- (i) Loose Tools are amortised over a period of 5 years.
- (j) Stock of scrap, is valued on the basis of estimated/actual realised value as the case may be. However tea waste is not valued.
- (k) 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 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) Except in disputed cases, escalation/de-escalation claim bills are accounted for on the basis of the terms of the relevant contracts.
- (f) 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

(Contd.)

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) Payment of Technical Know how Fees is accounted for in compliance with the relevant Accounting Standard.
- (g) 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.
- (h) Medicine purchase for Tea Estates are all charged out as per consistent practice.
- (i) Guarantee commission is taken in the year of guarantees issued/renewed.

10. Taxation

- (i) Taxation comprises of Income Tax, Agricultural Income Tax (both Assam and West Bengal), Deferred Tax and Wealth Tax. These taxes other than Deferred Taxes are measured as the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961, West Bengal Agricultural Income Tax Act, 1944, Assam Agricultural Income Tax Act, 1939 and Wealth Tax Act, 1957 respectively.
- (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.
- (iii) In respect of proceedings pending before the various Income Tax/Agricultural Income Tax Authorities on account of Appeal/Rectification filed by the Company, adjustments are made on final settlement of such proceedings.

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.

(Contd.)

ANDREW YULE & CO. LTD.

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 and Employees State Insurance paid/payable during the year to the Appropriate Authorities 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, 2010

(Rupees in lakhs)

SOURCES	<u>Schedules</u>	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
[1] Shareholder's Funds :			
[a] Share Capital	1	5926.57	5926.57
[b] Shares pending allotment (Note No.4 on Schedule 20)		847.00	740.80
[c] Reserve and Surplus	2	<u>10946.00</u>	<u>10874.01</u>
		<u>17719.57</u>	<u>17541.38</u>
[2] Loan Funds :	3		
[a] Secured Loans		10649.48	13310.43
[b] Unsecured Loans		<u>7440.26</u>	<u>15269.81</u>
		<u>18089.74</u>	<u>28580.24</u>
[3] Deferred Tax Liability (Note No.14 on Schedule 20)		<u>338.82</u>	<u>312.53</u>
TOTAL		<u>36148.13</u>	<u>46434.15</u>
APPLICATIONS OF FUNDS			
[1] Fixed Assets :	4		
[a] Gross Block		22918.53	22333.65
[b] Less: Depreciation and Amortisation		<u>5721.94</u>	<u>5464.39</u>
[c] Net Block		17196.59	16869.26
[d] Less: Impairment of Assets		<u>188.82</u>	<u>181.52</u>
		17007.77	16687.74
[e] Capital work-in-progress		<u>317.45</u>	<u>761.65</u>
		17325.22	17449.39
[e] Pre-operative Expenditure (Pending Allocation)		....	113.85
		<u>17325.22</u>	<u>17563.24</u>
[2] Investments	5	<u>861.12</u>	<u>2066.96</u>
[3] Current Assets, Loans and Advances :			
[a] Inventories	6	3062.67	2931.74
[b] Sundry Debtors	7	3215.31	4392.51
[c] Cash and Bank Balances	8	12918.33	11884.11
[d] Other Current Assets	9	0.69	0.05
[e] Loans and Advances	10	<u>4288.36</u>	<u>4367.96</u>
		<u>23485.36</u>	<u>23576.37</u>
Less: Current Liabilities and Provisions :			
[a] Current Liabilities	11	13122.20	11968.05
[b] Provisions	12	<u>1729.87</u>	<u>1670.87</u>
		<u>14852.07</u>	<u>13638.92</u>
Net Current Assets		8633.29	9937.45
[4] [a] Miscellaneous Expenditure to the extent not written off or adjusted		<u>9.00</u>	<u>9.00</u>
[b] Profit and Loss Account		<u>9319.50</u>	<u>16857.50</u>
TOTAL	20	<u>36148.13</u>	<u>46434.15</u>

NOTES ON ACCOUNTS

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

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA – 27th July, 2010.

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

I. SENGUPTA
S. P. KAR
S. SWAMINATHAN } *Directors*

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. MUKHERJEE)
Partner,
Membership No.5243

Kolkata – 27th July, 2010.

ANDREW YULE & CO. LTD.**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Rupees in lakhs)

	Schedules	2009-10	2008-09
INCOME			
Gross Sales		19039.60	18978.91
Less: Excise Duty		393.20	922.00
Net Sales	13	18646.40	18056.91
Interest and Dividend on Long Term Investments (Non-Trade) (Gross)		73.92	289.29
Other Income	14	10897.65	6652.06
Accretion/Decretion(-) in Stocks	15	231.17	208.05
		<u>29849.14</u>	<u>25206.31</u>
EXPENDITURE			
Materials Consumed	16	5642.37	6858.85
Salaries, Wages and Bonus	17	9091.82	7304.02
Interest	18	2251.46	2241.21
Other Expenses	19	5345.94	7265.57
Depreciation and Amortisation	4	385.83	368.27
Impairment of Assets		7.30	4.50
		<u>22724.72</u>	<u>24042.42</u>
Profit/Loss(-) for the year before extraordinary income		7124.42	1163.89
Add: Extra-ordinary Income [Note No.3(a) of Schedule-20]		424.80	2012.00
		<u>7549.22</u>	<u>3175.89</u>
Less: Provision for Taxation :			
[a] Wealth Tax		3.00	2.50
[b] Income Tax (in respect of earlier years)		(-) 18.07	208.72
[c] Fringe Benefit Tax		...	27.35
[d] Deferred Tax (includes Rs.11.14 lakh in respect of earlier years)		26.29	1.14
		<u>11.22</u>	<u>239.71</u>
Profit/Loss(-) for the year after provision		7538.00	2936.18
Add: Loss brought forward from last account		(-)16857.50	(-)19793.68
Balance carried to Balance Sheet		<u>(-) 9319.50</u>	<u>(-)16857.50</u>
Basic & Diluted earnings per share before extraordinary income (Note No.20 of Schedule 20)		Rs.2.40	Rs.0.33
Basic & Diluted earnings per share after extraordinary income (Note No.20 of Schedule 20)		Rs.2.54	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 – 27th July, 2010.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director.*
I. SENGUPTA
S. P. KAR
S. SWAMINATHAN } *Directors*

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. MUKHERJEE)
Partner,
Membership No.5243

Kolkata – 27th July, 2010.

ANDREW YULE & CO. LTD.

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

(Rupees in lakhs)

	As at 31.3.10	As at 31.3.09
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	7124.42	1163.89
Adjustments for :		
Depreciation/Impairment of Assets	393.13	372.77
Miscellaneous Expenditure/Aqua Culture Project expenses written off	222.29	20.04
Interest charged	2251.46	2241.21
Investment Income	(7871.73)	(1341.98)
Subsidy Credited to Profit and Loss Account	(41.89)	...
Operating profit before changes in amount of Current Liabilities and Current Assets	2077.68	2455.93
Adjustment for :		
Trade Receivables	(381.40)	123.71
Inventories	(130.93)	(198.71)
Trade payable	968.65	(2942.79)
Cash Generated from Operations	2534.00	(561.86)
Wealth Tax paid	(2.84)	(2.71)
Fringe Benefit Tax	(1.00)	(54.15)
Agricultural Income Tax	...	(165.42)
Cash-flow before Extraordinary Items	2530.16	(784.14)
Extraordinary Income	424.80	2012.00
NET CASH FROM OPERATING ACTIVITIES (A)	2954.96	1227.86
[B] CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure)	(140.68)	(699.30)
Loans	56.18	33.89
Sale of Non-Trade Investment	8049.78	...
Subsidy received from Tea Board for Capital Assets	99.63	...
Received from other Investments	1156.52	939.37
NET CASH FROM INVESTING ACTIVITIES (B)	9221.43	273.96

(Contd.)

ANDREW YULE & CO. LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)**

	(Rupees in lakhs)	
	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
[C] CASH FLOW FROM FINANCING ACTIVITIES :		
Net Proceeds from borrowings	(11705.25)	(2616.00)
Interest paid	(995.77)	(1677.39)
Advance against equity	106.20	590.80
Proceeds from Equity	...	252.20
NET CASH USED IN FINANCING ACTIVITIES [C]	<u>(12594.82)</u>	<u>(3450.39)</u>
NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C]	<u>(418.43)</u>	<u>(1948.57)</u>
CASH AND CASH EQUIVALENT Opening Balance as at 1st April, 2009	3291.11	5239.68
CASH AND CASH EQUIVALENT Closing Balance as at 31st March, 2010	2872.68	3291.11

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

Cash in hand	34.60	16.14
Postage and Stamps in hand	0.21	0.05
Cheques in hand	11.71	82.83
Remittance in transit	54.34	684.26
Balance with scheduled Banks :		
On Current Account	550.96	2239.41
Fixed Deposit with Banks maturing within 3 months	2220.86	268.42
	<u>2872.68</u>	<u>3291.11</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 – 27th July, 2010.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director.*
I. SENGUPTA
S. P. KAR
S. SWAMINATHAN } *Directors*

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. MUKHERJEE)
Partner,
Membership No.5243

Kolkata – 27th July, 2010.

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</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 Share of Rs.2/- each (Previous year 29,63,28,478 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.	<u>5926.57</u>	<u>5926.57</u>
	<u>5926.57</u>	<u>5926.57</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve :		
General :		
Balance as per last account	<u>10735.16</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 :		
Balance as per last account	38.70	46.50
Add: Received during the year	<u>99.63</u>	<u>...</u>
	138.33	46.50
Less: Transfer to Profit and Loss Account (includes items relating to previous year Rs.8.34 lakh; 2008-09 Rs.Nil)	<u>27.64</u>	<u>7.80</u>
	110.69	38.70
State Housing Subsidies	<u>4.06</u>	<u>4.06</u>
	<u>126.15</u>	<u>54.16</u>
	<u>10861.31</u>	<u>10789.32</u>
Preference Share Capital Redemption Reserve :		
Balance as per last account	<u>84.69</u>	<u>84.69</u>
	<u>10946.00</u>	<u>10874.01</u>

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

	As at 31.3.10	As at 31.3.09
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, Choonabhutti, Hoolungooree and Khowang Tea Estates ranking subsequent to the charge in favour of the Bank on those assets)	40.37	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>133.53</u>	<u>100.16</u>
	514.95	481.58
Bonds :		
9% Secured Redeemable Non-convertible 12 Years Bond (Secured by creation of 2nd charge on mortgage of Banarhat and Karballa Tea Estates.)	1000.00	1500.00
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>895.98</u>	<u>768.09</u>
	2153.73	2025.84
Bank of Baroda	3186.32	3193.66
Add: Interest accrued and due thereon	<u>378.47</u>	<u>...</u>
	3564.79	3193.66
<i>Allahabad Bank</i>	...	636.88
(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)	392.41	1461.35
Union Bank of India (for Banarhat, Karballa, and Hoolungooree Tea Estates)	256.97	665.38
Allahabad Bank	726.26	1315.79
Add: Interest accrued and due thereon (for Tinkong, Basmatia, Rajgarh, Murphulani and Mim Tea Estates)	<u>...</u>	<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)	726.26	1316.29
Carried over	<u>10649.48</u>	<u>13310.43</u>

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

	As at 31.3.10	As at 31.3.09
SCHEDULE 3 - (Contd.)		
LOANS - (Contd.)		
Secured Loans - (Contd.)		
Brought forward	10649.48	13310.43
Unsecured Loans :		
From Bodies Corporate	...	1000.00
Fixed Deposits	...	0.87
Add: Interest accrued and due thereon	...	0.81
	...	1.68
From Government of India (Including interest free loan of Rs.1330.00 lakhs (2008-09 Rs.8706.00 lakhs)	5844.00	13348.00
Add: Interest accrued and due thereon	1326.41	649.91
	7170.41	13997.91
From West Bengal Industrial Development Corpn. Ltd. (Interest free)	268.86	268.86
West Bengal Govt. Subsidised Housing Scheme Loan for Plantation Workers	0.30	0.50
Add: Interest accrued and due thereon	0.69	0.86
	0.99	1.36
	<u>7440.26</u>	<u>15269.81</u>
	<u>18089.74</u>	<u>28580.24</u>

ANDREW YULE & CO. LTD.

SCHEDULE 4

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

FIXED ASSETS

(Rupees in lakhs)

Description of Assets	GROSS BLOCK				DEPRECIATION				IMPAIRMENT OF ASSETS		NET BLOCK	
	Cost/Book Value as at 1st April, 2009	Additions/ Adjustments during the year	Less: Sales/ Adjustments during the year	Cost/Book Value as at 31st March, 2010	Upto 31st March, 2009	For the year	Less: On Sales/ Adjustments during the year	Upto 31st March, 2010	Upto 31st March, 2009	During the year	As at 31st March, 2010	As at 31st March, 2009
Land (including cost of development and leasehold land Rs.15.10 lakhs; 2008-09 Rs.15.10 lakhs)	175.43	...	0.04	175.39	...	...	...	...	...	...	175.39	175.43
Estates[Leasehold(including garden development expenses)]	12433.52	25.32	...	12458.84	228.85	5.66	0.03	234.48	...	...	12224.36	12204.67
Buildings	2805.71	202.07	16.49	2991.29	1146.91	60.30	4.23	1202.98	...	5.78	1782.53	1658.80
Roads and Culverts	59.90	...	6.15	53.75	15.33	0.98	0.58	15.73	...	...	38.02	44.57
Plant and Machinery	4608.61	313.09	82.06	4839.64	2756.17	213.33	65.73	2903.77	96.15	0.26	1839.46	1756.29
Drawings, Designs and Tracings etc.	74.99	...	...	74.99	40.91	...	...	40.91	34.09	...	-0.01	...
Electrical Installations	738.51	83.71	0.01	822.21	385.27	33.36	0.82	417.81	...	...	404.40	353.24
Water Installations	474.44	10.51	0.38	484.57	215.10	19.50	0.10	234.50	...	...	250.07	259.34
Furniture, Fittings and Office Equipments	413.11	24.04	51.72	385.43	329.25	13.62	43.54	299.33	...	0.01	86.09	83.86
Vehicles	516.93	96.71	13.96	599.68	340.39	32.57	13.26	359.70	...	...	239.98	176.54
Computer Software	22301.15 32.50	755.45 0.24	170.81 ...	22885.79 32.74	5458.18 6.22	379.32 6.51	128.29 ...	5709.21 12.73	130.24 ...	6.05 ...	17040.29 20.01	16712.74 26.28
Capital Work-in-Progress	22333.65 761.65	755.69 106.07	170.81 550.27	22918.53 317.45	5464.40 ...	385.83 ...	128.29 ...	5721.94 ...	130.24 51.28	6.05 1.25	17060.30 264.92	16739.02 710.37
TOTAL	23095.30	861.76	721.08	23235.98	5464.40	385.83	128.29	5721.94	181.52	7.30	17325.22	17449.39
PREVIOUS YEAR'S TOTAL	22393.78	905.57	204.05	23095.30	5153.02	368.27	59.89	5461.40	177.02	4.50	17449.39	

(Contd.)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

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 :

Name of Gardens	Land (Bighas) Approx.	
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] Usage Right of Leasehold land admeasuring 11 bighas (approx.) of Khowang Tea Estate has been given to an Educational Institution and one acre of Mim Tea Estate has been given for construction of new school building.

[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] Computer Software (intangible) is amortised over a period of five years.

[8] Depreciation for the current year includes Rs.Nil (Rs.0.69 lakh) relating to previous year

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

SCHEDULE 5	No. of Shares/ Units	Face Value per Share/ Unit	Book Value	
			As at 31.3.10	As at 31.3.09
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.	150	10	0.01	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	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
*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.	...	...	...	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	1,46,132	10	30.75	29.79
			866.33	2072.17
Less: Provision for diminution in value for long term investments			5.21	5.21
			861.12	2066.96
			Book Value	
SUMMARY			As at 31.3.10	As at 31.3.09
1. Subsidiary Company - Equity Shares			113.20	113.20
2. Other Companies (Non-Trade Investments) :				
Preference Shares			204.40	204.40
Equity Shares			207.11	1413.91
Debentures			0.66	0.66
Bonds			305.00	305.00
			717.17	1923.97
3. Unit Trust of India				
Balanced Fund			30.75	29.79
			861.12	2066.96

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

	As at 31.3.10		As at 31.3.09	
	Book Value	Market Value	Book Value	Market Value
SCHEDULE 5 - (Contd.)				
INVESTMENTS - (Contd.)				
SUMMARY - (Contd.)				
Aggregate Value of Investments :				
Quoted	218.56	11713.52	230.09	8702.70
Unquoted	642.56		1836.87	
	<u>861.12</u>		<u>2066.96</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
 79105.948 units of UTI floating Rate fund short term plan Growth option
 15322.661 units of UTI liquid cash plan institutional growth option
 46670.651 units of UTI Treasury Advantage Institutional Plan - Growth Fund.
 142641.957 units of UTI Floating Funds - Short Term Plan - Institutional Growth Option.

	As at 31.3.10	As at 31.3.09
SCHEDULE 6		
INVENTORIES		
Raw Materials, Components and Packaging Materials (includes Raw Materials-in-Transit Rs.0.10 lakh; 2008-09 Rs.36.49 lakhs)	889.42	904.62
Stores and Spare parts	570.60	654.82
Food-stuff	16.36	18.62
Loose tools	8.06	6.21
Finished goods	529.59	454.38
Finished goods-in-transit	...	5.52
Work-in-Progress	1029.75	789.26
Scrap	18.89	98.31
	<u>3062.67</u>	<u>2931.74</u>

Note: The Division-wise Break-up of the Inventory is as follows :

Engineering	447.44	385.41
Electrical	1505.96	1348.62
Tea	1109.27	1197.71
	<u>3062.67</u>	<u>2931.74</u>

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

	As at 31.3.10	As at 31.3.09
SCHEDULE 7		
SUNDRY DEBTORS		
Unsecured :		
Debts outstanding for a period exceeding six months :		
Considered Good	921.13	909.21
Considered doubtful	4175.01	4206.52
	5096.14	5115.73
Other Debts :		
Considered good	2294.18	3483.30
	7390.32	8599.03
Less: Provision for doubtful debts	4175.01	4206.52
	3215.31	4392.51
	<u>3215.31</u>	<u>4392.51</u>
Note: The Division-wise Break-up of the debts is as follows :		
Engineering	1133.98	1063.39
Electrical	1624.12	3195.49
Tea	351.62	113.91
General	105.59	19.72
	3215.31	4392.51
	<u>3215.31</u>	<u>4392.51</u>

SCHEDULE 8

CASH AND BANK BALANCES

Cash-in-hand (as certified)	34.60	16.14
Postage and Stamps-in-hand	0.21	0.05
Cheques-in-hand	11.71	82.83
Remittances-in-transit	54.34	684.26
Balances with Scheduled Banks :		
On Current Account (Net)	550.96	2239.41
On Deposit Account :		
Employees' Security Deposit	0.06	0.06
* Others	12265.65	8860.56
	12265.71	8860.62
Unclaimed Preference Share Redemption Account	0.80	0.80
	12918.33	11884.11
	<u>12918.33</u>	<u>11884.11</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.1734.75 lakhs (Rs.1485.49 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, 2010

(Rupees in lakhs)

	As at 31.3.10	As at 31.3.09
SCHEDULE 9		
OTHER CURRENT ASSETS		
Considered Good		
Deposits with National Bank for Agricultural and Rural Development under Tea Development Account Scheme, 1985 and 1990	0.69	0.05
	0.69	0.05
	0.69	0.05
SCHEDULE 10		
LOANS AND ADVANCES		
Secured		
Loans	22.38	28.69
Unsecured		
Loans	510.29	621.26
Advances recoverable in cash or in kind or for value to be received. (including Rs.34.18 lakhs due from Subsidiary; 2008-09 Rs.11.28 lakh).	2233.20	2134.53
Advance Payment of Income/Wealth-tax and F.B Tax (including Tax deducted at source)	862.37	855.09
Balance with Government Authorities	102.82	45.27
Interest accrued on Loans, Deposits etc.	315.86	444.59
Deposits - lodged with various authorities (including National Plan Savings Certificate Rs.0.65 lakh; 2008-09 Rs.0.65 lakh)	241.44	238.53
	4265.98	4339.27
	4288.36	4367.96
	4288.36	4367.96
Notes: 1. Classification of Loans and Advances :		
(A) Secured Considered Good	22.38	28.69
(B) Unsecured Considered Good	4265.98	4339.27
Considered Doubtful	1874.48	1395.65
	6140.46	5734.92
Less: Provision	1874.48	1395.65
	4265.98	4339.27
	4288.36	4367.96
	4288.36	4367.96

2. Secured Loans represent House Building and Car Loans (including loan of Rs.0.12 lakhs to Directors; 2008-09 Rs.0.22 lakhs)-Maximum amount due at any time during the year Rs.0.12 lakhs; (2008-09 Rs.0.31 lakhs) 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, 2010**

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors and Other Liabilities :		
Micro Small and Medium Enterprises (Refer. Note No.7 of Schedule No.20)	54.43	24.81
Others (including due to Subsidiary Rs.Nil and Rs.79.02 lakhs being earnest money and Security Deposits; 2008-09 Rs.1.58 lakh and Rs.79.02 lakhs respectively)	12166.14	10996.11
Advances and Deposits received from Customers and others (including Rs.157.89 lakhs being Security Deposits; 2008-09 Rs.127.75 lakhs)	640.44	726.88
Employees' Security Deposits	0.06	0.06
Interest accrued but not due on loans and deposits	260.33	219.39
Unclaimed Redeemed Preference Shares	0.80	0.80
	<u>13122.20</u>	<u>11968.05</u>
SCHEDULE 12		
PROVISIONS		
For Taxation :		
Income Tax	236.96	306.79
Wealth Tax	19.00	16.00
Fringe Benefit Tax	<u>116.99</u>	<u>116.99</u>
	372.95	439.78
“ Gratuity	363.98	...
“ Stock Obsolescence	418.67	462.77
“ Provision for Capital Work-in-Progress	11.57	...
“ Contingencies	562.70	546.03
“ <i>Aqua-culture Project</i>	...	222.29
	<u>1729.87</u>	<u>1670.87</u>

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

	2009-10	2008-09
SCHEDULE 13		
SALES		
Sales [including trading items Rs.138.06 lakhs (2008-09 Rs.352.81 lakhs) (after adjusting Rs.1.13 lakhs being returns/adjustments in respect of earlier year; 2008-09 Rs.Nil)].	19173.46	19128.74
Add: Inter Unit Transfer of Capital Goods manufactured	13.32	28.68
	19186.78	19157.42
Less: Trade and other Discount	147.18	178.51
	19039.60	18978.91
Less: Excise Duty recovered/paid on sales	393.20	922.00
	18646.40	18056.91
 SCHEDULE 14		
OTHER INCOME		
Interest on Loans, Advances, Deposits etc. (including TDS for Rs.15.97 lakhs; 2008-09 Rs.63.50 lakhs)	920.63	1056.17
Profit on Sale of Stores	...	0.14
Net Profit on sales/Adj. of Fixed Assets	...	0.76
Profit on sale of current investments	34.20	1.73
Profit on sale of long term investments	6842.98	...
Non-compete fees	240.00	...
Royalty	130.20	...
Sundry Receipts (including insurance claims of Rs.80.32 lakhs; 2008-09 Rs.20.80 lakhs)	207.25	747.87
Tea Board Subsidy	14.25	9.06
Adjustment for Tea Board Subsidy for Capital Assets	19.30	...
Rent and Hire charges	79.60	69.02
Fees received by Directors and Employees	2.12	0.44
Scrap/Tea waste sale	181.70	62.27
Service rendered to Group Companies (including TDS of Rs.8.65 lakh)	386.22	15.97
Service charges	47.10	...
Profit on exchange	0.14	0.40
Items relating to previous years	40.79	154.52
Liabilities no longer required written back	1221.99	871.64
Provisions no longer required written back :		
Prawn Project write back	222.29	...
Superannuation and Pension	...	239.65
Doubtful Debts	253.37	2691.97
Doubtful Loans and Advances	4.66	590.72
Stock Obsolescence and Depreciation	46.35	131.33
Contingencies	2.51	8.40
	529.18	3662.07
	10897.65	6652.06

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

	2009-10	2008-09
SCHEDULE 15		
ACCRETION/DECRETION(-) IN STOCKS		
Opening Stock :		
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
	<u>1347.47</u>	<u>1150.40</u>
Closing Stocks :		
Finished goods	529.59	454.38
Finished goods-in-transit	...	5.52
Semi-Finished Articles	289.69	191.19
Work-in-Progress	740.06	598.07
Scrap	18.89	98.31
	<u>1578.23</u>	<u>1347.47</u>
	230.76	197.07
Add: Excise Duty on Accretion(+)/Decretion(-) on finished goods	0.41	10.98
	<u>231.17</u>	<u>208.05</u>
SCHEDULE 16		
MATERIALS CONSUMED		
Stocks as at 1st April, 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
	<u>1565.65</u>	<u>1563.09</u>
Less: Book value of Stocks sold/adjusted/written off	52.53	175.19
	<u>1513.12</u>	<u>1387.90</u>
Purchases during the year :		
Raw materials, components and packaging materials (including erection expenses in case of composite contracts and processing charges)	4664.78	6075.52
Stores and spare parts	1728.89	1792.75
Loose tools	5.39	4.71
	<u>6399.06</u>	<u>7872.98</u>
	7912.18	9260.88
Less: Stocks as at 31st March, 2010 :		
Raw materials, components and packaging materials	886.24	878.19
Materials-in-transit	3.18	26.43
Stores and spare parts	570.60	654.82
Loose tools	8.06	6.21
	<u>1468.08</u>	<u>1565.65</u>
Raw materials and stores used on Capital Jobs Rs.0.20 lakh; 2008-09 Rs.Nil and on Repair Jobs, Advertising, Transport, Power and Fuel, Research and Development etc. Rs.801.53 lakhs; 2008-09 Rs.836.38 lakhs.	801.73	836.38
	<u>2269.81</u>	<u>2402.03</u>
	<u>5642.37</u>	<u>6858.85</u>

ANDREW YULE & CO. LTD.**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	(Rupees in lakhs)	
	2009-10	2008-09
SCHEDULE 17		
SALARIES, WAGES AND BONUS		
Salaries, Wages, Bonus and Gratuity	7417.27	5725.71
Contribution to Provident and Other Funds	909.95	867.89
Welfare and Other Expenses	927.24	864.80
	<u>9254.46</u>	<u>7458.40</u>
Less: Incurred on Capital jobs, Repair Jobs, Research and Development, Advertising, Transport etc.	162.64	154.38
	<u>9091.82</u>	<u>7304.02</u>
 SCHEDULE 18		
INTEREST		
Fixed Deposits	...	0.76
Term Loans	1270.51	1076.98
Others	980.95	1163.47
	<u>2251.46</u>	<u>2241.21</u>

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

	2009-10	2008-09
SCHEDULE 19		
OTHER EXPENSES		
Power and Fuel	1310.96	1238.30
Tea Cultivation and Manufacturing Expenses	292.03	250.88
Research and Development Expenses	56.01	6.68
Directors' Salaries	27.95	19.17
Directors' fees	1.41	3.03
Rent (Net)	24.31	76.20
Rates and Taxes	24.13	22.64
Repairs and Maintenance :		
Buildings	205.85	132.67
Plant and Machinery	229.78	209.73
Others	35.92	44.09
	471.55	386.49
Travelling Expenses and Upkeep of Vehicles	436.34	393.98
Insurance	27.03	27.14
Brokers' Commission	177.79	116.68
Selling Expenses :		
Selling Agents' Commission	31.07	34.62
Others	345.01	386.18
	376.08	420.80
Miscellaneous Expenses	733.96	645.47
Excise Duty	5.61	4.62
Assam Entry Tax	3.70	0.48
Tea Cess	31.73	27.15
Education Cess	0.92	0.80
Bank Charges	49.17	60.67
Auditors' Remuneration :		
Audit Fees	2.00	1.60
In Other Capacity :		
Tax Audit Fees	0.83	0.40
For Certificates etc.	0.79	0.66
Out of Pocket Expenses	0.25	0.25
	3.87	2.91
Miscellaneous Expenditure Written off :		
Other Expenses	...	20.04
Net Loss on Exchange Fluctuation	3.87	3.48
Items relating to previous years (Refer to Note No.22 of Schedule 20)	100.26	92.08
Expenses on Shelved Aqua Culture Project written off	222.29	...
Bad Debts written off	113.06	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	23.70	4.41
Liquidated Damages and Penalty etc.	54.87	64.96
Rectification/Replacement	34.99	33.75
Provision for :		
Doubtful Debts	221.86	138.23
Doubtful Loans, Advances and Deposits	483.49	0.99
Investments	...	5.21
Stock Obsolescence	2.25	54.89
Provision for Capital Work-in-Progress	11.57	...
Contingencies	19.18	0.25
	738.35	199.57
	5345.94	7265.57

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

(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.247.23 lakhs (Rs.316.54 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.415.05 lakhs (Rs.411.49 lakhs)
 - (b) Guarantees and Indemnities given to various Institutions and Authorities in connection with Company's operations amounting to Rs.1545.81 lakhs (Rs.1646.16 lakhs).
 - (c) Guarantees given to banks on behalf of other Group and/or Associate Companies :
 - (i) *India Paper Pulp Co. Ltd. – Rs.265.00 lakh (Rs.265.00 lakhs).
 - (ii) Other Companies – Rs.328.00 lakh (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 matter is sub-judice.
 - (d) Disputed Sales Tax aggregating to Rs.6994.55 lakhs (Rs.8020.02 lakhs). The demand under the WBST and CST Acts are according to the opinion of the Company, erroneously raised 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) Disputed Excise/Customs Duty claims Rs.582.40 lakh (Rs.564.03 lakh) excluding interest against which appeal have been preferred by the Company.
 - (g) Unexpired Letter of Credit opened by the Company's bankers – Rs.209.19 lakh (Rs.171.43 lakh).
3. **Sanctioned Rehabilitation Scheme approved by Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 30th October, 2007 with the cut-off date of 31st March, 2006.**

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

- (a) Funded interest upto cut-off date (31.03.2006) amounting to Rs.531.00 lakhs which was sanctioned by Allahabad Bank and approved by the Board of Directors of the Company for conversion into equity to the extent of Rs.106.20 lakhs i.e. 20% of the funded interest comprising of 53,10,000 shares @ Rs.2/- per share has been kept in Share Pending Allotment Account. Balance 80% of funded interest i.e. Rs.424.80 lakhs arising out of remission of funded interest, charged to Profit and Loss Account in earlier years, has been accounted for as an exceptional items in the Profit and Loss Account during the year.
 - (b) In absence of confirmation from State Bank of India, the conversion of equity shares of Rs.748.00 lakhs as per terms of SRS dated 30.10.2007 has not been considered. The entire amount of outstanding loan of the Bank 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.
 - (c) In terms of the aforesaid order 46% of unsecured creditors amounting to Rs.956.59 lakhs except sub-judice matters has been written back.
4. (a) Share pending allotment consists of the following :-
 - (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 has been 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".

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

- (ii) The Govt. of India vide letter No.10(11)/2004-PE-I dated 27th March, 2009 has released Rs.340.00 lakhs as plan equity towards project for plantation and augmentation of manufacturing and related facilities in Assam Tea Gardens and the same has been shown under the head “Share Pending Allotment”.
- (iii) Based on sanction dated 17.03.2009 of Bank of Baroda (BOB) for conversion of accrued interest after cut-off date i.e. 31.03.2006 to 31.03.2009 amounting to Rs.1254.00 lakh to equity after writing down the same by 80% and approval of the Board in its meeting held on 25.03.2009 the Company has effected necessary accounting entries by writing back Rs.1003.20 lakh to the Profit and Loss Account and retaining Rs.250.80 lakh in the “Share Pending Allotment” in its accounts in the year 2008-09. Approval from GOI to above is still awaited.

On subsequent advice of Govt. of India and the Board of Directors, the price for allotting shares to BOB keeping in view the market price, was renegotiated where the BOB has agreed to accept allotment of 52.42 lakh shares instead of 125.40 lakh shares, both of the face value of Rs.2/- per share. Approval from GOI to the above renegotiated price has been sought for.

- (iv) Rs.106.20 lakh as stated in Point No.3(a).

5. [a] Employee Benefits

The Company’s contribution to Defined Contribution Plans aggregated to Rs.696.24 lakhs (Rs.633.93 lakhs) for the year ended 31st March, 2010 has been recognised under the line item Contribution to Provident and Other Funds on Schedule 17 above.

	2009-10	2008-09
Contribution to Provident Fund	692.42	619.03
Contribution to Employees State Insurance Fund	3.82	14.90

- [b] 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	2009-10				2008-09				2007-08			
	Gratuity	Leave en-cashment	Pension	Super-annuation	Gratuity	Leave en-cashment	Pension	Super-annuation	Gratuity	Leave en-cashment	Pension	Super-annuation
Defined benefit plans/Long term compensated absences. As per actuarial valuation as on 31st March, 2010												
[1] Change in present value of Defined Benefit Obligations during the year ended 31st March, 2010												
[1] Present value of DBO at beginning of period	2903.43	545.81	3.12	219.99	2587.13	473.78	3.45	287.04	2472.34	441.78	3.70	383.40
[2] Current Service cost	147.93	29.23	...	8.38	132.90	34.49	...	11.53	128.46	35.83	...	15.94
[3] Interest cost	217.83	41.76	0.23	15.39	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	392.76	...	...	...	...	...	...	...	...	...	...	...
[7] Acquisitions	...	...	...	...	...	...	...	...	...	...	...	...
[8] Actuarial (Gains)/Losses	216.78	79.48	(0.27)	41.78	239.35	30.97	(0.01)	(73.47)	(21.11)	13.98	0.07	(20.15)
[9] Benefits paid	(361.03)	(47.53)	(0.50)	(55.26)	(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	3517.70	648.75	2.58	230.28	2903.43	545.81	3.12	219.99	2587.13	473.78	3.45	287.04

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

Employee Benefits	2009-10				2008-09				2007-08			
	Gratuity	Leave en-cashment	Pension	Super-annuation	Gratuity	Leave en-cashment	Pension	Super-annuation	Gratuity	Leave en-cashment	Pension	Super-annuation
[II] Change in Fair value of Assets during the year ended 31st March, 2010												
[1] Plan assets at beginning of period	3162.06	...	...	473.32	3116.00	...	...	476.08	2609.54	...	...	543.65
[2] Actuarial Gain/(Loss)	114.17	...	...	86.26	(7.50)	...	...	(21.48)	...	...	...	...
[3] Actual return on plan assets	238.52	...	...	44.36	250.46	...	...	45.71	190.06	...	...	49.97
[4] Actual company contribution	...	47.53	0.50	...	63.00	31.45	0.57	...	504.00	51.91	0.59	2.94
[5] Benefits paid	(361.03)	(47.53)	(0.50)	(55.26)	(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	3153.72	...	...	548.68	3162.06	...	...	473.32	3116.00	...	...	476.00
[III] Net assets/(liability) recognised in Balance Sheet as at 31st March, 2010												
[1] Present value of Defined Benefit Obligation	3517.70	648.75	2.58	230.28	2903.43	545.81	3.12	219.99	2587.13	473.78	3.45	287.04
[2] Fair value of plan assets	3153.72	...	...	548.68	3162.06	...	...	473.32	3116.00	...	...	476.08
[3] Funded status(Surplus/(Deficit))	(363.98)	(648.75)	(2.58)	318.40	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	(363.98)	(648.75)	(2.58)	318.40	258.63	(545.81)	(3.12)	253.33	528.87	(473.78)	(3.45)	189.04
[IV] Components of employer Expenses recognised in Profit & Loss Account for the year ended 31st March, 2010												
[1] Current Service Cost	147.93	29.23	...	8.38	132.90	34.49	...	11.53	128.46	35.83	...	15.94
[2] Interest Cost	217.83	41.76	0.23	15.39	203.95	38.02	0.25	21.88	195.04	34.10	0.27	25.85
[3] Expected return on plan assets	(238.52)	...	...	(44.36)	(250.46)	...	...	(45.71)	(226.95)	...	...	(47.49)
[4] Curtailment cost/(credit)	...	...	...	...	...	...	...	...	...	...	...	...
[5] Settlement cost/(credit)	...	...	...	...	...	...	...	...	...	...	...	...
[6] Past Service Cost	392.76	...	...	...	...	...	...	...	...	...	...	...
[7] Actuarial Losses/(Gains)	102.61	79.48	(0.27)	(44.48)	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	622.61	150.47	(0.04)	(65.07)	333.24	103.48	0.24	(64.29)	112.33	83.91	0.34	(25.85)
[V] Actuarial Assumptions												
[1] Discount Rate	8.25%	8.25%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	8.30%	8.30%	8.00%	8.00%
[2] Expected return on plan assets	8.25%	NA	NA	NA	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%	5.00%	5.00%	NA	5.00%
[4] Expected Average remaining working lives of employees (years)	18.57	9.52	NA	4.38	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				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. The total amount of liability as on 31st March, 2010 is Rs.122.49 lakhs (Rs.135.10 lakhs) has been taken into account.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

7. 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	2009-10	2008-09
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	39.71	15.32
	[ii] Interest Due	0.07	...
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	3.16	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.	0.07	5.23
IV	The amount of interest accrued and remaining unpaid at the end of the year; and	14.72	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.

8. Directors' Remuneration :-

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Salaries	27.95	19.17
Directors' Fees	1.41	3.03
Contribution to Provident Fund	2.45	2.25
Other Perquisites/benefits	2.69	1.26
Total	34.50	25.71

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.

9. Inventories include Rs.115.46 lakhs (Rs.93.06 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.
10. The Company has obtained exemption from the Company Law Board in respect of disclosure of quantitative information relating to each class of goods dealt with by the Company.
11. Provision for Liquidated damages amounting to Rs.1645.48 lakh (Rs.1630.78 lakh) has been set off against Sundry Debtors.
12. No provision is made in the Books for possible losses that may arise in respect of long term investments made in Yule Financing & Leasing Co. Ltd., amounting to Rs.27.88 lakhs (Rs.27.88 lakhs). The possible loss, if any, will be accounted for as and when it arises.
13. Confirmation for balances of Sundry debtors, deposits and advances to the parties, Trade Creditors, dues to and from Govt. Undertakings and stock with third parties have been sought from the concerned parties, with stipulation that in case of non receipt of confirmation within 20 days of despatch, the book balance is to be considered as confirmed. The financial statements have been drawn up accordingly.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

14. 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, 2010 are given below :-
- (a) Timing difference of depreciation as per Tax Laws and Books Rs.338.82 lakhs
 Total Deferred Tax liability Rs.338.82 lakhs
- (b) In computing deferred tax liability of the Company for the financial year 2009-10, unabsorbed depreciation, business loss, as well as disallowances u/s.43B as per Income Tax Act, 1961 has not been recognised as deferred tax assets.
15. Provision in respect of Income Tax (including capital gains) has not been made as the Company's application for relief/concession on various grounds based on sanction of BIFR, are under the consideration of CBDT.
16. Segment Reporting

The Company's segment information as at and for the year ended 31st March, 2010 are as below :-

Business Segment	Electrical	Tea	Engineering	Segment Total	Elimination	Total
1. Segment Results						
- External sales	3875.63 [6387.71]	13547.02 [9467.53]	1210.43 [2173.00]	18633.08 [18028.83]		
- Inter Segment sales	4.33 [11.94]	1.93 [2.16]	1.68 [2.34]	7.94 [16.45]		
- Inter Segment Sale of Capital Goods	12.92 [28.68]	... [...]	0.40 [...]	13.32 [28.68]		
- Total Revenue	3892.88 [6428.33]	13548.95 [9469.69]	1212.51 [2175.34]	18654.34 [18073.36]	7.94 [16.45]	18646.40 [18056.91]
2. Segment Results	73.25 [1741.42]	2182.11 [153.85]	(-)205.81 [451.32]	2049.55 [2346.59]	... [...]	2049.55 [2346.59]
- Unallocated Corporate expenses net of unallocated income	... [...]	... [...]	... [...]	... [...]	... [...]	(-)6331.79 [288.80]
- Operating Profit	... [...]	... [...]	... [...]	... [...]	... [...]	8381.34 [2057.79]
- Interest expenses	... [...]	... [...]	... [...]	... [...]	... [...]	(-)2251.47 [(-)2241.09]
- Interest/dividend income	... [...]	... [...]	... [...]	... [...]	... [...]	994.55 [1347.19]
- Profit from ordinary activities	... [...]	... [...]	... [...]	... [...]	... [...]	7124.42 [1163.89]
- Extra Ordinary Items (Interest on GOI Loan written back)	... [...]	... [...]	... [...]	... [...]	... [...]	424.80 [2012.00]
- Net Profit	... [...]	... [...]	... [...]	... [...]	... [...]	7549.22 [3175.89]
- Segment Assets	7826.47 [8179.59]	19099.15 [19276.81]	2297.88 [2788.18]	29223.50 [30244.58]	... [...]	29223.50 [30244.58]
- Unallocated corporate Assets	... [...]	... [...]	... [...]	... [...]	... [...]	12448.20 [12961.99]
- Total Assets	... [...]	... [...]	... [...]	... [...]	... [...]	41671.70 [43206.57]

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

Business Segment	Electrical	Tea	Engineering	Segment Total	Elimination	Total
- Segment Liabilities	5469.80 [6385.26]	3711.29 [3927.43]	2000.09 [2244.16]	11181.18 [12556.85]	...	11181.18 [12556.85]
- Unallocated corporate Liabilities	...	...	...	...	...	3670.89
- Total Liabilities	[...]	[...]	[...]	[...]	[...]	[29974.84]
- Capital Expenditure	38.00 [224.44]	253.27 [456.39]	15.10 [56.97]	306.37 [737.80]	...	14852.07
- Depreciation including Impairment	61.41 [47.59]	304.24 [302.17]	13.94 [11.86]	379.59 [361.62]	...	[42531.69]
- Non-Cash expenses other than depreciation	263.54 [88.26]	181.27 [54.89]	293.52 [51.22]	738.33 [194.37]	...	

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.

17. Particulars relating to discontinued operations.

(a) Description of discontinued operations

Business Segments	Discontinued Operations
(i) Engineering Division	Air Handling Unit (AHU) Core Lamination Project (CLP) Project
(ii) Electrical Division	Port Engineering Works (PEW) Turnkey Agency

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

- (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, 2010 :

Sl. No.	Discontinued operations	Fixed Assets	Current Assets	Current liabilities and provisions
1.	AHU	...	...	...
2.	CLP	12.93	...	...
3.	PEW	...	...	170.70
4.	Turnkey	...	...	...
5.	Agency	...	...	1.76
6.	Project	0.09	40.00	35.32
	Total	13.02	40.00	207.78

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

Particulars	AHU	CLP	PEW	Agency	Turnkey	Project	Total
Turnover/Other income
Operating Expenses
Interest
Provisions
Profit/Loss before tax
Provision for Taxation
Profit/Loss after tax

- (d) Cash Flow

	PEW	Project
Cash Flow from Operating Activities :		
Net Profit before tax & Extraordinary items
Adjustment for :		
Interest charged
Investment income
Operating Profit before changes in amount of Current Liabilities and Current Assets
Adjustment for :		
Trade Receivables
Inventories
Loans and Advances
Trade payable
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

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

18. Related party disclosure

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

Associate Companies	-	Tide Water Oil Co. (I) 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.

(ii) Key Management Personnel :

(a) Kallol Datta	-	Chairman and Managing Director
(b) I. Sengupta	-	Director (Personnel)
(c) S. P. Kar	-	Director (Finance) (since 22.07.2009)
(d) S. Swaminathan	-	Director (Planning) (since 05.10.2009)
(e) R. K. Sikdar	-	Director (Planning) (from 01.04.2009 to 30.09.2009)
(f) Sunil Munshi	-	Chief Executive, Tea Division

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2010.

Particulars	Associates		Joint Venture		Key Management Personnel and Relatives	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Purchase of goods	20.43	17.47	...	...	...	...
Purchase of service	4.10	1.87	...	...	...	...
Sale of goods	419.65	172.18	...	14.84	...	...
Sale of services	361.22	0.22	...	...	...	...
Interest income	30.00	27.61	...	...	...	...
Dividend income	68.52	48.69	...	238.86	...	...
Rent / Hire charges received	20.63	30.01	...	...	...	...
Miscellaneous Receipt	2.54	3.81	...	3.28	...	0.02
Expenses recovered	...	349.59	...	...	...	...
Loan/Advance given	62.18	...	...	...	...	...
Remuneration to Directors	...	...	...	...	33.09	22.68
Remuneration to Others	...	...	...	...	7.20	6.09
Loans received	...	10.96	...	...	...	...
Loans repaid	1000.00	...	...	...	...	...
Balances as on 31st March,2010						
Debtors / Receivable	77.58	14.66	...	10.78	...	...
Advance recoverable in cash	261.95	306.11	...	1.64	...	...
Creditors / Payable	0.74	0.32	...	...	...	...
Deposit From	28.80	29.05	...	...	...	...
Loan given	500.00	617.83	...	...	...	0.22
Loan taken	...	1000.00	...	...	...	...
Interest receivable	30.00	...	...	...	...	...

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

19. Disclosure of Material transaction with related parties.

	2009-10	2008-09
Purchase of Goods		
Tide Water Oil Co. (I) Ltd.	20.43	17.47
Purchase of Service		
Yule Financing & Leasing Co. Ltd.	2.36	0.81
WEBFIL Ltd.	1.74	1.06
Sale of goods		
Tide Water Oil Co. (I) Ltd.	419.51	171.57
DPSC Ltd.	...	0.54
Phoenix Yule Ltd.	...	14.84
Yule Financing & Leasing Co. Ltd.	...	0.01
Coal Companies	0.09	...
WEBFIL Ltd.	0.05	0.06
Sale of service		
Tide Water Oil Co. (I) Ltd.	314.00	0.18
WEBFIL Ltd.	29.43	0.03
Coal Companies	17.79	0.01
Interest income		
Yule Financing & Leasing Co. Ltd.	30.00	27.50
Tide Water Oil Co. (I) Ltd.	...	0.11
Dividend income		
Tide Water Oil Co. (I) Ltd.	68.52	45.68
DPSC Ltd.	...	3.01
Phoenix Yule Ltd.	...	238.86
Rent and Hire charge received		
Tide Water Oil Co. (I) Ltd.	3.85	11.68
WEBFIL Ltd.	15.57	16.70
Coal Companies	1.21	1.63
Miscellaneous Receipts		
WEBFIL Ltd.	0.35	0.08
Coal Companies	...	3.00
Tide Water Oil Co. (I) Ltd.	2.15	0.71
Phoenix Yule Ltd.	...	3.28
Expenses recovered		
WEBFIL Ltd.	...	42.00
Coal Companies	...	15.59
Tide Water Oil Co. (I) Ltd.	...	292.00
Loan Recovered		
Yule Agro Industries Ltd.	...	10.96
Key Management Personnel		
[a] Remuneration to Directors		
Kallol Dutta	9.84	7.36
S. Muralidharan	...	2.22
I. Sengupta	7.58	6.42
R. K. Sikdar	6.96	6.68
S. P. Kar	5.07	...
S. Swaminathan	3.64	...
[b] Remuneration to others		
R. K. Babeycon	...	6.09
S. Munshi	7.20	...
[c] Miscellaneous Receipts		
Kallol Dutta	0.04	0.02

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

20. Earning per share	For the year ended 31st March, 2010	For the year ended 31st March, 2009
(a) Number of Equity Share :-		
At the beginning of the year	29,63,28,478	28,37,18,478
At the end of the year	29,63,28,478	29,63,28,478
Weighted average number of Equity Shares outstanding during the year	29,63,28,478	28,37,53,026
Face value of each Equity Share	Rs.2.00	Rs.2.00
(b) Profit after Tax before extra ordinary income available for Equity Shareholders	7113.20	924.18
(c) Profit after Tax after extra ordinary income available for Equity Shareholders	7538.00	2936.18
(d) Basic earnings per Share before extra ordinary income	Rs.2.40	Rs.0.33
(e) Basic earnings per Share after extra ordinary income	Rs.2.54	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.

21. Position of provision for contingencies is as under :-

	As on 31.03.09	Provision written back(-)/Provision made during the year	As on 31.03.10
(a) Unconfirmed stock with various third parties	65.53	(-)1.54	63.99
(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	10.00	...	10.00
(e) Others	1.47	19.18	20.65
Total	546.03	17.64	563.67

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

Particulars	2009-10	2008-09
Interest on Sales tax dues	...	2.35
Interest (Others)	0.18	15.89
Insurance	2.57	...
Service and erection cost	...	0.26
Security service charges	...	0.55
Travelling expenses	0.38	1.45
Legal expenses	0.17	...
Bonus	0.22	10.42
Land Rent	6.70	...
Central sales tax	...	0.89
Works Contract Tax	2.16	...
Employees State Insurance	...	7.66
Miscellaneous expenses	11.98	15.36
Arrear salary of Executive/Asstt.	25.30	0.22
Stock of stores	29.07	0.25
Food Stuff	0.99	4.47

(Contd.)

ANDREW YULE & CO. LTD.**NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)**

(Rupees in lakhs)

SCHEDULE 20 – (Contd.)

Particulars	2009-10	2008-09
Warehouse	...	0.12
Repair	3.76	4.12
Gas	5.13	2.90
CENVAT/Service tax	0.12	0.64
Labour welfare	0.20	18.02
Settlement money	...	0.14
Medical	...	0.82
Power and Fuel	0.03	...
Electricity	6.50	...
Firewood	...	0.04
Packing material	0.95	2.14
Freight	1.74	1.94
Trusteeship fees	1.18	0.20
Cultivation expenses	1.81	1.23
Total	100.26	92.08

23. Fixed Assets in Engineering and Electrical Divisions have been physically verified by outside agencies and discrepancies (shortage) noticed on such verification valuing Rs.22.47 lakhs has been adjusted in the Books of Accounts.
24. On review of old statutory liabilities appearing in the books over the years, the admitted liabilities have been paid. However, liabilities in the nature of provision, which are not statutory liabilities, have been retained for further review and adjustment thereof.
25. (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.
26. The Company disinvested its stake in full (26%) in Phoenix Yule Ltd. (PYL) a Joint Venture and its holding of 301119 shares in DPSC Ltd. during the year. The profit on sale of shares in these two Companies amounting to Rs.7213.18 lakh has been reflected as Other Income (including non compete fees and royalty).
27. The Company closed down its Telepara Unit w.e.f. 28.02.2010 due to continuous losses suffered by the Unit since taken over from WBPPDCL/Govt. of West Bengal in April, 1993 to handover the entire Unit on "as is where is basis" to WBPPDCL, Govt. of West Bengal. Accordingly, liability towards terminal dues of the employees as per Industrial Disputes Act, 1947 has been provided. However, additional liability, if any, would be taken care of subject to reimbursement by Govt. of West Bengal.

SCHEDULE 20 - (Contd.)

28. 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	
		<u>Licensed</u> 2009-10	<u>Installed</u> 2009-10	<u>2009-10</u>	<u>2008-09</u>
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	53	68
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	}	100	100	-	-
Cellulars					
Scrubbers					
Bag Filters					
Electrostatic Precipitators					
Pneumatic Conveying Systems					
Classifiers for Materials Sorting					
Paper Machine Hoods					
Spray Booths					
Cooling Tower					
Fume Extraction	}	-	-	-	-
Vantillation system including Marine components and allied accessories for above					
(2) Water Pollution Control Equipment	Sets	N.A.	As required	-	-

(Contd.)

SCHEDULE 20 – (Contd.)

28. 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 2009-10	Installed 2009-10	2009-10	2008-09
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	35	47
(2) Circuit Breakers above 660 Volts Rating	"	600	600	369	208
(3) 6.6KVA Vacuum Contactors upto 400 Amps.	"	50	50	12	23
(4) LT Motor Control Centres	"	200	200	-	-
(5) (i) Shaft and Cage Communication System	}	Worth Rs. 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	7812	10495
Bi-metallic Overload Relays upto 600 Amps	"	68,000	68,000	278	972
Moulded Case Circuit Breakers upto 1200 Amps	"	12,000	9,000	420	1514
Industrial Motor Starters	"	25,000	25,000	3	209
11 KV Pole Mounted Sectionalizer	"	500	500	-	-
11 KV Pole Mounted Capacitor Switch	"	1,500	1,500	245	1
Pole Mounted Vacuum Circuit Breakers/Auto Reclosure/Vacuum Capacitor Switch	"	125	50	1	3
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	322000	605750
Control Panel and Systems	Nos.	350	350	-	24
Air Break Switches upto 12 KV and 630 Amps	"	500	500	-	-
Air Break Load Interruptors upto 33 KV and 830 Amps	"	500	500	-	-

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 – (Contd.)

(Rupees in lakhs)

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE 20 - (Contd.)

28. 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 2009-10	Installed 2009-10	2009-10	2008-09
B. ELECTRICAL DIVISION : - (Contd.)					
IV. BRENTFORD UNIT :					
Power Voltage Regulator upto 7500 KVA	KVA	1,85,000	1,85,000	51500	53153
Power Transformer upto 2500 KVA	"	50,000	50,000	18800	11750
Rectifiers upto 2500 KW	KW	20,000	20,000	-	-
C. TEA DIVISION					
*Tea	Kgs.	-	1,12,00,000	10552131	9137292
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. 437946.10 Kgs. (2008-09 3,44,165 Kgs.) including 1686 kgs kept for issue to labourers.

(b) Details of Raw Materials and Components Consumed :

Class of Goods	Unit	Quantity		Amount	
		2009-10	2008-09	2009-10	2008-09
Laminations	M. T.	170.51	418.04	354.92	866.83
Steel	"	502.84	765.61	253.18	397.35
Copper, Flats, Wires etc.	"	113.67	387.76	347.71	688.56
** Green Tea Leaf	Kgs.	48904517	4,11,29,510	-	-
Sundries (None of which individually exceeds 10% of the consumption)		-	-	2869.91	4218.76
				<u>3825.72</u>	<u>6171.50</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.)

SCHEDULE 20 – (Contd.)

28. 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	"	-	-	-	-	-	-	53	253.81
		(-)	(-)	(-)	(-)	(-)	(-)	(68)	(1549.92)
Turnkey Contract	Rs.	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
II. AIR POLLUTION CONTROL UNIT :									
Air Pollution Control Equipment :									
Spares Components etc. for									
Air Pollution Control Equipment									
and their erection									
	Rs.	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Water Pollution Control Equipment	"	-	-	-	-	-	-	-	25.05
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(181.19)
III PROJECT UNIT									
Engineering Project	Rs.	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
B. ELECTRICAL DIVISION:									
I. SWITCHGEAR UNIT :									
Circuit Breakers upto 660V Unit Rating	Nos.	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Flame Proof Transwitch Unit	"	-	-	-	-	-	-	35	341.71
		(-)	(-)	(-)	(-)	(-)	(-)	(47)	(494.24)
Motor Control Centre Panel	"	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Flame Proof Gate End Boxes and Starters upto 250 HP	"	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Circuit Breakers above 660V unit Rating	"	-	-	-	-	-	-	369	819.58
		(12)	(35.96)	(-)	(-)	(-)	(-)	(208)	(962.11)
6.6KV Vacuum Contactors upto 400 Amps	"	-	-	-	-	-	-	12	7.47
		(-)	(-)	(-)	(-)	(-)	(-)	(23)	(59.38)
FLP Drill control Panel	"	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Shaft and Cage Communication System	} Rs.	-	-	-	-	-	-	-	-
Face Signalling Units			(-)	(-)	(-)	(-)	(-)	(-)	(-)
Intrinsically Safe Telephone System			(-)	(-)	(-)	(-)	(-)	(-)	(-)
Pre-start alarm to indicate status of the machine	} Rs.	-	-	-	-	-	-	-	-
System and Contract Engg.			(-)	(-)	(-)	(-)	(-)	(-)	(-)

(Rupees in lakhs)
(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 – (Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE 20 – (Contd.)

28. 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	Nos.	3149	33.45	-	-	1510	22.77	9451	296.30
600 Amps.		(4067)	(56.53)	(-)	(-)	(3149)	(33.45)	(11413)	(260.28)
Bi-metallic Overload Relays upto	"	1519	7.02	-	-	1109	5.66	688	5.16
600 Amps		(1760)	(9.86)	(-)	(-)	(1519)	(7.02)	(1213)	(7.60)
Moulded Case Circuit Breakers	"	2948	36.36	-	-	2059	42.17	1309	21.41
upto 1200 Amps		(2494)	(39.60)	(-)	(-)	(2948)	(36.36)	(1060)	(37.48)
Industrial Motor Starters	"	171	1.92	-	-	126	2.26	48	1.14
		(106)	(2.50)	(-)	(-)	(171)	(1.92)	(144)	(6.20)
11 KV Pole Mounted Sectionalizer	"	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
11 KV Pole Mounted Capacitor Switch	"	-	-	-	-	-	-	245	261.80
		(-)	(-)	(-)	(-)	(-)	(-)	(1)	(0.90)
Pole Mounted Vacuum Circuit	"	-	-	-	-	-	-	1	3.77
Breaker/Auto Reclosure		(-)	(-)	(-)	(-)	(-)	(-)	(3)	(16.02)
Switch Fuse Unit	"	23	0.28	-	-	23	0.28	-	-
		(23)	(0.28)	(-)	(-)	(23)	(0.28)	(-)	(-)
III. TRANSFORMER AND SWITCHGEAR UNIT :									
Power and Distribution Transformer	KVA	-	-	-	-	-	-	322000	1480.31
		(-)	(-)	(-)	(-)	(-)	(-)	(605750)	(3941.15)
Control Panel and Systems (including	Nos.	-	-	-	-	-	-	-	-
Air break Load Interruptors)		(-)	(-)	(-)	(-)	(-)	(-)	(24)	(30.01)
IV. BRENTFORD UNIT :									
Power Voltage Regulator upto 7500KVA	KVA	-	-	-	-	-	-	51500	610.40
		(-)	(-)	(-)	(-)	(-)	(-)	(53153)	(733.35)
Power Transformer upto 2500KVA	KVA	-	-	-	-	-	-	18800	191.13
		(-)	(-)	(-)	(-)	(-)	(-)	(11750)	(172.99)

(Contd.)

SCHEDULE 20 – (Contd.)

28. 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.	358551	361.45	104300	138.84	423092	456.45	10487590	13547.02
		(278230)	(248.43)	(357695)	(257.61)	(358551)	(361.45)	(9056971)	(9467.53)
Aromatic Oil	Kgs.	-	-	-	-	-	-	-	-
		(308)	(0.59)	(-)	(-)	(308)	(0.59)	(-)	(-)
Spares, Components and Trading items :									
Sirocco Unit	Rs.	-	-	-	-	-	-	-	1023.34
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(657.70)
Switchgear Unit	Rs.	-	4.97	-	-	-	-	-	161.09
		(-)	(-)	(-)	(-)	(-)	(4.97)	(-)	(285.47)
Togami Unit	Rs.	-	13.86	-	-	-	-	-	28.82
		(-)	(2.93)	(-)	(-)	(-)	(13.86)	(-)	(216.34)
Brentford Unit	Rs.	-	-	-	-	-	-	-	94.15
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(48.88)
			<u>459.90</u>		<u>138.84</u>		<u>529.59</u>		<u>19173.46</u>
			<u>(396.68)</u>		<u>(257.61)</u>		<u>(459.90)</u>		<u>(19128.74)</u>

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, 2010 includes 45868 kgs., value Rs.50.79 lakhs lying with third party.

(Contd.)

(Rupees in lakhs)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 – (Contd.)

ANDREW YULE & CO. LTD.

ANDREW YULE & CO. LTD.**NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)**

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

28. 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			
	2009-10	%	2008-09	%	2009-10	%	2008-09	%
Imported	66.10	1.76	110.71	1.79	3.00	0.17	3.97	0.58
Indigenous	3759.62	98.24	6060.79	98.21	1810.11	99.83	680.07	99.42
	<u>3825.72</u>	<u>100.00</u>	<u>6171.50</u>	<u>100.00</u>	<u>1813.11</u>	<u>100.00</u>	<u>684.04</u>	<u>100.00</u>

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

	2009-10	2008-09
Raw Materials and Components	76.53	99.45
Stores and Spare Parts	3.00	1.22
	<u>79.53</u>	<u>100.67</u>
(f) Earnings in Foreign Exchange :		
Export on F.O.B. basis	<u>133.07</u>	<u>329.54</u>
(g) Expenditure in Foreign Currencies (on Accrual basis) :		
Others	<u>0.33</u>	<u>0.20</u>

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

29. 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	1	0

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

Public Issue								N	I	L
Right Issue								N	I	L
Bonus Issue								N	I	L
Private Placement					1	0	6	2	0	

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

Total Liabilities			3	6	1	4	8	1	3
Total Assets			3	6	1	4	8	1	3

Sources of funds :

Paid up Capital (including shares pending allotment of Rs.847.00 lakhs)				6	7	7	3	5	7
Reserves and Surplus			1	0	9	4	6	0	0
Secured Loans			1	0	6	4	9	4	8
Unsecured Loans				7	4	4	0	2	6
Deferred Tax Liability					3	3	8	8	2

Application of funds :

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

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

29. 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"/>	3	0	2	7	3	9	4			
Total Expenditure (including extra-ordinary item)	<input type="text"/>	<input type="text"/>	2	2	7	2	4	7	2			
	+ -											
Profit/Loss before Tax	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	7	5	4	9	2	2
	+ -											
Profit/Loss after Tax	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	7	5	3	8	0	0
(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"/>	<input type="text"/>	<input type="text"/>	2	/	5	4		
Dividend	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Item Code No. (ITC Code)	<input type="text"/>	<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"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Product Description							T	R	A	N	S	F	O	R	M	E	R	S
Item Code No. (ITC Code)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Product Description																T	E	A

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA - 27th July, 2010.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA
S. P. KAR
S. SWAMINATHAN } Directors

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA A. K. MUKHERJEE)
Partner,
Membership No.5243

Kolkata - 27th July, 2010.

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 :

	Profit for the Financial year ended 31st March, 2010	Profit for the previous year ended 31st March, 2009
<i>(Rs. in lakhs)</i>		
<u>Name of the Subsidiary</u>		
Hooghly Printing Co. Ltd.	1.67	3.72
Yule Engineering Ltd.	(-) 2.77	(-) 0.15
Yule Electrical Ltd.	(-) 0.15	(-) 0.22

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

	Profit for the Financial year ended 31st March, 2010	Profit for the previous year ended 31st March, 2009
<u>Name of the Subsidiary</u>		
Hooghly Printing Co. Ltd.	Nil	Nil
Yule Engineering Ltd.	Nil	Nil
Yule Electrical Ltd.	Nil	Nil

D. BANDYOPADHYAY,
Company Secretary.
KOLKATA – 20th August, 2010.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director.*
I. SENGUPTA
S. P. KAR
S. SWAMINATHAN } *Directors*

ANDREW YULE & CO. LTD.

CONSOLIDATED ACCOUNTS

Statement of Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended 31st March, 2010.

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] After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- [h] 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.

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

(Contd.)

ANDREW YULE & CO. LTD.

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) The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the profit and loss account where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

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.
- (b) Provisions for slow and non moving stores lying for more than three years but less than five years are made at 15% of Book Value for such stores

remaining more than 5 years, provision @ 36.25% of Book Value are made. Provision for obsolete stores are made at 100% of Book Value.

- (c) 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%.
- (d) 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.
- (e) 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 Transferrer Unit.
- (f) 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.
- (g) 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.

- (h) Imported materials lying in bonded warehouse and at Port are valued at cost including Customs Duty, Port Charges etc.
- (i) Loose Tools are amortised over a period of 5 years.
- (j) Stock of scrap as per stock records, is valued on the basis of estimated realisable value. However, tea waste is not valued.

(Contd.)

(k) 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 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) 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.

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.

(Contd.)

- (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.
- (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.

10. Taxation :

- (a) Taxation comprises of Income Tax, Agricultural Income Tax (both Assam and West Bengal), Deferred Tax and Wealth Tax. These taxes other than Deferred Taxes are measured as the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961, West Bengal Agricultural Income Tax Act, 1944, Assam Agricultural Income Tax Act, 1939 and Wealth Tax Act, 1957 respectively.
- (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.
- (c) In respect of proceedings pending before the various Income Tax/ Agricultural Income Tax Authorities on account of Appeal/Rectification filed by the Company, adjustments are made on final settlement of such proceedings.

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 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

(Contd.)

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 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).

ANDREW YULE & CO. LTD.

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, 2010, and the Consolidated Profit and Loss Account for the year ended on that date annexed thereto and also the relative Consolidated Cash Flow Statement. 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. 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 to the extent to which they are reflected in the Consolidated Financial Statements are given below :

(Rupees in lakhs)

Name of the Companies	Total Assets (Net)	Total Revenues
A. Subsidiary		
[i] Hooghly Printing Co. Ltd.	559.21	930.97
[ii] Yule Engineering Co. Ltd.	5.24	0.05
[iii] Yule Electrical Co. Ltd.	9.01	...

Name of the Companies	Net Carrying cost of investment as on 31st March, 2010	Current year's share of Profit
B. Associates		
1. Tide Water Oil Co. (India) Ltd.	3687.54	1427.86
2. Katras Jherriah Coal Co. Ltd.	7.26	2.96
3. The New Beerbhoom Coal Co.Ltd.	10.76	(-) 0.02

- 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.
- 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 , Allahabad Bank Rs.106.20 lakhs totaling to Rs.740.80 lakhs) not considered for the purpose of net worth [Refer Note No.3 of Schedule 20].
- Non-provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to Rs.27.88 lakhs.**
- [i] Non-provision towards diminution in value of long term investments of New Beerbhoom Coal Co. Ltd., amounting to Rs.1.50 lakh out of which Group share in Consolidated Accounts is Rs.0.49 lakh.**

(Contd.)

- [ii] Non Provision towards dimuntion 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.16(c) in Schedule 20].
- [iii] Non-provision towards dimuntion 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.16(a) in Schedule 20].
5. [i] 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.17 in Schedule 20).
- [ii] In the Accounts of Katras Jherriah Coal Co. Ltd.
- [a] In case of Katras Jherriah Coal Co. Ltd., only those claims in relation to cocking/ 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.20(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.18 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.19 in Schedule 20).
6. 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.
- [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.
7. 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.
8. Without considering the items mentioned in Paragraphs 2 and 5(ii)(a) (to the extent not determinable), the effect of which could not be determined, had the observations in paragraphs 3, 4(i), 4(ii), 4(iii), 5(i), 5(ii)(b) and (c) (to the extent determinable) above been considered, profit after Extraordinary items and tax would have been Rs.8922.23 lakhs as against the reported profit of Rs.8967.14 lakhs, accumulated loss net of General Reserve would have been Rs.5443.05 lakhs as against the reported figure of Rs.5395.44 lakhs, net current assets would have been Rs.8767.33 lakhs as against the reported figure of Rs.8770.01 lakhs, and investments would have been Rs.4248.29 lakhs as against the reported figure of Rs.4293.22 lakhs.

(Contd.)

ANDREW YULE & CO. LTD.

Subject to the foregoing paragraphs 1 to 8, 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, 2010;

- [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 - 20th August, 2010.

For S. GHOSH & CO.,
Chartered Accountants,
(CA S. GHOSH)
Partner,
Membership No.5268

ANDREW YULE & CO. LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

	Schedules	As at 31.03.10	As at 31.03.09
SOURCES OF FUNDS			
(1) Shareholders' Funds :			
(a) Share Capital	1	5926.57	5926.57
(b) Share pending allotment to Govt. of India		847.00	740.80
(c) Reserves and Surplus	2	10946.40	10874.41
		<u>17719.97</u>	<u>17541.78</u>
(2) Loan Funds :	3		
(a) Secured Loans		10891.57	13599.89
(b) Unsecured Loans		7440.26	15269.81
		<u>18331.83</u>	<u>28869.70</u>
(3) Deferred Tax Liability (Net) (Note No.22 on Schedule 20)		359.28	212.25
TOTAL		<u>36411.08</u>	<u>46623.73</u>
APPLICATIONS OF FUNDS			
(1) Fixed Assets :	4		
(a) Gross Block		23411.80	24434.32
(b) Less: Depreciation and Impairment of Assets		5916.01	6511.07
(c) Net Block		17495.79	17923.25
(d) Less: Impairment of Assets		188.82	181.51
		<u>17306.97</u>	<u>17741.74</u>
(e) Capital Work-in-Progress		630.44	1078.53
		<u>17937.41</u>	<u>18820.27</u>
(f) Pre-operative Expenditure (Pending Allocation)		...	113.85
		<u>17937.41</u>	<u>18934.12</u>
(2) Investments	5	4293.22	2873.91
(3) Current Assets, Loans and Advances :			
(a) Inventories	6	3116.31	3349.65
(b) Sundry Debtors	7	3787.78	5862.84
(c) Cash and Bank Balances	8	12934.43	13228.99
(d) Other Current Assets	9	0.69	0.05
(e) Loans and Advances	10	4317.78	4839.37
		<u>24156.99</u>	<u>27280.90</u>
Less: Current Liabilities and Provisions :			
(a) Current Liabilities	11	13628.39	13222.17
(b) Provisions	12	1761.29	2092.64
		<u>15389.68</u>	<u>15314.81</u>
Net Current Assets		<u>8767.31</u>	<u>11966.09</u>
(4) (a) Miscellaneous Expenditure to the extent not written off or adjusted		17.70	20.40
(b) Profit and Loss Account		5395.44	12829.21
TOTAL		<u>36411.08</u>	<u>46623.73</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 - 20th August, 2010.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director.*
I. SENGUPTA } *Directors*
S. P. KAR }

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA S. GHOSH)
Partner,

Kolkata - 20th August, 2010.

Membership No.5268

ANDREW YULE & CO. LTD.

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

(Rupees in lakhs)

	Schedules	2009-10	2008-09
INCOME			
Sales	13	19570.19	18699.70
Interest and Dividend on Investments (Gross)		73.92	289.38
Other Income	14	10906.70	6653.48
Accretion/Decretion (-) in Stocks	15	242.55	213.94
		<u>30793.36</u>	<u>25856.50</u>
EXPENDITURE			
Materials Consumed	16	6100.99	7188.93
Salaries, Wages and Bonus	17	9253.35	7449.81
Interest	18	2290.04	2281.10
Other Expenses	19	5565.44	7390.56
Depreciation	4	430.85	371.39
Impairment of Assets		7.30	4.50
		<u>23647.97</u>	<u>24686.29</u>
Profit/Loss(-)before Extra-ordinary items		7145.39	1170.21
Add/Less : Extra-ordinary items :			
Extra-ordinary Expenses net of Extra-ordinary Income		424.80	2012.00
Profit/Loss(-) for the year		7570.19	3182.21
Add/Less : Provision for Taxation :			
[a] Wealth Tax	3.00		2.50
[b] Income Tax	-14.37		211.22
[c] Fringe Benefit Tax	...		28.25
[d] Deferred Tax	44.81		0.72
		<u>33.44</u>	<u>242.69</u>
		7536.75	2939.52
Add : Share of Profit of Associates		1430.39	666.33
		8967.14	3605.85
Add : Loss brought forward from last account		(-) 12787.47	(-) 18902.06
		(-) 3820.33	(-) 15296.21
Add/Less : Difference in net assets due to sale of Phoenix Yule Ltd. debited to opening Profit and Loss Account		1575.11	...
		(-) 5395.44	(-) 15296.21
Add : Balance in General Reserve (per contra)		...	2467.00
Balance carried to Balance Sheet		(-) 5395.44	(-) 12829.21
		<u>2.88</u>	<u>0.56</u>
Basic and Diluted earnings per share before extraordinary income(Note No.27 of Schedule 20)		2.88	0.56
Basic and Diluted earnings after extraordinary income (Note No..27 of Schedule 20)		3.03	1.27

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 - 20th August, 2010.

On behalf of the Board,
K. DATTA, Chairman and Managing Director.
I. SENGUPTA }
S. P. KAR } Directors

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA S. GHOSH)
Partner,

Kolkata - 20th August, 2010.

Membership No.5268

ANDREW YULE & CO. LTD.

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010
PREPARED PURSUANT TO THE LISTING AGREEMENTS WITH STOCK EXCHANGES**

(Rupees in lakhs)

	2009-10	2008-09
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	8575.78	1836.54
Adjustments for		
Depreciation/Impairment of Assets	438.15	375.89
Miscellaneous Expenditure written off	224.99	20.04
Interest charged	2290.04	2281.10
Subsidy credited to Profit and Loss Account/Provision for staff benefit	(34.24)	...
Investment Income	(7871.76)	(1345.55)
Operating profit before changes in amount of Current Liabilities and Current Assets	3622.96	3168.02
Adjustments for		
Trade Receivables	(1752.33)	125.27
Inventories	(143.10)	(218.51)
Trade payable	1133.99	(2790.12)
Cash Generated from Operations	2861.52	284.66
Wealth Tax paid	(2.84)	(2.71)
Fringe Benefit Tax paid	(1.00)	(54.15)
Agricultural Income Tax	(3.70)	(165.42)
Cash-flow before Extraordinary Items	2853.98	62.38
Extraordinary Items (Net)	...	2012.00
Extraordinary Income	424.80	...
NET CASH FROM OPERATING ACTIVITIES (A)	3278.78	2074.38
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure)	(277.26)	(758.01)
Loans	56.18	30.06
Sale of Non-Trade Investment	8049.78	...
Investment made	(1430.39)	...
Subsidy received from Tea Board for Capital Assets	99.63	...
Income from Investments	1156.55	937.73
NET CASH FROM INVESTING ACTIVITIES (B)	7654.49	209.78

(Contd.)

ANDREW YULE & CO. LTD.**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**
PREPARED PURSUANT TO THE LISTING AGREEMENTS WITH STOCK EXCHANGES - (Contd.) (Rupees in lakhs)

	<u>2009-10</u>	<u>2008-09</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Net Proceeds from borrowings	(11752.34)	(2525.61)
Interest paid	(1034.35)	(1717.28)
Advance against equity	106.20	590.80
Proceeds from equity	...	252.20
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>(12680.49)</u>	<u>(3399.89)</u>
NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	(1747.22)	(1115.73)
CASH AND CASH EQUIVALENT Opening Balance as at 1st April,2009	4635.99	5751.72
CASH AND CASH EQUIVALENT Closing Balance as at 31st March,2010	2888.77	4635.99

Notes :

[1] Break-up of Cash and Cash equivalent

Cash in hand	34.78	16.15
Postage and Stamps in hand	0.21	0.05
Cheques in hand	13.83	82.83
Remittance in transit	54.34	684.26
Remittance with Scheduled Banks :		
On Current Account	563.90	2243.48
Fixed Deposit with Banks maturing within 3 months	2221.71	1609.22
	<u>2888.77</u>	<u>4635.99</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 - 20th August, 2010.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director.*
I. SENGUPTA } *Directors*
S. P. KAR }

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
(CA S. GHOSH)
Partner,

Kolkata - 20th August, 2010.

Membership No.5268

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</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 Share of Rs.2/- each (Previous year 29,63,28,478 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.	<u>5926.57</u>	<u>5926.57</u>
	<u>5926.57</u>	<u>5926.57</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve :		
General :		
Balance as per last account	<u>10735.16</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 :		
Balance as per last account	38.70	46.50
Add: Received during the year	<u>99.63</u>	<u>...</u>
	138.33	46.50
Less: Transfer to Profit and Loss Account (includes items relating to previous year Rs.8.34 lakh; 2008-09 Rs.Nil)	<u>27.64</u>	<u>7.80</u>
	110.69	38.70
State Housing Subsidies	<u>4.06</u>	<u>4.06</u>
	<u>126.15</u>	<u>54.16</u>
	<u>10861.31</u>	<u>10789.32</u>
Preference Share Capital Redemption Reserve :		
Balance as per last account	<u>84.69</u>	<u>84.69</u>
	<u>10946.00</u>	<u>10874.01</u>

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

SCHEDULE 3 LOANS	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
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)	40.37	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) Add: Interest accrued and due thereon	381.42 133.53	381.42 100.16
	514.95	481.58
Others (Secured by hypothecation of certain movable properties)	173.19	185.13
Bonds :		
9% Secured Redeemable Non-convertible 12 Years Bond (Secured by creation of 2nd charge on mortgage of Banarhat and Karballa Tea Estates.)	1000.00	1500.00
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 Add: Interest accrued and due thereon	1257.75 895.98	1257.75 768.09
	2153.73	2025.84
Bank of Baroda Add: Interest accrued and due thereon	3186.32 378.47	3193.66 ...
	3564.79	3193.66
Allahabad Bank (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)	...	636.88
United Bank of India (for Desam, Khawang, New Dooars and Choonabhutti Tea Estates)	461.31	1461.35
Union Bank of India (for Banarhat, Karballa, and Hoolungooree Tea Estates)	256.97	665.38
United Bank of India (for Hooghly Printing Co. Ltd.)	...	104.33
Allahabad Bank Add: Interest accrued and due thereon (for Tinkong, Basmatia, Rajgarh, Murphulani and Mim Tea Estates) (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)	726.26 ... 726.26	1315.79 0.50 1316.29
Carried over	10891.57	13599.89

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
SCHEDULE 3 - (Contd.)		
LOANS - (Contd.)		
Secured Loans - (Contd.)		
Brought forward	<u>10891.57</u>	<u>13599.89</u>
Unsecured Loans :		
From Bodies Corporate	...	1000.00
Fixed Deposits	...	0.87
Add: Interest accrued and due thereon	<u>...</u>	<u>0.81</u>
	...	1.68
From Government of India (Including interest free loan of Rs.1330.00 lakhs (2008-09 Rs.8706.00 lakhs)	5844.00	13348.00
Add: Interest accrued and due thereon	<u>1326.41</u>	<u>649.91</u>
	7170.41	13997.91
From West Bengal Industrial Development Corpn. Ltd.(Interest free)	268.86	268.86
West Bengal Govt. Subsidised Housing Scheme Loan for Plantation Workers	0.30	0.50
Add: Interest accrued and due thereon	<u>0.69</u>	<u>0.86</u>
	0.99	1.36
	<u>7440.26</u>	<u>15269.81</u>
	<u>18331.83</u>	<u>28869.70</u>

ANDREW YULE & CO. LTD.

SCHEDULE 4

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

FIXED ASSETS

(Rupees in lakhs)

Description of Assets	GROSS BLOCK				DEPRECIATION				IMPAIRMENT OF ASSETS		NET BLOCK	
	Cost/Book Value as at 31st March, 2009	Additions/ Adjustments during the year	Less: Sales/ Adjustments during the year	Cost/Book Value as at 31st March, 2010	Upto 31st March, 2009	For the year	Less: On Sales/ Adjustments during the year	Upto 31st March, 2010	Upto 31st March, 2009	During the year	As at 31st March, 2010	As at 31st March, 2009
Goodwill	12.15	...	...	12.15	...	...	...	...	...	...	12.15	12.15
Land (including cost of development and leasehold land Rs..... lakhs; 2008-09 Rs.15.10 lakhs)	175.43	...	0.04	175.39	...	...	...	...	...	...	175.39	175.43
Estates[Leasehold(including garden development expenses)]	12433.52	25.32	...	12458.84	228.85	5.66	0.03	234.48	...	...	12224.36	12204.67
Buildings	2806.50	202.07	16.49	2992.08	1147.70	60.30	4.23	1203.77	...	5.78	1782.53	1658.80
Roads and Culverts	59.90	...	6.15	53.75	15.33	0.98	0.58	15.73	...	...	38.02	44.57
Plant and Machinery	4764.48	623.87	82.06	5306.29	2897.32	257.11	65.73	3088.70	96.15	0.26	2121.18	1771.01
Drawings, Designs and Tracings etc.	74.99	...	...	74.99	40.91	...	...	40.91	34.09	...	-0.01	...
Electrical Installations	741.83	85.23	0.01	827.05	387.32	33.58	0.82	420.08	...	...	406.97	354.51
Water Installations	474.44	10.51	0.38	484.57	215.10	19.50	0.10	234.50	...	...	250.07	259.34
Furniture, Fittings and Office Equipments	420.25	25.28	51.72	393.81	334.29	14.55	43.54	305.30	...	0.01	88.50	85.96
Vehicles	516.93	96.71	13.96	599.68	340.39	32.57	13.26	359.70	...	...	239.98	176.54
	22480.42	1068.99	170.81	23378.60	5607.21	424.25	128.29	5903.17	130.24	6.05	17339.14	16742.98
Computer Software (intangible Assets)	32.91	0.29	...	33.20	6.24	6.60	...	12.84	...	...	20.36	26.67
	22513.33	1069.28	170.81	23411.80	5613.45	430.85	128.29	5916.01	130.24	6.05	17359.50	16769.65
Share of Joint Venture(Op.Bal) [Note No.2(iii) of Sch-20]	1920.99	...	1920.99	...	897.62	...	897.62	...	...	...	...	1023.37
	24434.32	1069.28	2091.80	23411.80	6511.07	430.85	1025.91	5916.01	130.24	6.05	17359.50	17793.02
Capital Work-in-Progress	1074.64	106.07	550.27	630.44	...	...	...	...	51.28	1.25	577.91	1023.36
Share of Joint Venture(Op.Bal) [Note No.2(iii) of Sch-20]	3.89	...	3.89	...	...	...	...	...	...	...	...	3.89
	1078.53	106.07	554.16	630.44	...	...	...	...	51.28	1.25	577.91	1027.25
TOTAL	25512.85	1175.35	2645.96	24042.24	6511.07	430.85	1025.91	5916.01	181.52	7.30	17937.41	18820.27
PREVIOUS YEAR'S TOTAL	24806.12	910.78	204.05	25512.85	6196.57	371.39	56.89	6511.07	177.01	4.50	18820.27	

(Contd.)

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

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] Usage Right of Leasehold land admeasuring 11 bighas (approx.) of Khowang Tea Estate has been given to an Educational Institution and one acre of Mim Tea Estate has been given for construction of new school building.

[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] Computer Software (intangible) is amortised over a period of five years.

[8] Depreciation for the current year includes Rs.Nil (Rs.0.69 lakh) relating to previous year

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

SCHEDULE 5	No. of Shares/ Units	Face Value per Share/ Unit	Book Value	
			As at 31.3.10	As at 31.3.09
INVESTMENTS (Long Term) (At Cost less written off)				
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, 2010	2,28,390	10	141.07 3546.47 <u>3687.54</u>	141.07 2118.61 <u>2259.68</u>
Unquoted :				
New Beerbhoom Coal Co. Ltd. Cost of Acquisition (Net of Capital Reserve of Rs.2.10 lakhs) Less: Group Share of Profit upto 31st March, 2010	1,05,355	10	12.27 1.51 <u>10.76</u>	12.27 1.53 <u>10.74</u>
Katras Jherriah Coal Co. Ltd. Cost of Acquisition (Net of Capital Reserve of Rs.6.71 lakhs) Add/Less: Group Share of Profit upto 31st March, 2010	60,260	10	6.95 0.31 <u>7.26</u>	6.95 2.65 <u>4.30</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.	150	10	0.01	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 Compnay 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	...	...	0.68	0.68
Woodlands Hospital & Medical Research Ltd. (formerly The East India Clinic 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
2. Units (Fully Paid) :				
Quoted :				
Unit Trust of India				
Balance Fund	1,46,132	10	30.75	29.79
			4298.40	2879.12
Less: Provision for diminution in value for long term investments			5.21	5.21
			<u>4293.22</u>	<u>2873.91</u>
Market value of quoted investments			11713.52	8702.70

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 5 - (Contd.)

INVESTMENTS - (Contd.)

- 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 :

Name of the Company	No. of Shares	Face Value per Share
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
79105.948 units of UTI floating Rate fund short term plan Growth option
15322.661 units of UTI liquid cash plan institutional growth option
46670.651 units of UTI Treasury Advantage Institutional Plan - Growth Fund.
142641.957 units of UTI Floating Funds - Short Term Plan - Institutional Growth Option.

SCHEDULE 6

INVENTORIES

At or under cost :

	As at 31.3.10	As at 31.3.09
Raw materials, Components and Packaging Materials (Includes Stores-in-Transit Rs.0.10 lakh; 2008-09 Rs.36.49 lakhs)	924.23	925.59
Stores and Spare parts	584.66	655.53
Food-stuff	16.36	18.62
Loose tools	8.06	6.21

At Cost or net realisable value whichever is lower :

Finished goods	530.02	454.80
Finished goods-in-transit	...	5.52
Work-in-Progress	1034.09	795.42
Scrap (at estimated realisable value)	18.89	98.31

Add: Share of Joint Venture (Note No.2(iii) of Schedule-20)(Net of provision) (Op.Bal.)

	3116.31	2960.00
	3116.31	3349.65

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
SCHEDULE 7		
SUNDRY DEBTORS		
Unsecured :		
Debts outstanding for a period exceeding six months :		
Considered good	929.21	916.26
Considered doubtful	4175.01	4206.52
	<u>5104.22</u>	<u>5122.78</u>
Other Debts :		
Considered good	2858.57	3836.39
	<u>7962.79</u>	<u>8959.17</u>
Less: Provision for doubtful debts	4175.01	4206.52
	<u>3787.78</u>	<u>4752.65</u>
<i>Add: Net share of Joint Venture (Note No.2(iii) of Schedule-20) (Op.Bal.)</i>	...	1110.19
	<u>3787.78</u>	<u>5862.84</u>
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash-in-hand	34.78	16.15
Postage and Stamps-in-hand	0.21	0.05
Cheques-in-hand	13.83	82.83
Remittances-in-transit	54.34	684.26
Balances with Scheduled Banks :		
On Current Account (Net)	563.91	2243.04
On Deposit Account :		
Employees' Security Deposit	0.06	0.06
* Others	12266.50	8860.75
	<u>12266.56</u>	<u>8860.81</u>
Unclaimed Preference Share Redemption Account	0.80	0.80
	<u>12934.43</u>	<u>11888.38</u>
<i>Add: Share of Joint Venture (Note No.2(iii) of Schedule-20) (Op.Bal.)</i>	...	1340.61
	<u>12934.43</u>	<u>13228.99</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.1734.75 lakhs (Rs.1485.49 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, 2010

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</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	0.69	0.05
	0.69	0.05
SCHEDULE 10		
LOANS AND ADVANCES		
Secured		
Loans	22.38	28.69
Unsecured		
Loans	510.29	621.26
Advances recoverable in cash or in kind or for value to be received	2218.10	2153.34
Advance Payment of Income/Wealth-tax/Fringe Benefit Tax (including Tax deducted at source)	885.75	1053.10
Balance with Government Authorities	104.13	46.58
Interest accrued on Loans, Deposits etc.	315.86	444.59
Deposits – lodged with various authorities (including National Plan Savings Certificates Rs.0.65 lakh; 2008-09 Rs.0.65 lakh)	261.27	251.64
	4295.40	4570.51
	4317.78	4599.20
Add: Share of Joint Venture (Note No.2(iii) of Schedule-20) (Op.Bal.)	...	240.17
	4317.78	4839.37
Notes: 1. Classification of Loans and Advances :		
(A) Secured Considered Good	22.38	28.69
(B) Unsecured Considered Good	4295.40	4810.68
Considered Doubtful	1875.20	1396.37
	6170.60	6207.05
Less: Provision	1875.20	1396.37
	4295.40	4810.68
	4317.78	4839.37

2. Secured Loans represent House Building and Car Loans (including loan of Rs.0.12 lakhs to Directors; 2008-09 Rs.0.22 lakhs)-Maximum amount due at any time during the year Rs.0.12 lakhs; (2008-09 Rs.0.31 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, 2010

(Rupees in lakhs)

	<u>As at 31.3.10</u>	<u>As at 31.3.09</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors and Other Liabilities :		
Micro Small and Medium Enterprises (Refer Note No.10 of Schedule-20)	54.43	24.81
*Others		
(including Rs.Nil and Rs.79.02 lakhs being Earnest Money and Security Deposits; 2008-09 Rs.1.58 lakhs and Rs.79.02 lakhs)	12470.90	11162.83
Advances and Deposits received from Customers and others		
(including Rs.157.89 lakhs being security deposits; 2008-09 Rs.127.75 lakhs)	841.87	739.35
Employees' Security Deposits	0.06	0.06
Interest accrued but not due on loans and deposits	260.33	219.39
Unclaimed Redeemed Preference Shares	0.80	0.80
	<u>13628.39</u>	<u>12147.24</u>
<i>Add: Share of Joint Venture [Note No.2(iii) of Schedule-20] (Op.Bal.)</i>	...	1074.93
	<u>13628.39</u>	<u>13222.17</u>

SCHEDULE 12

PROVISIONS

For Taxation :

Income Tax	255.58	500.10
Wealth Tax	19.00	16.00
Fringe Benefit Tax	<u>116.82</u>	<u>117.18</u>
	361.40	633.28
" Superannuation and Pension	376.95	5.32
" Provision for Capital-Work-in-Progress	11.57	...
" Stock Obsolescence	418.67	462.77
" Contingencies	562.70	546.03
" Aqua-culture Project	...	222.29
	<u>1761.29</u>	<u>1869.69</u>
<i>Add: Share of Joint Venture [Note No.2(iii) of Schedule-20] (Op.Bal.)</i>	...	222.95
	<u>1761.29</u>	<u>2092.64</u>

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

	2009-10	2008-09
SCHEDULE 13		
SALES		
Sales and Work done [including trading item Rs.138.06 lakhs (2008-09 Rs.352.81 lakhs)(after adjusting Rs.1.13 lakhs being returns/adjustments in respect of earlier year; 2008-09 Rs.Nil)]	20097.25	19771.53
Add: Inter Unit Transfer of Capital Goods manufactured	13.32	28.68
	20110.57	19800.21
Less: Excise Duty recovered on sales	147.18	922.00
Trade and Other Discount	393.20	178.51
	540.38	1100.51
Net sales and job work done	19570.19	18699.70
SCHEDULE 14		
OTHER INCOME		
Interest on Loans, Advances, Deposits etc. (Gross) (including TDS for Rs.15.97 lakhs; 2008-09 Rs.63.50 lakhs)	920.66	1056.17
Profit on sale of stores	...	0.14
Net Profit on Sales/Adjustment of Fixed Assets	...	0.76
Profit on sale of Current Investments	34.20	1.73
Profit on sale of Long Term Investments	6842.98	...
Non Compete Fees	240.00	...
Royalty	130.20	...
Sundry Receipts (including insurance claims of Rs.80.32 lakhs; 2008-09 Rs.20.80 lakhs)	210.31	749.29
Tea Board Replantation Subsidy	14.25	9.06
Adjustment for Tea Board Subsidy for Capital Assets	19.30	...
Rent and Hire charges	79.60	69.02
Fees and Commission received by Directors and Employees	2.12	0.44
Scrap/Tea waste sale	181.70	62.27
Service rendered to Group Companies (including TDS of Rs.8.65 lakhs)	386.22	...
Service charges	47.10	15.97
Profit on Exchange	0.14	0.40
Items relating to previous years (including depreciation for earlier year)	40.79	154.52
Liabilities no longer required written back	1227.45	871.64
Provisions no longer required written back :		
Superannuation and Pension	...	239.65
Doubtful Debts	253.87	2691.97
Doubtful Loans and Advances	4.66	590.72
Contingencies	2.51	8.40
Stock Obsolescence and Depreciation	46.35	131.33
Prawn Project write back	222.29	...
	529.68	3662.07
	10906.70	6653.48

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

	2009-10	2008-09
SCHEDULE 15		
ACCRETION / DECRETION (-) IN STOCKS		
Opening Stock :		
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
Closing Stocks :		
Finished goods	530.01	454.80
Finished goods-in-transit	...	5.52
Semi-Finished Articles	289.69	191.19
Work-in-Progress	744.40	604.23
Scrap	18.89	98.31
Trading items	13.20	...
	1596.19	1354.05
	242.14	202.96
Add: Excise Duty on Accretion(+)/Decretion(-) on finished goods	0.41	10.98
	242.55	213.94
SCHEDULE 16		
MATERIALS CONSUMED		
Stocks as at 1st April, 2009 :		
Raw materials, components and packaging materials	899.16	1003.07
Materials-in-transit	26.43	26.43
Stores and spare parts	655.53	536.54
Loose tools	6.21	4.81
	1587.33	1570.85
Less: Book value of Stocks sold/adjusted/written off	52.53	175.19
	1534.80	1395.66
Purchases during the year :		
Raw materials, components and packaging materials (including erection expenses in case of composite contracts and processing charges)	5133.01	6416.05
Stores and spare parts	1733.27	1796.21
Loose tools	5.39	4.71
	6871.67	8216.97
	8406.47	9612.63
Less: Stocks as at 31st March, 2010 :		
Raw materials, components and packaging materials	921.05	899.16
Materials-in-transit	3.18	26.43
Stores and spare parts	571.46	655.52
Loose tools	8.06	6.21
	1503.75	1587.32
Raw materials and stores used on Capital Jobs Rs.0.20 lakh and on Repair Jobs, Advertising, Transport, Power and Fuel, Research and Development etc. Rs.801.53 lakhs; 2008-09 Rs.Nil and Rs.836.38 lakhs.	801.73	836.38
	2305.48	2423.70
	6100.99	7188.93

ANDREW YULE & CO. LTD.**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Rupees in lakhs)

	<u>2009-10</u>	<u>2008-09</u>
SCHEDULE 17		
SALARIES, WAGES AND BONUS		
Salaries, Wages, Bonus and Gratuity	7552.19	5845.66
Contribution to Provident and Other Funds	927.26	884.14
Welfare and Other Expenses	936.54	874.39
	<u>9415.99</u>	<u>7604.19</u>
Less: Incurred on Capital jobs, Repair Jobs, Research and Development, Advertising, Transport etc.	162.64	154.38
	<u>9253.35</u>	<u>7449.81</u>
SCHEDULE 18		
INTEREST		
<i>Fixed Deposits</i>	...	0.76
Term Loans	1270.51	1076.98
Others	1019.53	1203.36
	<u>2290.04</u>	<u>2281.10</u>

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

	2009-10	2008-09
SCHEDULE 19		
OTHER EXPENSES		
Power and Fuel	1318.80	1245.59
Miscellaneous Tea Cultivtion and Manufacturing Expenses	292.03	250.88
Research and Development Expenses	56.01	6.68
Directors' Salaries	27.95	19.17
Director' Fees	1.41	3.03
Rent (Net)	30.48	81.80
Rates and Taxes	24.43	22.77
Repairs and Maintenance :		
Buildings	205.85	132.67
Plant and Machinery	231.49	210.62
Others	35.92	44.09
	473.26	387.38
Travelling Expenses and Upkeep of Vehicles	443.93	393.98
Insurance	28.14	28.68
Brokers' Commission	177.79	116.68
Selling Expenses :		
Selling Agents' Commission	31.07	34.62
Others	345.13	386.18
	376.20	420.80
Miscellaneous Expenses	925.02	754.51
Excise Duty	5.61	4.62
Tea Cess	31.73	27.15
Educaion Cess	0.92	0.80
Assam Entry Tax	3.70	0.48
Bank Charges	49.21	60.73
Auditors' Remuneration :		
Audit Fees	2.53	1.99
In Other Capacity :		
Tax Audit Fees	0.83	0.40
For Certificates etc.	0.79	0.66
Out of Pocket Expenses	0.25	0.25
	4.40	3.30
Miscellaneous Expenditure Written off :		
Other Expenses	2.70	20.04
Net Loss on Exchange Fluctuation	3.87	3.48
Items relating to previous years (Refer to Note No.29 of Schedule 20)	100.59	92.13
Bad Debts written off	113.06	2513.76
<i>Irrecoverable Advance written off</i>	...	538.04
Expenses of shelved aqua culture project written off	222.29	...
<i>Loss on sale/write off of stores</i>	...	91.39
Loss on sale/write off of fixed assets	23.70	4.41
Liquidated Damages and Penalty etc.	54.87	64.96
Rectification/Replacement	34.99	33.75
Provision for :		
Doubtful Debts	221.86	138.23
Doubtful Loans, Advances and Deposits	483.49	0.99
Investments	...	5.21
Capital Work-in-Progress	11.57	...
Stock Obsolescence	2.25	54.89
Contingencies	19.18	0.25
	738.35	199.57
	5565.44	7390.56

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in lakhs)

SCHEDULE 20

1. Principles of Consolidation :

The Consolidated Financial Statements (CFS) relate to Andrew Yule & Co. Ltd. (the Company), its Subsidiary Company and its Associates. 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.

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 :

Name	Country of Incorporation	Percentage of voting power as at 31st March, 2010
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 :-

Name of the Company	Country of Incorporation	Ownership Interest as at 31st March, 2010	Ownership interest as at 31st March, 2009
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	31.88%	31.88%

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.68.52 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, 2010 (Schedule-5) as per AS-23.

- [iii] The interest in the Joint Venture has been extinguished consequent to disinvestment of its stake in full (26%) in Phoenix Yule Ltd. (PYL) during the current financial year and in this connection an amount of Rs.1575.11 lakhs has been debited to "Profit and Loss Account (opening balance)" towards value of net carrying assets.

(Contd.)

SCHEDULE 20 - (Contd.)**3. Sanctioned Rehabilitation Scheme approved by Board for Industrial and Financial Reconstruction (BIFR) vide Order dated 30th October, 2007 with the cut-off date of 31st March, 2006.**

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

- (a) Funded interest upto cut-off date (31.03.2006) amounting to Rs.531.00 lakhs which was sanctioned by Allahabad Bank and approved by the Board of Directors of the Company for conversion into equity to the extent of Rs.106.20 lakhs i.e. 20% of the funded interest comprising of 53,10,000 shares @ Rs.2/- per share has been kept in Share Pending Allotment Account. Balance 80% of funded interest i.e. Rs.424.80 lakhs arising out of remission of funded interest, charged to Profit and Loss Account in earlier years, has been accounted for as an exceptional items in the Profit and Loss Account during the year.
- (b) In absence of confirmation from State Bank of India, the conversion of equity shares of Rs.748.00 lakhs as per terms of SRS dated 30.10.2007 has not been considered. The entire amount of outstanding loan of the Bank as on 31.03.2006 (cut off date) has been bifercated 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.
- (c) In terms of the aforesaid order 46% of unsecured creditors amounting to Rs.956.59 lakhs except sub-judice matters has been written back.
4. In the Consolidated Financial Statements depreciation on assets other than computer software belonging to Group has been provided under "Straight Line" method, except "Hooghly Printing Co. Ltd." one of the Subsidiaries, where depreciation has been provided under "Written down value" method.
- In case of Computer Software, the value is amortised on a "Straight Line Basis" over its useful life of five years.
5. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs.247.23 lakhs (Rs.331.22 lakhs).
- In case of Tide Water Oil Co. (I) Ltd., estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) amounting to Rs.2.44 crore (Rs.8.16 crore) where Group Company's share is Rs.0.64 crore (Rs.2.14 crore).
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.415.05 lakhs (Rs.411.49 lakhs).
- [b] Guarantees and Indemnities given to various institutions and Authorities in connection with Company's operations amounting to Rs.1546.81 lakhs (Rs.1648.16 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).
- [ii] Hooghly Printing Co. Ltd. - Rs.328.00 lakhs (Rs.328.00 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.7013.89 lakhs (Rs.8177.66 lakhs). The demand under the WBST and CST Acts are according to the opinion of the Company, erroneously raised for which appeals have been preferred at higher Forums of Sales Tax Authority.
- [e] Aggregate Income Tax demands amounting to Rs.50.53 lakhs (Rs.58.60 lakhs) not admitted, against which appeals have been preferred by the Company.

(Contd.)

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

- [f] Agricultural Income Tax demands amounting to Rs.Nil (Rs.44.41 lakhs) not admitted, against which appeals have been preferred by the Company.
- [g] Disputed Excise/Customs Duty matters Rs.582.40 lakhs (Rs.606.46 lakhs).
- [h] Unexpired Letter of Credit opened by the Company's bankers - Rs.209.19 lakhs (Rs.171.43 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.36.14 lakhs (Rs.24.18 lakhs) Group Company's share of liability Rs.9.48 lakhs (Rs.7.33 lakhs).
- [j] In Katras Jherriah Coal Co. Ltd. claims against the Company by Income Tax Authorities not acknowledged as debts and contested in appeals Rs.1.78 lakhs (Rs.1.78 lakhs). The group interest in the said amount is Rs.0.56 lakh (Rs.0.56 lakh).
- [k] In the New Beerbhoom Coal Company Ltd., claims against the Company by Income Tax Authorities not acknowledged as debts and contested in appeals Rs.0.73 lakh (Rs.0.73 lakh). The Group interest in the said amount is Rs.0.24 lakh (Rs.0.24 lakh).
7. (a) Share pending allotment consists of the following :-
- (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 has been 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 vide letter No.10(11)/2004-PE-I dated 27th March, 2009 has released Rs.340.00 lakhs as plan equity towards project for plantation and augmentation of manufacturing and related facilities in Assam Tea Gardens and the same has been shown under the head "Share Pending Allotment".
- (iii) Based on sanction dated 17.03.2009 of Bank of Baroda (BOB) for conversion of accrued interest after cut-off date i.e. 31.03.2006 to 31.03.2009 amounting to Rs.1254.00 lakh to equity after writing down the same by 80% and approval of the Board in its meeting held on 25.03.2009 the Company has effected necessary accounting entries by writing back Rs.1003.20 lakh to the Profit and Loss Account and retaining Rs.250.80 lakh in the "Share Pending Allotment" in its accounts in the year 2008-09. Approval from GOI to above is still awaited.
- On subsequent advice of Govt. of India and the Board of Directors, the price for allotting shares to BOB keeping in view the market price, was renegotiated where the BOB has agreed to accept allotment of 52.42 lakh shares instead of 125.40 lakh shares, both of the face value of Rs.2/- per share. Approval from GOI to the above renegotiated price has been sought for.
- (iv) Rs.106.20 lakh as stated in Point No.3(a).
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. The total amount of liability as on 31st March, 2010 is Rs.122.49 lakhs (Rs.135.10 lakhs) has been taken into account.

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

10. Directors' Remuneration :-

	[Rupees in lakhs]	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Salaries	27.95	19.17
Directors' Fees	1.41	3.03
Contribution to Provident Fund/Superannuation Fund	2.45	2.25
Other Perquisites/benefits	2.69	1.26
	<u>34.50</u>	<u>25.71</u>
<i>Add : Share of Joint Venture [Note No.2(iii) on Schedule-20]</i>	...	3.80
	<u>34.50</u>	<u>29.51</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.

11. Inventories include Rs.115.46 lakhs (Rs.93.06 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.
12. Confirmation for balances of Sundry debtors, deposits and advances to the parties, Trade Creditors, dues to and from Govt. Undertakings and stock with third parties have been sought from the concerned parties, with stipulation that in case of non receipt of confirmation within 20 days of despatch, the book balance is to be considered as confirmed. The financial statements have been drawn up accordingly.
13. Provision for Liquidated damages amounting to Rs.1645.48 lakhs (Rs.1630.78 lakhs) have been set off against Sundry Debtors.
14. No provision is made in the Books for possible losses that may arise in respect of long term investments made in Yule Financing & Leasing Co. Ltd., amounting to Rs.27.88 lakhs (Rs.27.88 lakhs). The possible loss, if any, will be accounted for as and when it arises.
15. [a] 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).
[b] In New Beerbhoom Coal Co. Ltd. diminution in value of long term investment amounting to Rs.1.50 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.0.49 lakhs (Rs.0.47 lakhs).
[c] 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).
16. 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).
17. 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).
18. 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).

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

19. [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, 2010 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.
20. In Tide Water Oil Co. (India) Ltd. 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).
21. In computing Deferred Tax Liability of the Company for the Financial Year 2009-10, unabsorbed depreciation, business loss as well as disallowances u/s.43Bas 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, 2010 stood at Rs.359.28 lakhs (Rs.212.25 lakhs) including share of Joint Venture Rs.Nil (Rs.12.11 lakhs).
22. Provision in respect of Income Tax (including capital gains) has not been made as the Company's application for relief/concession on various grounds based on sanction of BIFR, are under the consideration of CBDT.
23. Consolidated Segment Reporting :

The Group's segment information as at and for the yer ended 31st March, 2010 are as below :-

	[Rupees in lakhs]		
	2009-10		
	External Sales	Inter Segment Sales	Total
1. Segment Revenue			
Electrical	3875.63 [6387.71]	4.33 [11.94]	3879.96 [6399.65]
Tea	13547.02 [9467.52]	1.93 [2.16]	13548.95 [9469.68]
Engineering	1210.43 [2173.00]	1.68 [2.34]	1212.11 [2175.34]
Printing	923.79 [642.79]	11.01 [8.32]	934.80 [651.11]
Segment Total	19556.87 [18671.02]	18.95 [24.76]	19575.82 [18695.78]
IUT Sale of Capital Goods			13.32
Eliminations			[28.68] 18.95 [24.76]
Consolidated Total			19570.19 [18699.70]

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

	2009-10		
	External Sales	Inter Segment Sales	Total
2. Segment Results			
Electrical			73.25
Tea			[1741.42]
Engineering			2182.11
Printing			[153.85]
Segment Total			(-)-205.81
Unallocated Corporate Expenses (Net of Unallocated Income)			[451.32]
Profit before Interest and Taxation			94.11
Interest etc. paid			[48.73]
Interest/Dividend Income			2143.66
Profit from ordinary activity			[2395.32]
Extra ordinary Income (Net)			(-)-6330.63
Extra ordinary Expenses (Net)			[289.56]
Net Profit			8474.29
Provision for Taxation (Net of written back)			[2105.76]
3. Profit after taxation before share of results of Associates			2290.04
Share of Profit of Associates			[2281.10]
4. Profit after taxation			994.58
			[1345.55]
			7145.39
			[1170.21]
			424.80
			[2012.00]
			...
			[...]
			7570.19
			[3182.21]
			33.44
			[242.69]
			7536.75
			[2939.52]
			1430.39
			[666.33]
			8967.14
			[3605.85]
Other Information	Segment Assets	Segment Liabilities	
Electrical	7826.47	5469.80	
Tea	[8179.59]	[6385.26]	
Engineering	19099.15	3711.29	
Printing	[19276.81]	[3927.43]	
Segment Total	2297.88	2000.09	
Unallocated Corporate Assets/Liabilities	[2788.18]	[2244.16]	
Total	1096.17	536.96	
	[960.59]	[673.00]	
	30319.67	11718.14	
	[35415.27]	[14527.73]	
	15915.65	3673.24	
	[13781.11]	[29942.31]	
	46235.32	15391.38	
	[49196.38]	[44470.04]	

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

	Capital Expenditure	Depreciation including Impairment	Non-Cash Expenditure Other than Depreciation
Electrical	38.00 [224.44]	61.41 [47.59]	263.54 [88.26]
Tea	253.27 [456.39]	304.24 [302.17]	181.27 [54.89]
Engineering	15.10 [56.97]	13.94 [11.86]	293.52 [51.22]
Printing	0.60 [4.01]	45.02 [3.12]	12.97 [5.32]
Segment Total	306.97 [741.81]	424.61 [364.74]	751.30 [199.69]

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. |

24. Particulars relating to discontinued operations.

(a) Description of discontinued operations

Business Segments	Discontinued Operations
(i) Engineering Division	Air Handling Unit (AHU) Core Lamination Project (CLP) Project
(ii) Electrical Division	Port Engineering Works (PEW) Turnkey Agency

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

- (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, 2010 :

Sl. No.	Discontinued operations	Fixed Assets	Current Assets	Current liabilities and provisions
1.	AHU	...	...	...
2.	CLP	12.93	...	...
3.	PEW	...	...	170.70
4.	Turnkey	...	...	...
5.	Agency	...	...	1.76
6.	Project	0.09	40.00	35.32
	Total	13.02	40.00	207.78

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

Particulars	AHU	CLP	PEW	Agency	Turnkey	Project	Total
Turnover/Other income
Operating Expenses
Interest
Provisions
Profit/Loss before tax
Provision for Taxation
Profit/Loss after tax

- (d) Cash Flow

	PEW	Project
Cash Flow from Operating Activities :		
Net Profit before tax & Extraordinary items
Adjustment for :		
Interest charged
Investment income
Operating Profit before changes in amount of Current Liabilities and Current Assets
Adjustment for :		
Trade Receivables
Inventories
Loans and Advances
Trade payable
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

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

25. Related party disclosure

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

Associate Companies	- 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) I. Sengupta	- Director (Personnel)
(c) S. P. Kar	- Director (Finance) (since 22.07.2009)
(d) S. Swaminathan	- Director (Planning) (since 05.10.2009)
(e) R. K. Sikdar	- Director (Planning) (from 01.04.2009 to 30.09.2009)
(f) Sunil Munshi	- Chief Executive, Tea Division

[iii] Disclosure of transactions between the Group and related parties and the status of outstanding balance as on 31st March, 2010.

[Rupees in lakhs]

	Associates	Key Management Personnel and Relatives
Purchase of goods	...	...
	[...]	[...]
Purchase of services	4.10	...
	[1.87]	[...]
Sale of goods	0.14	...
	[0.61]	[...]
Sale of services	39.05	...
	[0.04]	[...]
Interest income	30.00	...
	[27.50]	[...]
Dividend income	...	...
	[3.01]	[...]
Rent / Hire charges received	16.45	...
	[18.00]	[...]
Miscellaneous Receipt	0.35	0.04
	[1.58]	[0.02]
Expenses recovered	...	...
	[57.59]	[...]
Loan given	62.18	...
	[...]	[...]
Remuneration to Directors	...	33.09
	[...]	[22.68]
Remuneration to Others	...	7.20
	[...]	[6.09]
Loan recovered	...	...
	[10.96]	[...]

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

	Associates	Key Management Personnel and Relatives
Balances as on 31st March, 2010		
Debtors / Receivable	0.01 [0.21]	... [...]
Advance recoverable	244.96 [251.83]	... [...]
Creditors / Payable	0.69 [0.32]	... [...]
Deposits from	28.80 [29.05]	... [...]
Loan given	500.00 [617.83]	... [...]
Loan taken	... [...]	... [...]
Interest receivable	30.00 [...]	... [...]

26. Earning per share

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
[a] Number of Equity Share :-		
At the beginning of the year	29,63,28,478	28,37,18,478
At the end of the year	29,63,28,478	29,63,28,478
Weighted average number of Equity Shares outstanding during the year	29,63,28,478	28,37,53,026
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.8542.34 lakhs	Rs.1593.76 lakhs
[c] Profit after Tax after extra ordinary income available for Equity Shareholders	Rs.8967.14 lakhs	Rs.3605.76 lakhs
[d] Basic earnings per Share before extra ordinary income	Rs.2.88	Rs.0.56
[e] Basic earnings per Share after extra ordinary income	Rs.3.03	Rs.1.27

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

27. Position of provision for contingencies is as under :-

	As on 31.03.09	Provision written back(-)/Provision made during the year	As on 31.03.10
(a) Unconfirmed stock with various third parties	65.53	(-) 1.54	63.99
(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	10.00	...	10.00
(e) Others	1.47	19.18	20.65
Total	546.03	17.64	563.67

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010 - (Contd.)

(Rupees in lakhs)

SCHEDULE 20 - (Contd.)

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

Particulars	2009-10	2008-09
<i>Interest on Sales tax dues</i>	...	2.35
Interest (Others)	0.18	15.89
Insurance	2.57	...
<i>Service and erection cost</i>	...	0.26
<i>Security service charges</i>	...	0.55
Travelling expenses	0.38	1.45
Legal expenses	0.17	...
Bonus	0.22	10.42
Land Rent	6.70	...
<i>Central sales tax</i>	...	0.89
Works Contract Tax	2.16	...
<i>Employees State Insurance</i>	...	7.66
Miscellaneous expenses	11.98	15.41
Arrear salary of Executive/Asstt.	25.30	0.22
Stock of stores	29.07	0.25
Food Stuff	0.99	4.47
<i>Warehouse</i>	...	0.12
Repair	3.76	4.12
Gas	5.13	2.90
CENVAT/Service tax	0.12	0.64
Labour welfare	0.20	18.02
<i>Settlement money</i>	...	0.14
<i>Medical</i>	...	0.82
Power and Fuel	0.03	...
Electricity	6.50	...
<i>Firewood</i>	...	0.04
Packing material	0.95	2.14
Freight	1.74	1.94
Trusteeship fees	1.18	0.20
Cultivation expenses	1.81	1.23
Total	100.59	93.13

29. Fixed Assets in Engineering and Electrical Divisions have been physically verified by outside agencies and discrepancies (shortage) noticed on such verification valuing Rs.22.47 lakhs has been adjusted in the Books of Accounts.
30. On review of old statutory liabilities appearing in the books over the years, the admitted liabilities have been paid. However, liabilities in the nature of provision, which are not statutory liabilities, have been retained for further review and adjustment thereof.
31. The Company disinvested its stake in full (26%) in Phoenix Yule Ltd. (PYL) a Joint Venture and its holding of 301119 shares in DPSC Ltd. during the year. The profit on sale of shares in these two Companies amounting to Rs.7213.18 lakh has been reflected as Other Income (including non compete fees and royalty).
32. The Company closed down its Telepara Unit w.e.f. 28.02.2010 due to continuous losses suffered by the Unit since taken over from WBPPDCL/Govt. of West Bengal in April, 1993 to handover the entire Unit on "as is where is basis" to WBPPDCL, Govt. of West Bengal. Accordingly, liability towards terminal dues of the employees as per Industrial Disputes Act, 1947 has been provided. However, additional liability, if any, would be taken care of subject to reimbursement by Govt. of West Bengal.
33. 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.
34. [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.

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