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BOARD OF DIRECTORS

Kallol Datta – *(Chairman and Managing Director)*
Indrajit Sengupta – Director (Personnel)
S. Swaminathan – Director (Planning)
Harbhajan Singh – Non-Executive Director
R. Asokan – Non-Executive Director
A. R. Nagappan – Special Director (BIFR Nominee)

**COMPANY SECRETARY &
GENERAL MANAGER (LEGAL)**

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 Wednesday, the 21st September, 2011 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, 2011, 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 Auditors of the Company for the financial year ending 31st March, 2012.
3. To appoint a Director in place of Shri Harbhajan Singh who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

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

As an Ordinary Resolution :

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

The Registers of Members and Share Transfer Registers of the Company will remain closed from 15th September, 2011 to 21st September, 2011, both days inclusive.

Registered Office :

"Yule House",

8, Dr. Rajendra Prasad Sarani,

Kolkata – 700 001.

27th July, 2011.

By Order of the Board,

D. Bandyopadhyay

Company Secretary & General Manager (Legal).

- 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 Registers of Members and Share Transfer Registers of the Company will remain closed from 15th September, 2011 to 21st September, 2011, 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 R. Asokan, Director (Finance) to the Government of India, Department of Heavy Industry, was appointed a Part-time Director with effect from 27th July, 2010, in place of Shri Sumanta Chaudhuri and will hold office till the conclusion of ensuing Annual General Meeting. Notice under Section 257 of the Act along with requisite fees have been received from one of the members of the Company proposing the appointment of Shri Asokan as Director of the Company and he had agreed to act as Director, if appointed.

None of the Directors other than Shri Asokan 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 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 India Ltd. Cement Corporation of India Ltd. HMT Ltd. HMT Machine Tools Limited HMT International Limited Heavy Engineering Corporation NTPC-BHEL Power Projects (P) Ltd. |
| Shri R. Asokan | 10th July, 1956. | 27th July, 2010. | Director (Finance) to the Government of India, Department of Heavy Industry. | Cost & Works Accountant and Post Graduate in Commerce. | Cement Corpn. of India Bharat Bhari Udyog Nigam Ltd. NEPA Ltd. Hindustan Paper Corpn. Ltd. Engineering Projects India 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, 2011.

1.0 FINANCIAL RESULTS

(₹ in lakhs)

| | |
|---------------------------------------|-------------------|
| Profit before Taxation | 4139.66 |
| Less : Provision for Taxation : | |
| (a) Wealth Tax | 3.80 |
| (b) Deferred Tax | 3.55 |
| | <u>7.35</u> |
| Profit for the year (PAT) | 4132.31 |
| Add : Loss brought forward | |
| from last Account | <u>(-)9319.50</u> |
| Balance carried over to Balance Sheet | <u>(-)5187.19</u> |

2.0 DIVIDEND :

In view of the accumulated loss which is yet to be absorbed, your Directors regret their inability to recommend payment of any dividend for the year ended 31st March, 2011.

3.0 CONTRIBUTION TO NATIONAL EXCHEQUER :

Your Company contributed ₹720.97 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 ₹145.78 crores, production worth ₹147.45 crores and earned a profit of ₹15.53 crores as compared to a profit of ₹13.58 crores in previous year.

4.2 Electrical :

During the year the Division achieved a turnover of ₹64.41 crores, production worth ₹65.63 crores and recorded a loss of ₹9.18 crores as compared to a profit of ₹0.31 crores in previous year.

4.3 Engineering :

During the period under review the Division achieved a turnover of ₹21.92 crores, production of ₹20.66 crores and recorded a profit of ₹10.85 crores as compared to a loss of ₹3.79 crores in previous year.

4.4 General Division :

During the period under review the Division recorded a profit of ₹24.20 crores as compared to a profit of ₹65.39 crores in previous year.

5.0 BIFR STATUS :

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

As per the Scheme two 100% subsidiaries namely, Yule Engineering Ltd. and Yule Electrical Ltd. have been incorporated and Certificate of Commencement of Business have been obtained, while transfer of assets & liabilities of these two subsidiaries from AYCL is still pending. As a result, transactions of Engineering & Electrical Divisions continue to be reflected in the Books of Accounts of AYCL, for the year 2010-11.

The impact 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, Nationalised Banks and others as per the approved Rehabilitation Scheme has been considered in the books of accounts for the year 2007-08, 2008-09, 2009-10 and 2010-11. Balance will be considered in the Books of Accounts for the year 2011-12.

6.0 AWARD AND RECOGNITION :

Your Company has won the prestigious "SCOPE" Award for Excellence and Outstanding Contribution in Turnaround Category for 2008-09. The Hon'ble Prime Minister of India handed over the Trophy and a Certificate to Shri Kallol Datta, Chairman & Managing Director of your Company on 15th December, 2010 at a ceremony held in Vigyan Bhawan, New Delhi.

(Contd.)

ANDREW YULE & CO. LTD.

7.0 FIXED DEPOSIT :

Deposits from the public and others amounted to ₹ NIL as on 31st March, 2011.

8.0 EXPORT :

The Company's exports during the year were ₹1.95 crores on F.O.B. basis.

9.0 PROSPECTS :

Your Company has drawn up a plan to reach a turnover of ₹1000 Crores in the next five years by exploring its available potential in Engineering & Electrical business.

The outlook for the year 2011-12 appears to be positive. Tea Division of your Company has further improved its position in the batting order and continues to focus on quality of tea and yield. It has also started marketing speciality teas and opened up new market in abroad.

Engineering & Electrical Divisions of your Company have been showing all signs of improvement and are expecting better result in the current year.

10.0 SUBSIDIARY :

The performance of Hooghly Printing Co. Ltd. the wholly owned subsidiary continued to be profitable. The sales achieved was ₹1125.86 lakhs compared to ₹934.80 lakhs in the previous year. The profit before tax recorded was ₹31.48 lakhs as against ₹23.89 lakhs in the year 2009-10.

11.0 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.

12.0 AUDITORS' REPORT :

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

- [a] 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 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.13 of the Schedule 20.

- [b] In view of huge accumulated loss of ₹197.94 crores as at 31.03.2008, 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 ₹51.87 crores as at 31.03.2011.

13.0 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, 2011, Review of the Accounts by the Comptroller & Auditor General of India is annexed to this report.

14.0 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 2010-11 were 510 (2009-10 : 502) imparted in house, at some professional institutes in India and at Chambers of Commerce & Industry.

(Contd.)

The total number of employees of the Company and its subsidiaries as on 31st March, 2011 stood at 15,504.

15.0 MAJOR ACCOUNTING POLICIES :

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

16.0 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.

17.0 CORPORATE SOCIAL RESPONSIBILITY :

Your Company has already started a Night School at "Yule House", 8, Dr. Rajendra Prasad Sarani, Kolkata – 700001, from March 3, 2011 and more than 50 children have enrolled their names who are almost regularly attending the classes. Your Company is trying to achieve the desired objective to uplift the poor street children.

The focus of our CSR initiatives is integrated development of community in the villages surrounding our establishment/ gardens which are among the most backward areas of the country.

List of major CSR initiatives to be taken during the year 2011-12 are :

- [i] Providing Drinking Water facilities to the Corporation School run by perungudi Panchayet, situated nearby Chennai Electrical Factory/ village near Desam, Khowang Gardens.
- [ii] Skill Development Programme such as vocational training to the girls around 18 to 20 years age group. Vocational training to young men in the area of plumbing, electrician, etc.
- [iii] Construction of Rural toilets & installation of hand pumps.

[iv] Programme for periodically organize sterilization camps by experienced doctors.

[v] To organize HIV/AIDS Awareness Programme., etc. etc.

18.0 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.

19.0 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, 2011.

20.0 DIRECTORS' :

Shri Ashok Kumar Basu ceased to be Director with effect from 5th November, 2010.

Prof. Ashoke K. Dutta ceased to be Director with effect from 15th January, 2011.

(Contd.)

ANDREW YULE & CO. LTD.

Shri Amitav Kothari ceased to be Director with effect from the close of business on 31st March, 2011.

Shri S.P. Kar, Director (Finance) resigned from the services of the Company with effect from the close of business on 19th April, 2011.

The Board places on record its appreciation of the contribution made by Sarbashri Ashok Kumar Basu, Ashoke K. Dutta, Amitav Kothari and S.P. Kar during their association with the Company.

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

Shri R. Asokan, Director (Finance), Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India was appointed as a Director in the casual vacancy caused by the vacation of the office of Shri Sumanta Chowdhury on 27th July, 2010. Shri Ashokan 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 R. Asokan as Director of the Company at the Annual General Meeting.

21.0 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.

Kolkata,
27th July, 2011.

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 misconduct were prima facie established.

22.0 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.

23.0 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.

24.0 ACKNOWLEDGEMENT :

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

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

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

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

ANNEXURE TO DIRECTORS' REPORT

Management Discussion & Analysis.

Business Scenario :

The overall outlook for the year 2011-12 seems to be positive, considering the fact that, various strategic measures undertaken by the Company are produced the desired results, specially the improvement in operational efficiency.

With continued emphasis on improvement of yield and quality of tea along with the current favourable trend in both the domestic and international tea markets, your Tea Division is expected to yield better results in the year 2011-12.

Your Engineering and Electrical Divisions have been shown signs of major improvements. The unabated growth of infrastructure, power and other industries offer very large potential for Engineering and Electrical Divisions. In order to unleash the potential of the Engineering and Electrical Divisions, a Road Map with major growth plan has been drawn up for the next five years.

Opportunities & Threats :

Your Tea Gardens have the potential to achieve higher yield, produce best quality of tea and to reach within the top 20 position in the Batting Order for each of the Tea Gardens. But tea is a cyclic nature of business. Its price sensitive to domestic and global demand and limits scope of growth due to limitation of land.

For future growth of your Engineering Division various options are being explored, such as –

- ☞ Product up-gradation to Axial Flow Fan.
- ☞ Re-entry into Electrostatic Precipitator (ESP) & Water Pollution Control Systems.
- ☞ Entry into Air Separation Business on sale of Plant basis.

Your Electrical Division has pioneered in specialized energy efficient product for Rural Electrification Programme for the Country. For further growth, Kolkata operations of Electrical Division had planned to increase production of Distribution Transformers (Oil & Dry Type) with marginal investment and to entry into Renewable Energy business, Small Wind Turbine (Hybrid Solution), initially manufacturing and installation of supply based on imported kits.

For Chennai Operation, your Company had planned for upgradation of transformers to 220 KV/ 400 KV and relocation of present facility.

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 2011-12 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. Results indicates an upward trend in Company's overall performance. It has ensured around 25% growth in turnover during the year 2010-11 as compared to the preceding year and recorded a profit of ₹41.40 crores before tax.

Human Resource :

During the year, employer and employee relationship remained cordial.

ANDREW YULE & CO. LTD.

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

1. CONSERVATION OF ENERGY :

A. Energy Conservation Measures taken :

- [i] The Company has formulated Energy Management Policy to be implemented across all the Divisions of the Company.
- [ii] M/s. National Productivity Council (NPC) has been assigned the task of conducting Energy Audit in one of the tea Gardens, one of the manufacturing units of the Engineering Division and Chennai Unit of Electrical Division.
- [iii] The recommendations of the NPC's audit are under implementation in the Tea Gardens.
- [iv] Further, installation of energy efficient VFBD Driers and coal stove in Tea Gardens has been made for reduction of fuel consumption and energy cost. Though, 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.
- [v] The Audit is still to be completed in Engineering Division and the Chennai Unit and the recommendations are made available in the first half of the current fiscal and the same will be implemented.
- [vi] The improvement of the Power Factor has already been taken up across the various load centers of the manufacturing unit of all the Divisions.
- [vii] **Impact of measures of the above :**
Electrical energy consumed on light and fan have been significantly reduced. Further to the reduction in electrical energy by implementation of Energy Efficient Programme in the previous years, it is expected that the present study will enhance the savings after implementation of the recommendations in the Divisions.

F O R M - A

ANDREW YULE & COMPANY LIMITED : TEA DIVISION

| | | 2010-11 | 2009-10 |
|---|---------|-------------|-------------|
| A. CROP | KGS | 11097331.00 | 10893565.00 |
| 1. ELECTRICITY | | | |
| [a] PURCHASED | | | |
| UNIT | KWH | 9975756.00 | 9954525.00 |
| TOTAL AMOUNT | ₹ | 64151154.00 | 55428775.00 |
| RATE/UNIT | ₹ | 6.43 | 5.57 |
| [b] [i] OWN GENERATION : THROUGH GENERATOR (DIESEL) | | | |
| UNIT | KWH | 1439268.02 | 1444950.00 |
| TOTAL FUEL COST | ₹ | 21784075.81 | 17423553.86 |
| TOTAL FUEL | LTRS. | 569176.00 | 519802.00 |
| UNIT/LITRE OF DIESEL | KWH | 2.53 | 2.78 |
| RATE/UNIT | ₹ | 15.14 | 12.06 |
| [ii] THROUGH GENERATOR (NATURAL GAS) | | | |
| UNIT | KWH | 305699.00 | 220230.00 |
| UNIT/SCM OF GAS | KWH | 1.53 | 1.41 |
| RATE/UNIT | ₹ | 6.09 | 4.96 |
| 2. COAL | | | |
| QUANTITY | MT | 5815.672 | 5977.17 |
| TOTAL COST | ₹ | 28260147.99 | 26561717.32 |
| RATE | ₹ / MT | 4859.31 | 4443.86 |
| 3. FURNACE OIL | | | |
| QUANTITY | LTRS. | 113424.00 | 77037.00 |
| TOTAL COST | ₹ | 4127979.18 | 2560308.69 |
| RATE | ₹ / LTR | 36.39 | 33.23 |
| 4. USE OF GAS FOR PROCESSING | | | |
| QUANTITY | SCM | 3442082.00 | 3032798.00 |
| TOTAL COST | ₹ | 26478094.00 | 16795631.00 |
| RATE/UNIT | ₹ | 7.69 | 5.54 |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | | |
| PRODUCTS BLACK TEA | | | |
| ELECTRICITY | KWH/KG | 1.06 | 1.07 |
| FURNACE OIL | LTR/KG | 0.06 | 0.02 |
| COAL | KG/KG | 1.20 | 1.20 |
| NATURAL GAS | SCM/KG | 0.55 | 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 development of stainless steel Fan for common fume gas application for fertilizer industry was completed and the supply also has been completed.
 - The development of acoustically packaged fan has been completed and order received from one of the leading private customers has been completed.
- [b] Electrical Division has completed the development of 33KV PCVCB. The product has been validity after successful completion of the major tests. Some more tests are planned in the current fiscal.

[ii] Benefit derived as well as results of the above R&D Works.

- Orders have been received by the Engineering Division for the stainless steel Fans and acoustically packaged fans for export. It is expected that further orders will arrive in the areas specified.
- Electrical Division was able to receive bulk order from one of the State Unilities for 33 KV PCVCB and expect orders from other customers also.

[iii] Future Plan of Action :

- Development of new range of Fans using Special Steel (Duplex) suitable for corrosive atmosphere.
- Development of new design Silencer with reduced weight and better performance.
- 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 : ₹ 194.55 lakhs
Foreign Exchange outflow were : ₹ 3.95 lakhs

Kolkata,
27th July, 2011.

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, 2011 was six of which three (3) were whole-time Directors, viz. Chairman & Managing Director, Director (Personnel), Director (Planning), two (2) 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, 2011 are given below :

| Name of Directors | Category of Directorship | No. of other Directorship held as on 31.03.2011. | 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 R. Asokan | Govt. Nominee – Non-Executive Director | 5 | 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. | 1 | 7 | 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 R. Asokan was appointed an Independent Non-Executive Director w.e.f. 27th July, 2010.

■ Shri Ashok Kumar Basu was ceased to be a Director with effect from 5th November, 2010.

■ Prof. Ashok K. Dutta was ceased to be a Director with effect from 16th January, 2011.

■ Shri Amitav Kothari was ceased to be a Director with effect from 31st March, 2011.

■ Shri Sriprakash Kar was ceased to be a Director with effect from 20th April, 2011.

(Contd.)

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, 2011 Four Meetings of the Board of Directors were held on 30th April, 2010, 27th July, 2010, 12th November, 2010 and 7th March, 2011.

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 27th September, 2010 | Remarks |
|----------------------------------|--------------------------------|---|---|
| Executive Directors : | | | |
| 1. Shri Kallol Datta | 4 | Yes | ... |
| 2. Shri Indrajit Sengupta | 4 | Yes | ... |
| 3. Shri Sriprakash Kar | 4 | Yes | ... |
| 4. Shri S. Swaminathan | 3 | Yes | ... |
| Non-Executive Directors : | | | |
| 1. Shri Harbhajan Singh | 4 | No | ... |
| 2. Shri R. Asokan | 3 | No | Appointed as Independent Non-Executive Director w.e.f. 27th July, 2010. |
| 3. Shri Amitav Kothari | 3 | Yes | Ceased to be a Director with effect from 31st March, 2011. |
| 4. Shri A.R. Nagappan | 4 | Yes | ... |
| 5. Shri Ashok Kumar Basu | 2 | Yes | Resigned from the Board w.e.f. 5th November, 2010. |
| 6. Prof. Ashoke K. Dutta | 1 | Yes | Prof. Ashok K. Dutta was ceased to be a Director with effect from 16th January, 2011. |

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

(Contd.)

ANDREW YULE & CO. LTD.

As on 31st March, 2011 the Committee of the Board of Directors were comprised of the following :

| Director | Designation | Status in the Committee | Number of Meetings held 2010-11 | Number of Meetings Attended | Remarks |
|------------------------|------------------------------|-------------------------|---------------------------------|-----------------------------|--|
| Shri Kallol Datta | Chairman & Managing Director | Chairman | 17 | 16 | |
| Shri Indrajit Sengupta | Director (Personnel) | Member | 17 | 17 | |
| Shri Sriprakash Kar | Director (Finance) | Member | 17 | 15 | Ceased to be a Director with effect from 20th April, 2011. |

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 Board of Directors in its meeting held on 12th November, 2010 had reconstituted the Audit Committee as follows :

| | | |
|-----------------------|-----|----------|
| Prof. Ashoke K. Dutta | ... | Chairman |
| Shri Amitav Kothari | ... | Member |
| Shri R. Asokan | ... | Member. |

The Audit Committee as on 31st March, 2011, consist of Shri Amitav Kothari and Shri R. Asokan all are Non-Executives Director and Shri S.P. Kar, Director (Finance). Financial Controller and Sr. Manager (Internal Audit) were the permanent invitees and Chief Executive, Tea Division and General Manager, Electrical Division were the Special Invitee and the Company Secretary & General Manager (Legal) acted as Secretary of the Committee.

[c] Attendance of each Member :

During the financial year ended 31st March, 2011, four meetings of the Audit Committee were held on 14th May, 2010, 26th July, 2010, 3rd November, 2010 and 10th February, 2011 as under :

| | | Date of Meeting |
|-----------------------------------|--|-----------------|
| Shri Ashok Kumar Basu – Chairman. | Shri S.P. Kar – Member | 14.05.2010 |
| Shri Ashok Kumar Basu – Chairman. | Shri Amitav Kothari – Member Shri S.P. Kar – Director (Finance) | 26.07.2010 |
| Shri Ashok Kumar Basu – Chairman. | Shri Amitav Kothari – Member Shri R. Asokan – Member | 03.11.2010 |
| Shri Amitav Kothari – Chairman. | Shri R. Asokan – Member | 10.02.2011 |

5. Remuneration Committee :

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

(Contd.)

ANDREW YULE & CO. LTD.

- [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, 2011 are given below :

| Name of the Directors | Salary | Perquisite | Total |
|------------------------|----------------|-------------|----------------|
| Shri Kallol Datta | ₹ 9,07,736.00 | ₹ 43,636.00 | ₹ 9,51,372.00 |
| Shri Indrajit Sengupta | ₹ 7,98,758.00 | ₹ 69,289.00 | ₹ 8,68,047.00 |
| Shri Sriprakash Kar | ₹ 10,46,712.00 | ₹ 58,017.00 | ₹ 11,04,729.00 |
| Shri S. Swaminathan | ₹ 7,45,090.00 | ₹ 50,387.00 | ₹ 7,95,477.00 |

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 | ₹ 18,000/- |
| Shri A.R. Nagappan | ₹ 20,000/- |
| Shri Amitav Kothari | ₹ 21,000/- |
| Prof. Ashoke K. Dutta | ₹ 5,000/- |

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 2010-11 and all of them have been attended to.

There is no complaint lying pending.

Number of shares pending transfer as on 31st March, 2011 was : Nil.

Shri Debabrata Bandyopadhyay, Company Secretary & General Manager (Legal) 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.19 on Schedule 20 of the Annual Audited Accounts as at 31st March, 2011.

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:com.sec@andrewyule.com/ay_secl@rediffmail.com
Telegram: "YULETIDE"
Fax : 91-33-2242-9770/2243-4741
- Date of Annual General Meeting, Time and venue : 21st September, 2011 at 11-00 a.m.
Williamson Magor Hall of The Bengal Chamber of Commerce &
Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700001.
- Financial Calendar : April to March (12 months).
- Date of Book Closure : From 15th September, 2011 to 21st September,2011 (both days
inclusive)
- Listing on Stock Exchange : The Stock Exchange, Mumbai.
- The Listing Fees for the financial year 2010-11 has been paid to the Stock Exchange, Mumbai on 29th April, 2010.
- 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 (2010-11) 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 6487 Shares (Previous year – 7659 Shares)
- Dematerialisation of Shares : 4.98% Equity Shares have been dematerialised upto 31st March,
2011 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, 2011. : 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: com.sec@andrewyule.com/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 |
|----------------|------------|------------|--|
| 2009-2010 | 27.09.2010 | 11-00 a.m. | Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001. |
| 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. |

(ii) Extra Ordinary General Meeting :

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

Special Resolutions :

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

| Date of AGM | Subject matter of the Resolution | Triggering Section of the Companies Act, 1956 |
|-------------|----------------------------------|---|
| 16.09.2008 | N I L | ... |
| 24.09.2009 | N I L | ... |
| 27.09.2010 | N I L | ... |

Postal Ballot :

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

Plant Locations :

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

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

11. CEO/CFO Certification :

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

12. Non-mandatory Requirements :

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

Kolkata,
27th July, 2011.

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 (2010-11)

| Month | The Stock Exchange, Mumbai | | B.S.E. Sensex | |
|-----------------|----------------------------|------------|---------------|------------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2010 | 46.55 | 41.15 | 18,047.86 | 17,276.80 |
| May, 2010 | 43.50 | 31.50 | 17,536.86 | 15,960.15 |
| June, 2010 | 40.35 | 31.50 | 17,919.62 | 16,318.39 |
| July, 2010 | 41.80 | 33.40 | 18,237.56 | 17,395.58 |
| August, 2010 | 47.75 | 35.65 | 18,475.27 | 17,819.99 |
| September, 2010 | 44.35 | 38.10 | 20,267.98 | 18,027.12 |
| October, 2010 | 44.50 | 38.00 | 20,854.55 | 19,768.96 |
| November, 2010 | 41.55 | 29.80 | 21,108.64 | 18,954.82 |
| December, 2010 | 37.95 | 29.50 | 20,552.03 | 19,074.57 |
| January, 2011 | 37.15 | 28.30 | 20,664.80 | 18,038.48 |
| February, 2011 | 34.00 | 23.65 | 18,690.97 | 17,295.62 |
| March, 2011 | 28.20 | 24.60 | 19,575.16 | 17,792.17 |

ANNEXURE - "B"

(i) DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2011.

| Shareholding (Range) | | No. of Shares | % of Total Shares | No. of Shareholders | % of Total Shareholders |
|----------------------|-------|---------------------|-------------------|---------------------|-------------------------|
| From | To | | | | |
| 0 | 500 | 31,73,130 | 1.00 | 20,279 | 80.36 |
| 501 | 1000 | 21,79,087 | 0.68 | 2,529 | 10.02 |
| 1001 | 2000 | 18,69,892 | 0.59 | 1,177 | 4.66 |
| 2001 | 5000 | 28,73,741 | 0.90 | 844 | 3.35 |
| 5001 | 10000 | 18,86,500 | 0.59 | 239 | 0.95 |
| 10001 | Above | 30,66,56,128 | 96.24 | 167 | 0.66 |
| Total | | 31,86,38,478 | 100.00 | 25,235 | 100.00 |

(ii) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2011

| Category | No. of Shares | % of total Shares |
|---|---------------------|-------------------|
| Central Government | 29,67,89,706 | 93.14 |
| Financial Institutions | 11,200 | 0.00 |
| Nationalised Banks | 55,61,623 | 1.75 |
| Mutual Funds | 950 | 0.00 |
| Domestic Companies | 30,23,737 | 0.95 |
| Non-domestic Companies | 44,077 | 0.01 |
| Resident Individual | 1,28,76,208 | 4.04 |
| Non-Resident Individuals (Foreign National) | 22,471 | 0.01 |
| Non-Resident Individuals (Indian) | 3,08,506 | 0.10 |
| Director and their Relatives | ... | 0.00 |
| Total : | 31,86,38,478 | 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 2010-11.

Kolkata,
18th April, 2011.

KALLOL DATTA
Chairman & Managing Director.

CEO AND CFO CERTIFICATION

I, Kallol Datta, Chairman & Managing Director also with additional charge of the post of Director (Finance) of Andrew Yule & Co. Ltd. certify that in terms of the requirement of Clause 49(v) of the Listing Agreement that I have reviewed the Financial Statement and the Cash Flow Statement of the Company for the financial year ended 31st March, 2011.

1. To the best of my knowledge, I 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, I accept the responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and 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. I 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 I am aware during the period.

Kallol Datta
Chairman & Managing Director and
additional charge of Director (Finance).

Kolkata, 18th April, 2011.

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, 2011, 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, 2011, no investor grievances are pending against the Company as per the records maintained by the Company.

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

Kolkata, 27th July, 2011.

For S. GHOSH & CO.
Chartered Accountants,
(CA. P. C. KONER)
Partner,
Membership No.16448.

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of Andrew Yule & Company Limited as at 31st March, 2011 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

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. Net worth of the Company has become positive at the year end.

2. **Non-provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to ₹27.88 lakhs. [Refer Note No.13 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, had the observation under Item No. 2 been considered, the profit for the year after extra-ordinary income and provision for taxation would have been ₹4104.43 lakhs as against the reported profit of ₹4132.31 lakhs, accumulated loss would have been ₹5215.07 lakhs as against**

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ANDREW YULE & CO. LTD.

the reported accumulated loss of ₹5187.19 lakhs, value of investments would have been ₹835.43 lakhs as against the reported value of ₹863.31 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 Nos.2 and 5 and Note No.16 in Schedule-20 and our comments in paragraph 4 and 7 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, 2011;
- (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.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA S. Ghosh)
Partner.
Membership No.5268

Kolkata – 23rd June, 2011.

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which is considered to be reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a physical verification of fixed assets was carried out by the Company during the year. Reconciliation in respect of Tea and General Divisions has been done during the year and the discrepancies noticed on such verification valuing Rs.19.48 lakhs have been written off during the year in the books. (Refer Note No.24 of Schedule 20).
(c) During the year, in our opinion, any substantial part of fixed assets has not been disposed off by the Company.
2. (a) The inventory of the Company has been verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and book records have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any unsecured loan to any Company, Firm or other party listed in the register maintained under Section 301 of the Companies Act, 1956.
(b) Clause (iii)(b) to (d) of the Annexure are not applicable to the Company.
- (c) The Company has 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.
(e) Paragraph 4(iii)(g) of the Order is not applicable in respect of loan taken.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets, for sale of goods and for services. However, holding of disproportionate stocks of stores at Tea Estates were noticed on many occasions. Internal Control needs to be strengthened in these areas. Subject to above on the basis of our examination of the books and records, we have neither come across nor have we been informed of any continuing failure to correct major weakness in Internal Control procedures.
5. (a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
(b) In view of above para 4(v)(b) of the Annexure is not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(Contd.)

ANDREW YULE & CO. LTD.

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, it is felt that such audit should be more indepth.

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 and the Company is generally regular in depositing undisputed dues including Provident Funds, Investors Education Fund, Employees State Insurance Premium, TDS, Custom Duty, Excise Duty, Cess etc. and there is no undisputed statutory dues as at 31st March, 2011 for a period of more than six months from the date they became payable.

(ii) As at 31st March, 2011 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 (₹ 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) |
| WB.Sales Tax and VAT | WB.Sales Tax & VAT | 27.53 | Preamalgamation | Appellate Authority |
| | | 5498.04 | 1987-88 to 1988-89 | Moved Revision before the Board against Appellate Order. |
| | | | 1999-2000 to 2001-02 | |
| | | | 1996-97 to 1997-98 | |
| | | | 2003-04 to 2004-05 & 1998-99 & 2006-07 | |
| | 401.24 | 1973-74, 1979-80 & 1986-87 | Appellate Authority Taxation Tribunal | |
| | 43.72 | 2005-06 | Appellate Authority before DCCT. | |
| | 306.12 | 1992-93 & 1985-86 | Appellate Authority before the High Court. | |
| | 55.06 | 1980-81, 1982-83 to 1984-85 | Appellate Authority, SoD | |
| Assam Sales Tax | Assam Gardens | 39.90 | 2005-06 to 2006-07 | Appellate Authority, Revision Bench. |
| | | 152.93 | 1996-97 to 1998-99 | Appellate Authority Revenue Board. |
| Orissa Sales Tax and VAT | Orissa Sales Tax | 161.83 | 1999-01 | Appellate Authority Tribunal at High Court Cuttack. |
| Central Excise | Central Excise | 455.85 | 1989-90 to 2001-02 | Appeal at CESTAT. |
| | | 30.51 | 2003-04 to 2006-07 | |
| | | | 1995-96 to 1998-99 | Appeal at Commissioner |
| | 52.59 | 1991 to 1993 | Appeal at High Court. | |

(Contd.)

10. The net worth of the Company became positive (₹11.77 crore) without considering Share Pending Allotment of ₹3.00 crore and Revaluation Reserve of ₹103.34 crore at the end of the financial year. However, the accumulated loss of the Company is more than fifty percent of its net worth. The Company has not incurred Cash Loss in the Financial year and immediately preceding such financial year.
11. As appearing in the record 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, and fresh arrangement with Banks/ financial institutions, the Company has not defaulted in repayment of dues to them.
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 ₹593.00 lakhs and outstanding as at 31st March, 2011, 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. It appears from the records that 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 – 23rd June, 2011.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA S. Ghosh)
Partner,
Membership No.5268

**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, 2011**

The preparation of financial statements of Andrew Yule & Company Limited for the year ended 31st March, 2011 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 are 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 23rd June, 2011.

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, Kolkata, for the year ended 31st March, 2011. 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 13th July, 2011.

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 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

(Contd.)

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 administration overheads, selling and distribution overheads and interest. However, for Finished Goods-in-Transit, the estimated total cost includes expenses on Freight and Insurance incurred for delivery of such Finished goods.
- (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 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.

(Contd.)

8. Purchases :

- (a) Insurance charges incurred in relation to the incoming goods where materials are directly relatable are accounted for in respect of individual items; otherwise, such insurance premium is charged off to Profit and Loss Account.
- (b) In case of goods purchased from overseas, the shipment is treated as goods-in-transit:
 - (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 ₹0.25 lakh per case is booked on the basis of claims from the customers admitted by the Company wherever it is possible to estimate.
- (c) Liabilities in respect of Liquidated Damages are provided if and to the extent, not disputed by the Company. Liquidated Damages disputed by the Company are treated as contingent liability. The amount of liability/contingent liability is estimated on the basis of contracted terms and the facts of each case to the extent of revenue recognised.
- (d) Liability in respect of commission is provided in proportion to sales.
- (e) Interest on delayed payments of Income Tax/Agricultural Income-Tax is accounted for on the basis of assessment orders of the Tax Authorities, if not disputed by the Company or actual payment effected, as the case may be.
- (f) Provisions made and Provisions no longer required written back during the year are netted against in respect of each individual items.
- (g) Payment of Technical Know how Fees is accounted for in compliance with the relevant Accounting Standard.
- (h) Provision for unrealised profit is made in respect of partially completed composite/turnkey contracts on the basis of proportionate direct cost on the revenue recognised.
- (i) Medicine purchase for Tea Estates are all charged out as per consistent practice.

- (j) 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.

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

(Contd.)

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 CGF 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, 2011

| | | (₹ in lakhs) | |
|---|------------------|------------------------|------------------------|
| | <u>Schedules</u> | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
| SOURCES | | | |
| [1] Shareholder's Funds : | | | |
| [a] Share Capital | 1 | 6372.77 | 5926.57 |
| [b] Shares pending allotment (Note No.5 on Schedule 20) | | 300.00 | 847.00 |
| [c] Reserve and Surplus | 2 | <u>10936.74</u> | <u>10946.00</u> |
| | | <u>17609.51</u> | <u>17719.57</u> |
| [2] Loan Funds : | 3 | | |
| [a] Secured Loans | | 8938.43 | 10649.48 |
| [b] Unsecured Loans | | <u>6172.98</u> | <u>7440.26</u> |
| | | <u>15111.41</u> | <u>18089.74</u> |
| [3] Deferred Tax Liability (Note No.15 on Schedule 20) | | 342.37 | 338.82 |
| TOTAL | | <u>33063.29</u> | <u>36148.13</u> |
| APPLICATIONS OF FUNDS | | | |
| [1] Fixed Assets : | 4 | | |
| [a] Gross Block | | 23136.24 | 22918.53 |
| [b] Less: Depreciation and Amortisation | | <u>5987.23</u> | <u>5721.94</u> |
| [c] Net Block | | 17149.01 | 17196.59 |
| [d] Less: Impairment of Assets | | <u>188.82</u> | <u>188.82</u> |
| | | 16960.19 | 17007.77 |
| [e] Capital work-in-progress | | <u>366.00</u> | <u>317.45</u> |
| | | <u>17326.19</u> | <u>17325.22</u> |
| [2] Investments | 5 | <u>863.31</u> | <u>861.12</u> |
| [3] Current Assets, Loans and Advances : | | | |
| [a] Inventories | 6 | 3711.55 | 3062.67 |
| [b] Sundry Debtors | 7 | 4265.52 | 3215.31 |
| [c] Cash and Bank Balances | 8 | 10615.41 | 12918.33 |
| [d] Other Current Assets | 9 | 0.69 | 0.69 |
| [e] Loans and Advances | 10 | <u>4869.86</u> | <u>4288.36</u> |
| | | <u>23463.03</u> | <u>23485.36</u> |
| Less: Current Liabilities and Provisions : | | | |
| [a] Current Liabilities | 11 | 12328.32 | 13122.20 |
| [b] Provisions | 12 | <u>1457.11</u> | <u>1729.87</u> |
| | | <u>13785.43</u> | <u>14852.07</u> |
| Net Current Assets | | <u>9677.60</u> | <u>8633.29</u> |
| [4] [a] Miscellaneous Expenditure to the extent not written off or adjusted | | 9.00 | 9.00 |
| [b] Profit and Loss Account | | <u>5187.19</u> | <u>9319.50</u> |
| TOTAL | | <u>33063.29</u> | <u>36148.13</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 & General Manager (Legal).
KOLKATA – 23rd June, 2011.

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

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA S. GHOSH)
Partner,

Kolkata – 23rd June, 2011.

Membership No.5268

ANDREW YULE & CO. LTD.**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

| | Schedules | 2010-11 | 2009-10 |
|---|-----------|--------------------|--------------------|
| (₹ in lakhs) | | | |
| INCOME | | | |
| Gross Sales | | 23946.05 | 19039.60 |
| Less: Excise Duty | | 734.35 | 393.20 |
| Net Sales | 13 | 23211.70 | 18646.40 |
| Interest and Dividend on Long Term Investments (Non-Trade) (Gross) | | 118.46 | 73.92 |
| Miscellaneous Operational Income | 14A | 1779.60 | 2254.06 |
| Other Income | 14B | 3552.19 | 8190.02 |
| Accretion/Decretion(-) in Stocks | 15 | 162.83 | 231.17 |
| | | <u>28824.78</u> | <u>29395.57</u> |
| EXPENDITURE | | | |
| Materials Consumed | 16 | 8389.69 | 5642.37 |
| Salaries, Wages and Bonus | 17 | 9539.30 | 9091.82 |
| Interest | 18 | 1673.10 | 2251.46 |
| Other Expenses | 19 | 5069.82 | 4892.37 |
| Depreciation and Amortisation | 4 | 423.11 | 385.83 |
| Impairment of Assets | | ... | 7.30 |
| | | <u>25095.02</u> | <u>22271.15</u> |
| Profit/Loss(-) for the year before extraordinary income | | 3729.76 | 7124.42 |
| Add: Extra-ordinary Income [Note No.4 of Schedule-20] | | 409.90 | 424.80 |
| | | 4139.66 | 7549.22 |
| Less: Provision for Taxation : | | | |
| [a] Wealth Tax | | 3.80 | 3.00 |
| [b] Income Tax (in respect of earlier years) | | ... | (-) 18.07 |
| [c] Deferred Tax (includes ₹11.14 lakh in respect of earlier years) | | 3.55 | 26.29 |
| | | <u>7.35</u> | <u>11.22</u> |
| Profit/Loss(-) for the year after provision | | 4132.31 | 7538.00 |
| Add: Loss brought forward from last account | | (-) 9319.50 | (-) 16857.50 |
| Balance carried to Balance Sheet | | <u>(-) 5187.19</u> | <u>(-) 9319.50</u> |
| Basic & Diluted earnings per share before extraordinary income (Note No.21 of Schedule 20) | | ₹1.23 | ₹2.40 |
| Basic & Diluted earnings per share after extraordinary income (Note No.21 of Schedule 20) | | ₹1.36 | ₹2.54 |

NOTES ON ACCOUNTS

20

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

D. BANDYOPADHYAY,
Company Secretary & General Manager (Legal).
KOLKATA – 23rd June, 2011.

On behalf of the Board,

K. DATTA, *Chairman and Managing Director.*

I. SENGUPTA

S. SWAMINATHAN

} *Directors.*

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA S. GHOSH)
Partner,

Kolkata – 23rd June, 2011.

Membership No.5268

ANDREW YULE & CO. LTD.

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

| | As at 31.3.11 | As at 31.3.10 |
|--|----------------|----------------|
| (₹ in lakhs) | | |
| 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 | 3729.76 | 7124.42 |
| Adjustments for : | | |
| Depreciation/Impairment of Assets | 423.11 | 393.13 |
| <i>Miscellaneous Expenditure written off/Aqua</i> | | |
| <i>Culture Project expenses written off</i> | ... | 222.29 |
| Interest charged | 1673.10 | 2251.46 |
| Investment Income | (880.75) | (7871.73) |
| Subsidy Credited to Profit and Loss Account | (77.19) | (41.89) |
| Operating profit before changes in amount of Current Liabilities and Current Assets | 4868.03 | 2077.68 |
| Adjustment for : | | |
| Trade Receivables | 1434.85 | (381.40) |
| Inventories | (648.88) | (130.93) |
| Trade payable | (1374.62) | 968.65 |
| Cash Generated from Operations | 4279.38 | 2534.00 |
| Wealth Tax paid | (3.76) | (2.84) |
| <i>Fringe Benefit Tax</i> | ... | (1.00) |
| Cash-flow before Extraordinary Items | 4275.62 | 2530.16 |
| Extraordinary Income | 409.90 | 424.80 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 4685.52 | 2954.96 |
| [B]CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure) | (424.08) | (140.68) |
| Loans | (145.91) | 56.18 |
| Decrease in Subsidy | (9.26) | 8049.78 |
| Subsidy credited to Profit and Loss Account | 77.19 | 99.63 |
| Income from other Investments | 1016.00 | 1156.52 |
| NET CASH FROM INVESTING ACTIVITIES (B) | 513.94 | 9221.43 |

(Contd.)

ANDREW YULE & CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

| | (₹ in lakhs) | |
|---|-------------------------|--------------------------|
| | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
| [C] CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from borrowings | (2182.53) | (11705.25) |
| Interest paid | (2162.38) | (995.77) |
| Advance against equity | (547.00) | 106.20 |
| Proceeds from Equity | 446.20 | ... |
| NET CASH USED IN FINANCING ACTIVITIES [C] | <u>(4445.71)</u> | <u>(12594.82)</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C] | <u>753.75</u> | <u>(418.43)</u> |
| CASH AND CASH EQUIVALENT Opening Balance as at 1st April, 2010 | 2872.68 | 3291.11 |
| CASH AND CASH EQUIVALENT Closing Balance as at 31st March, 2011 | 3626.43 | 2872.68 |

Notes :

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

| | | |
|---|----------------|----------------|
| Cash in hand | 42.95 | 34.60 |
| Postage and Stamps in hand | 0.03 | 0.21 |
| Cheques in hand | 21.66 | 11.71 |
| Remittance in transit | 2.99 | 54.34 |
| Balance with scheduled Banks : | | |
| On Current Account | 808.91 | 550.96 |
| Fixed Deposit with Banks maturing within 3 months | 2749.89 | 2220.86 |
| | <u>3626.43</u> | <u>2872.68</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 & General Manager (Legal).
KOLKATA – 23rd June, 2011.

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

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA S. GHOSH)
Partner,

Kolkata – 23rd June, 2011.

Membership No.5268

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
|--|----------------------|----------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised : | | |
| 375000000 Equity Shares of ₹2 each | 7500.00 | 7500.00 |
| (Previous year 375000000 Equity Shares of ₹2 each) | | |
| Issued, Subscribed and Fully Paid-up : | | |
| 318638478 Equity Share of ₹2 each | | |
| (Previous year 29,63,28,478 Equity Shares of ₹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 ₹2 each towards conversion of GOI loan and advance against Equity as per Sanctioned Rehabilitation Scheme (SRS) dated 30.10.2007 (ii) 12610000 No. of Shares Issued to Bank of Baroda of ₹2 each towards conversion of funded interest of ₹252.20 lakhs. (iii) 1,70,00,000 No. of Shares Issued to Govt. of India of ₹2 each (iv) 53,10,000 No. of Shares Issued to Allahabad Bank of ₹2 each towards conversion of funded interest of ₹106.20 lakhs. | | |
| | <u>6372.77</u> | <u>5926.57</u> |
| | <u>6372.77</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 | 110.69 | 38.70 |
| Add: Received during the year | <u>1.18</u> | <u>99.63</u> |
| | 111.87 | 138.33 |
| Less: Transfer to Profit and Loss Account (includes items relating to previous year-Nil (₹8.34 lakh) | <u>10.44</u> | <u>27.64</u> |
| | 101.43 | 110.69 |
| State Housing Subsidies | <u>4.06</u> | <u>4.06</u> |
| | 116.89 | 126.15 |
| | <u>10852.05</u> | <u>10861.31</u> |
| Preference Share Capital Redemption Reserve : | | |
| Balance as per last account | 84.69 | 84.69 |
| | <u>10936.74</u> | <u>10946.00</u> |

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
|--|-------------------------|--------------------------|
| 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) | 39.10 | 40.37 |
| 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 <u>166.91</u> | 381.42 <u>133.53</u> |
| | 548.33 | 514.95 |
| Others (Secured by hypothecation of certain movable properties) | 521.93 | ... |
| Bonds : | | |
| 9% Secured Redeemable Non-convertible 12 Years Bond (Secured by creation of 2nd charge on mortgage of Banarhat and Karballa Tea Estates.) | 500.00 | 1000.00 |
| 9.1% Secured Redeemable Non-convertible 10 Years Bond | 2000.00 | 2000.00 |
| From Scheduled Banks on Cash Credit Accounts : | | |
| State Bank of India Add: Interest accrued and due thereon | 957.00 <u>560.06</u> | 957.00 <u>1196.73</u> |
| | 1517.06 | 2153.73 |
| Bank of Baroda Add: Interest accrued and due thereon | 2991.00 <u>5.41</u> | 3186.32 <u>378.47</u> |
| | 2996.41 | 3564.79 |
| Allahabad Bank Add: Interest accrued and due thereon (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) | 105.29 <u>13.47</u> | ... <u>...</u> |
| | 118.76 | ... |
| United Bank of India (for Desam, Khowang, New Doears and Choonabhutti Tea Estates) | 265.30 | 392.41 |
| Union Bank of India (for Banarhat, Karballa, and Hoolungooree Tea Estates) | 68.69 | 256.97 |
| 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) | 356.47 <u>6.38</u> | 726.26 <u>...</u> |
| | 362.85 | 726.26 |
| Carried over | <u>8938.43</u> | <u>10649.48</u> |

(Contd.)

ANDREW YULE & CO. LTD.**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 - (Contd.)**

| | (₹ in lakhs) | |
|--|----------------------|----------------------|
| | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
| SCHEDULE 3 - (Contd.) | | |
| LOANS - (Contd.) | | |
| Secured Loans - (Contd.) | | |
| Brought forward | <u>8938.43</u> | <u>10649.48</u> |
| Unsecured Loans : | | |
| From Government of India (Including interest free loan of ₹ Nil (2009-10 ₹1330.00 lakhs) | 4416.00 | 5844.00 |
| Add: Interest accrued and due thereon | <u>1487.13</u> | <u>1326.41</u> |
| | 5903.13 | 7170.41 |
| 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 | 0.30 |
| Add: Interest accrued and due thereon | <u>0.69</u> | <u>0.69</u> |
| | 0.99 | 0.99 |
| | <u>6172.98</u> | <u>7440.26</u> |
| | <u>15111.41</u> | <u>18089.74</u> |

ANDREW YULE & CO. LTD.

SCHEDULE 4

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

FIXED ASSETS

(₹ in lakhs)

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | IMPAIRMENT OF ASSETS | | NET BLOCK | |
|--|---------------------------------------|--|--|--|-----------------------|---------------|---|-----------------------|-----------------------|-----------------|------------------------|------------------------|
| | Cost/Book Value as at 1st April, 2010 | Additions/ Adjustments during the year | Less: Sales/ Adjustments during the year | Cost/Book Value as at 31st March, 2011 | Upto 31st March, 2010 | For the year | Less: On Sales/ Adjustments during the year | Upto 31st March, 2011 | Upto 31st March, 2010 | During the year | As at 31st March, 2011 | As at 31st March, 2010 |
| Land (including cost of development and leasehold land ₹15.10 lakhs; 2009-10 ₹15.10 lakhs) | 175.39 | ... | ... | 175.39 | ... | ... | ... | ... | ... | ... | 175.39 | 175.39 |
| Estates[Leasehold(including garden development expenses)] | 12458.84 | 12.82 | 2.20 | 12469.46 | 234.48 | 20.99 | ... | 255.47 | ... | ... | 12213.99 | 12224.36 |
| Buildings | 2991.29 | 38.39 | 5.24 | 3024.44 | 1202.98 | 58.87 | 0.57 | 1261.28 | 5.78 | ... | 1757.38 | 1782.53 |
| Roads and Culverts | 53.75 | ... | ... | 53.75 | 15.73 | 0.98 | ... | 16.71 | ... | ... | 37.04 | 38.02 |
| Plant and Machinery | 4839.64 | 210.10 | 180.92 | 4868.82 | 2903.77 | 220.47 | 107.92 | 3016.32 | 96.41 | ... | 1756.09 | 1839.46 |
| Drawings, Designs and Tracings etc. | 74.99 | ... | ... | 74.99 | 40.91 | ... | ... | 40.91 | 34.09 | ... | -0.01 | -0.01 |
| Electrical Installations | 822.21 | 45.01 | -20.66 | 887.88 | 417.81 | 34.02 | -6.68 | 458.51 | ... | ... | 429.37 | 404.40 |
| Water Installations | 484.57 | 8.13 | -6.33 | 499.03 | 234.50 | 19.56 | 0.74 | 253.32 | ... | ... | 245.71 | 250.07 |
| Furniture, Fittings and Office Equipments | 385.43 | 16.68 | 29.01 | 373.10 | 299.33 | 14.09 | 25.21 | 288.21 | 0.01 | ... | 84.88 | 86.09 |
| Vehicles | 599.68 | 56.35 | -18.98 | 675.01 | 359.70 | 46.76 | 30.06 | 376.40 | ... | ... | 298.61 | 239.98 |
| Computer Software | 22885.79 | 387.48 | 171.40 | 23101.87 | 5709.21 | 415.74 | 157.82 | 5967.13 | 136.29 | ... | 16998.45 | 17040.29 |
| | 32.74 | 1.63 | ... | 34.37 | 12.73 | 7.37 | ... | 20.10 | ... | ... | 14.27 | 20.01 |
| Capital Work-in-Progress | 22918.53 | 389.11 | 171.40 | 23136.24 | 5721.94 | 423.11 | 157.82 | 5987.23 | 136.29 | ... | 17012.72 | 17060.30 |
| | 317.45 | 171.22 | 122.67 | 366.00 | ... | ... | ... | ... | 52.53 | ... | 313.47 | 264.92 |
| TOTAL | 23235.98 | 560.33 | 294.07 | 23502.24 | 5721.94 | 423.11 | 157.82 | 5987.23 | 188.82 | ... | 17326.19 | 17325.22 |
| PREVIOUS YEAR'S TOTAL | 23095.30 | 861.76 | 721.08 | 23235.98 | 5464.40 | 385.83 | 128.29 | 5721.94 | 181.52 | 7.30 | 17325.22 | |

(Contd.)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 4 - (Contd.)

FIXED ASSETS - (Contd.)

Notes: [1] Land valuing ₹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 ₹255.46 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 Doears | 145 | (145) |
| Hingrijan | 16 | (16) |

Against the above acquisitions, part compensation aggregating to ₹14.03 lakhs (₹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 ₹99.50 lakhs (₹99.50 lakhs) against which provision for doubtful advances of ₹99.50 lakhs (₹99.50 lakhs) has been provided.

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

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| SCHEDULE 5 | No. of Shares/ Units | Face Value per Share/ Unit | Book Value | |
|--|----------------------------|-------------------------------------|--------------------|--------------------|
| | | | As at 31.3.2011 | As at 31.3.2010 |
| 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 | 0.01 |
| 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 |
| 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 | 1,55,400 (1,46,132) | 10 | 32.94 | 30.75 |
| | | | 868.52 | 866.33 |
| Less: Provision for diminution in value for long term investments | | | 5.21 | 5.21 |
| | | | <u>863.31</u> | <u>861.12</u> |
| SUMMARY | | | Book Value | |
| | | | As at 31.3.11 | As at 31.3.10 |
| 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 | 207.11 |
| Debentures | | | 0.66 | 0.66 |
| Bonds | | | 305.00 | 305.00 |
| | | | <u>717.17</u> | <u>717.17</u> |
| 3. Unit Trust of India | | | | |
| Balanced Fund | | | 32.94 | 30.75 |
| | | | <u>863.31</u> | <u>861.12</u> |

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

| | As at 31.3.11 | | As at 31.3.10 | |
|---|---------------|--------------|---------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| SCHEDULE 5 - (Contd.) | | | | |
| INVESTMENTS - (Contd.) | | | | |
| SUMMARY - (Contd.) | | | | |
| Aggregate Value of Investments : | | | | |
| Quoted | 220.75 | 14987.04 | 218.56 | 11713.52 |
| Unquoted | 642.56 | | 642.56 | |
| | <u>863.31</u> | | <u>861.12</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 :

| 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
30223.254 units of UTI liquid cash plan institutional growth option
50616.348 units of UTI Treasury Advantage Institutional Plan - Growth Fund.
62469.281 units of UTI Floating Funds - Short Term Plan - Institutional Growth Option.

| | As at 31.3.11 | As at 31.3.10 |
|--|----------------|----------------|
| SCHEDULE 6 | | |
| INVENTORIES | | |
| Raw Materials, Components and Packaging Materials (includes Raw Materials-in-Transit ₹5.89 lakh; 2009-10 ₹0.10 lakh) | 1110.45 | 889.42 |
| Stores and Spare parts | 822.36 | 570.60 |
| Food-stuff | 25.71 | 16.36 |
| Loose tools | 9.13 | 8.06 |
| Finished goods | 710.38 | 529.59 |
| Work-in-Progress | 1008.47 | 1029.75 |
| Scrap | 25.05 | 18.89 |
| | <u>3711.55</u> | <u>3062.67</u> |
| Note: The Division-wise Break-up of the Inventory is as follows : | | |
| Engineering | 416.70 | 447.44 |
| Electrical | 1767.93 | 1505.96 |
| Tea | 1526.92 | 1109.27 |
| | <u>3711.55</u> | <u>3062.67</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
|--|----------------------|----------------------|
| SCHEDULE 7 | | |
| SUNDRY DEBTORS | | |
| Unsecured : | | |
| Debts outstanding for a period exceeding six months : | | |
| Considered Good | 476.65 | 921.13 |
| Considered doubtful | <u>4230.54</u> | <u>4175.01</u> |
| | 4707.19 | 5096.14 |
| Other Debts : | | |
| Considered good | <u>3788.87</u> | <u>2294.18</u> |
| | 8496.06 | 7390.32 |
| Less: Provision for doubtful debts | <u>4230.54</u> | <u>4175.01</u> |
| | <u>4265.52</u> | <u>3215.31</u> |
| Note: The Division-wise Break-up of the debts is as follows : | | |
| Engineering | 1221.67 | 1133.98 |
| Electrical | 2736.53 | 1624.12 |
| Tea | 247.16 | 351.62 |
| General | <u>60.16</u> | <u>105.59</u> |
| | <u>4265.52</u> | <u>3215.31</u> |

SCHEDULE 8

CASH AND BANK BALANCES

| | | |
|---|-----------------|-----------------|
| Cash-in-hand (as certified) | 42.95 | 34.60 |
| Postage and Stamps-in-hand | 0.03 | 0.21 |
| Cheques-in-hand | 21.66 | 11.71 |
| Remittances-in-transit | 2.99 | 54.34 |
| Balances with Scheduled Banks : | | |
| On Current Account (Net) | 808.91 | 550.96 |
| On Deposit Account : | | |
| Employees' Security Deposit | 0.06 | 0.06 |
| * Others | <u>9738.01</u> | <u>12265.65</u> |
| | 9738.07 | 12265.71 |
| Unclaimed Preference Share Redemption Account | <u>0.80</u> | <u>0.80</u> |
| | <u>10615.41</u> | <u>12918.33</u> |

Notes: *1. (a) Includes Bank deposits of ₹10.00 lakhs (₹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 ₹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 ₹2776.79 lakhs (₹1734.75 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, 2011

(₹ in lakhs)

| | As at 31.3.11 | As at 31.3.10 |
|---|---------------|---------------|
| 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 | 0.69 |
| | 0.69 | 0.69 |
| | 0.69 | 0.69 |
| SCHEDULE 10 | | |
| LOANS AND ADVANCES | | |
| Secured : | | |
| Loans | 19.09 | 22.38 |
| Unsecured : | | |
| Loans | 503.16 | 510.29 |
| Advances recoverable in cash or in kind or for value to be received. (including ₹61.47 lakhs due from Subsidiary; 2009-10 ₹34.18 lakh). | 2741.08 | 2233.20 |
| Advance Payment of Income/Wealth-tax and F.B Tax (including Tax deducted at source) | 927.52 | 862.37 |
| Balance with Government Authorities | 111.93 | 102.82 |
| Interest accrued on Loans, Deposits etc. | 178.42 | 315.86 |
| Deposits – lodged with various authorities (including National Plan Savings Certificate ₹0.05 lakh; 2009-10 ₹0.65 lakh) | 388.66 | 241.44 |
| | 4850.77 | 4265.98 |
| | 4869.86 | 4288.36 |
| | 4869.86 | 4288.36 |
| Notes: 1. Classification of Loans and Advances : | | |
| (A) Secured Considered Good | 19.09 | 22.38 |
| (B) Unsecured Considered Good | 4850.77 | 4265.98 |
| Considered Doubtful | 1865.04 | 1874.48 |
| | 6715.81 | 6140.46 |
| Less: Provision | 1865.04 | 1874.48 |
| | 4850.77 | 4265.98 |
| | 4869.86 | 4288.36 |
| | 4869.86 | 4288.36 |

2. Secured Loans represent House Building and Car Loans (including loan of ₹0.02 lakhs to Directors; 2009-10 ₹0.12 lakh)-Maximum amount due at any time during the year ₹0.02 lakh; (2009-10 ₹0.12 lakh) Secured against mortgage of Land, Buildings, Flats and Cars etc.

ANDREW YULE & CO. LTD.**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

(₹ in lakhs)

| | <u>As at 31.3.11</u> | <u>As at 31.3.10</u> |
|--|----------------------|----------------------|
| SCHEDULE 11 | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors and Other Liabilities : | | |
| Micro Small and Medium Enterprises (Refer. Note No.8 of Schedule No.20) | 6.57 | 54.43 |
| Others (including due to Subsidiary ₹7.49 lakhs and Rs. Nil being earnest money and Security Deposits; 2009-10 ₹ Nil and ₹79.02 lakhs respectively) | 11078.64 | 12166.14 |
| Advances and Deposits received from Customers and others (including Rs.323.46 lakhs being Security Deposits; 2009-10 ₹157.89 lakhs) | 675.40 | 640.44 |
| Employees' Security Deposits | 0.06 | 0.06 |
| Interest accrued but not due on loans and deposits | 566.85 | 260.33 |
| Unclaimed Redeemed Preference Shares | 0.80 | 0.80 |
| | <u>12328.32</u> | <u>13122.20</u> |

SCHEDULE 12**PROVISIONS****For Taxation :**

| | | |
|-----------------------------|----------------|----------------|
| Income Tax | 236.96 | 236.96 |
| Wealth Tax | 22.80 | 19.00 |
| Fringe Benefit Tax | <u>116.99</u> | <u>116.99</u> |
| | 376.75 | 372.95 |
| " Gratuity | 376.53 | 363.98 |
| " Stock Obsolescence | 416.59 | 418.67 |
| " Provision for Capital WIP | 11.57 | 11.57 |
| " Contingencies | 274.57 | 562.70 |
| " Food Stuff stock | 1.10 | ... |
| | <u>1457.11</u> | <u>1729.87</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|--|----------|----------|
| SCHEDULE 13 | | |
| SALES | | |
| Sales [including trading items ₹230.67 lakhs (2009-10 ₹138.06 lakhs) (after adjusting ₹48.35 Lakhs being returns/adjustments in respect of earlier year; 2009-10 ₹1.13 lakhs)]. | 24173.68 | 19173.46 |
| Add: Inter Unit Transfer of Capital Goods manufactured | 2.18 | 13.32 |
| | 24175.86 | 19186.78 |
| Less: Trade and other Discount | 229.81 | 147.18 |
| | 23946.05 | 19039.60 |
| Less: Excise Duty recovered/paid on sales | 734.35 | 393.20 |
| | 23211.70 | 18646.40 |
| SCHEDULE 14A | | |
| MISCELLANEOUS OPERATIONAL INCOME | | |
| Export Incentives | 1.17 | ... |
| Royalty | 225.00 | 130.20 |
| Sundry Trade Receipts (including insurance claims ₹86.61 lakhs; 2009-10 ₹80.32 lakhs) | 102.33 | 207.25 |
| Rent and Hire Charges | 145.01 | 79.60 |
| Scrap/Tea Waste Sale | 119.21 | 181.70 |
| Service rendered to Group Companies (including TDS of ₹8.65 lakhs) | 444.00 | 386.22 |
| Service charges from customers | 14.66 | 47.10 |
| Trade Liabilities no longer required written back | 728.22 | 1221.99 |
| | 1779.60 | 2254.06 |
| SCHEDULE 14B | | |
| OTHER INCOME | | |
| Interest on Loans, Advances, Deposits etc. (including TDS for ₹186.83 lakhs; 2009-10 ₹15.97 lakhs) | 750.24 | 920.63 |
| Profit on Sale of Stores | 0.16 | ... |
| Profit on sale of current investments | 12.05 | 34.20 |
| Profit on sale of long term investments | ... | 6842.98 |
| Non-compete fees | ... | 240.00 |
| Tea Board Subsidy | 66.76 | 14.25 |
| Adjustment for Tea Board Subsidy for Capital Assets | 10.43 | 19.30 |
| Fees received by Directors and Employees | 2.10 | 2.12 |
| Profit on exchange | 1.12 | 0.14 |
| Items relating to previous years (Refer Note No.27 of Schedule 20) | 2410.35 | 40.79 |
| Provisions no longer required written back : | | |
| Doubtful Debts | ... | 31.51 |
| Doubtful Loans and Advances | 8.77 | ... |
| Stock Obsolescence and Depreciation | 2.08 | 44.10 |
| Contingencies | 288.13 | ... |
| | 298.98 | 75.61 |
| | 3552.19 | 8190.02 |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|--|----------------|----------------|
| SCHEDULE 15 | | |
| ACCRETION/DECRETION(-) IN STOCKS | | |
| Opening Stock : | | |
| Finished goods | 529.59 | 454.38 |
| <i>Finished goods-in-transit</i> | ... | 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> |
| Closing Stocks : | | |
| Finished goods | 710.38 | 529.59 |
| Semi-Finished Articles | 281.34 | 289.69 |
| Work-in-Progress | 727.13 | 740.06 |
| Scrap | 25.05 | 18.89 |
| | <u>1743.90</u> | <u>1578.23</u> |
| | 165.67 | 230.76 |
| Add: Excise Duty on Accretion(+)/Decretion(-) on finished goods | -2.84 | 0.41 |
| | <u>162.83</u> | <u>231.17</u> |
| SCHEDULE 16 | | |
| MATERIALS CONSUMED | | |
| Stocks as at 1st April, 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> |
| Less: Book value of Stocks sold/adjusted/written off | 4.21 | 52.53 |
| | <u>1463.87</u> | <u>1513.12</u> |
| Purchases during the year : | | |
| Raw materials, components and packaging materials (including erection expenses in case of composite contracts and processing charges) | 7503.25 | 4664.78 |
| Stores and spare parts | 1686.57 | 1728.89 |
| Loose tools | 6.32 | 5.39 |
| | <u>9196.14</u> | <u>6399.06</u> |
| | 10660.01 | 7912.18 |
| Less: Stocks as at 31st March, 2011 : | | |
| Raw materials, components and packaging materials | 1101.48 | 886.24 |
| Materials-in-transit | 8.97 | 3.18 |
| Stores and spare parts | 822.36 | 570.60 |
| Loose tools | 9.13 | 8.06 |
| | <u>1941.94</u> | <u>1468.08</u> |
| Raw materials and stores used on Capital Jobs Rs.Nil; 2009-10 ₹0.20 lakh and on Repair Jobs, Advertising, Transport, Power and Fuel, Research and Development etc. ₹315.10 lakhs; 2009-10 ₹801.53 lakhs. | 328.38 | 801.73 |
| | <u>2270.32</u> | <u>2269.81</u> |
| | <u>8389.69</u> | <u>5642.37</u> |

ANDREW YULE & CO. LTD.**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

(₹ in lakhs)

| | <u>2010-11</u> | <u>2009-10</u> |
|---|----------------|----------------|
| <u>SCHEDULE 17</u> | | |
| SALARIES, WAGES AND BONUS | | |
| Salaries, Wages, Bonus and Gratuity | 7777.79 | 7417.27 |
| Contribution to Provident and Other Funds | 1051.16 | 909.95 |
| Welfare and Other Expenses | 908.01 | 927.24 |
| | <u>9736.96</u> | <u>9254.46</u> |
| Less: Incurred on Capital jobs, Repair Jobs, Research and Development, Advertising, Transport etc. | 197.66 | 162.64 |
| | <u>9539.30</u> | <u>9091.82</u> |
| <u>SCHEDULE 18</u> | | |
| INTEREST | | |
| Term Loans | 774.37 | 1270.51 |
| Others | 898.73 | 980.95 |
| | <u>1673.10</u> | <u>2251.46</u> |

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|---|---------|---------|
| SCHEDULE 19 | | |
| OTHER EXPENSES | | |
| Power and Fuel | 1691.84 | 1310.96 |
| Tea Cultivation and Manufacturing Expenses | 299.45 | 292.03 |
| Research and Development Expenses | ... | 56.01 |
| Directors' Salaries | 31.35 | 27.95 |
| Directors' fees | 0.64 | 1.41 |
| Rent (Net) | 30.35 | 24.31 |
| Rates and Taxes | 26.48 | 24.13 |
| Repairs and Maintenance : | | |
| Buildings | 212.50 | 205.85 |
| Plant and Machinery | 274.25 | 229.78 |
| Others | 41.23 | 35.92 |
| | 527.98 | 471.55 |
| Travelling Expenses and Upkeep of Vehicles | 472.85 | 436.34 |
| Insurance | 30.14 | 27.03 |
| Brokers' Commission | 188.13 | 177.79 |
| Selling Expenses : | | |
| Selling Agents' Commission | 31.85 | 31.07 |
| Others | 467.58 | 345.01 |
| | 499.43 | 376.08 |
| Miscellaneous Expenses | 740.23 | 733.96 |
| Excise Duty | 7.81 | 5.61 |
| Assam Entry Tax | 4.72 | 3.70 |
| Tea Cess | 32.74 | 31.73 |
| Education Cess | 0.97 | 0.92 |
| Bank Charges | 89.53 | 49.17 |
| Auditors' Remuneration : | | |
| Audit Fees | 2.00 | 2.00 |
| In Other Capacity : | | |
| Tax Audit Fees | 0.52 | 0.83 |
| For Certificates etc. | 0.82 | 0.79 |
| Out of Pocket Expenses/Others | 0.71 | 0.25 |
| | 4.05 | 3.87 |
| Net Loss on Exchange Fluctuation | 2.35 | 3.87 |
| Items relating to previous years (Refer to Note No.23 of Schedule 20) | 143.96 | 100.26 |
| Expenses on Shelved Aqua Culture Project written off | ... | 222.29 |
| Less: Provision written off | ... | 222.29 |
| | ... | ... |
| Bad Debts written off | ... | 113.06 |
| Loss on sale/write off of stores | 2.72 | ... |
| Loss on sale/write off of fixed assets | 19.48 | 23.70 |
| Liquidated Damages and Penalty etc. | 114.77 | 54.87 |
| Rectification/Replacement | 54.26 | 34.99 |
| Provision for : | | |
| Doubtful Debts | 55.54 | ... |
| Doubtful Loans, Advances and Deposits | ... | 478.83 |
| Food Stuff | 1.10 | ... |
| Provision for Capital WIP | ... | 11.57 |
| Contingencies | ... | 16.67 |
| | 56.64 | 507.07 |
| | 5072.87 | 4892.37 |
| Less: Amount transferred to Capital Jobs etc. | 3.05 | ... |
| | 5069.82 | 4892.37 |

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

SCHEDULE 20

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹342.01 lakhs (₹247.23 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) Accrued interest of ₹5.56 crore upto 31.03.2007 being the difference between ₹27.29 crore, the interest including penal interest due upto 31.03.2007 as per books of DHI and the interest waived amounting to ₹21.73 crore. The proposal for waiver of ₹5.56 crore based on the principle of sanction by BIFR is under consideration of the GOI.
 - (iii) Others ₹416.98 lakhs (₹415.05 lakh)
 - (b) Guarantees and Indemnities given to various Institutions and Authorities in connection with Company's operations amounting to ₹1909.23 lakh (₹1545.81 lakh).
 - (c) Guarantees given to banks on behalf of other Group and/or Associate Companies :
 - (i) *India Paper Pulp Co. Ltd. – ₹265.00 lakh (₹265.00 lakhs).
 - (ii) Other Companies – ₹328.00 lakh (₹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 ₹6686.40 lakh (₹6994.55 lakh). 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 ₹50.53 lakh (₹50.53 lakh) excluding interest not admitted, against which appeals have been preferred by the Company.
 - (f) Disputed Excise/Customs Duty claims ₹538.95 lakh (₹582.40 lakh) excluding interest against which appeal have been preferred by the Company.
 - (g) Unexpired Letter of Credit opened by the Company's bankers – ₹828.18 lakh (₹209.19 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 ₹748.00 lakhs which was sanctioned by State Bank of India as per terms of Sanctioned Rehabilitation Scheme dated 30.10.2007 for conversion into equity to the extent of ₹150.00 lakh i.e. 20% of the funded interest comprising 75,00,000 shares @ ₹2/- per share has been kept in Share Pending Allotment Account. Balance 80% of funded interest i.e. ₹598.00 lakh arising out of remission of funded interest, charged to Profit and Loss Account in earlier years, has been accounted for an exceptional item in the Profit and Loss Account during the year.
 - (b) In terms of the aforesaid order 46% of unsecured creditors amounting to ₹110.21 lakh except sub-judice matters has been written back during the year.
4. Extra-ordinary income consist of –
 - (a) ₹598.00 lakh as stated in Note No.3(a).
 - (b) (–)₹188.10 lakh being difference between amount of ₹1003.20 lakh (i.e. 80% of accrued interest from the cut off date i.e. 31.03.2006 to 31.03.2009 amounting to ₹1254.00 lakh) credited to Profit and Loss Account for the year

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

ended 31st March, 2009 on account of Bank of Baroda consequent upon the Bank agreeing to accept equity for 20% of the value after writing down the amount by 80% and ₹815.10 lakh (65% of the said ₹1254.00 lakh) in full and final settlement of the claim, in lieu of issue of equity sanctioned by Bank of Baroda and approved by the Board of Directors of the Company.

5. Share pending allotment consists of –

- (i) ₹150.00 lakh in favour of Govt. of India, which vide letter 10(3)/2008-PE-I dated 31st March, 2008 and No.10(26)/2005-PE-I dated 18th March, 2008 allocated ₹150.00 lakhs towards Equity @ ₹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 ₹2 in place of ₹10, the decision of issuance of fresh shares @ ₹2 per share after diminution has been kept pending till revised order in this regard is received from Govt. of India.
- (ii) ₹150.00 lakh as shown in point no.3(a).

6. [a] Employee Benefits

The Company's contribution to Defined Contribution Plans aggregated to ₹813.21 lakhs (₹696.24 lakhs) for the year ended 31st March, 2011 has been recognised under the line item Contribution to Provident and Other Funds on Schedule 17 above.

| | 2010-11 | 2009-10 |
|--|---------|---------|
| Contribution to Provident Fund | 805.01 | 692.42 |
| Contribution to Employees State Insurance Fund | 8.20 | 3.82 |

- [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 | 2010-11 | | | | 2009-10 | | | | 2008-09 | | | |
|--|----------|-------------------|---------|-----------------|----------|-------------------|---------|-----------------|----------|-------------------|---------|-----------------|
| | 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, 2011 | | | | | | | | | | | | |
| [I] Change in present value of Defined Benefit Obligations during the year ended 31st March, 2011 | | | | | | | | | | | | |
| [1] Present value of DBO at beginning 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 |
| [2] Current Service cost | 176.99 | 33.83 | ... | 8.71 | 147.93 | 29.23 | ... | 8.38 | 132.90 | 34.49 | ... | 11.53 |
| [3] Interest cost | 270.83 | 49.53 | 0.20 | 18.34 | 217.83 | 41.76 | 0.23 | 15.39 | 203.95 | 38.02 | 0.25 | 21.88 |
| [4] Curtailment cost/(credit) | | | | | ... | ... | ... | | ... | ... | ... | ... |
| [5] Settlement cost/(credit) | | | | | ... | ... | ... | | ... | ... | ... | ... |
| [6] Plan amendments | | | | | 392.76 | ... | ... | | ... | ... | ... | ... |
| [7] Acquisitions | | | | | ... | ... | ... | | ... | ... | ... | ... |
| [8] Actuarial (Gains)/Losses | 21.92 | (47.40) | (0.53) | (6.46) | 216.78 | 79.48 | (0.27) | 41.78 | 239.35 | 30.97 | (0.01) | (73.47) |
| [9] Benefits paid | (469.94) | (96.19) | (0.38) | (15.92) | (361.03) | (47.53) | (0.50) | (55.26) | (259.90) | (31.45) | (0.57) | (26.99) |
| [10] Present Value of DBO at the end of period | 3517.50 | 587.92 | 1.87 | 234.95 | 3517.70 | 648.75 | 2.58 | 230.28 | 2903.43 | 545.81 | 3.12 | 219.99 |

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 - (Contd.)

| Employee Benefits | 2010-11 | | | | 2009-10 | | | | 2008-09 | | | |
|---|--|-------------------|---------|-----------------|--|-------------------|---------|-----------------|--|-------------------|---------|-----------------|
| | 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, 2011 | | | | | | | | | | | | |
| [1] Plan assets at beginning of period | 3153.72 | ... | ... | 548.68 | 3162.06 | ... | ... | 473.32 | 3116.00 | ... | ... | 476.08 |
| [2] Actuarial Gain/(Loss) | (162.60) | ... | ... | (43.84) | 114.17 | ... | ... | 86.26 | (7.50) | ... | ... | (21.48) |
| [3] Actual return on plan assets | 255.81 | ... | ... | 57.93 | 238.52 | ... | ... | 44.36 | 250.46 | ... | ... | 45.71 |
| [4] Actual company contribution | 364.00 | 96.79 | 0.38 | ... | ... | 47.53 | 0.50 | ... | 63.00 | 31.45 | 0.57 | ... |
| [5] Benefits paid | (469.94) | (96.79) | (0.38) | (15.92) | (361.03) | (47.53) | (0.50) | (55.26) | (259.90) | (31.45) | (0.57) | (26.99) |
| [6] Plan assets at the end of the period | 3140.99 | ... | ... | 546.85 | 3153.72 | ... | ... | 548.68 | 3162.06 | ... | ... | 473.32 |
| [III] Net assets/(liability) recognised in Balance Sheet as at 31st March, 2011 | | | | | | | | | | | | |
| [1] Present value of Defined Benefit Obligation | 3517.50 | 587.92 | 1.87 | 234.95 | 3517.70 | 648.75 | 2.58 | 230.28 | 2903.43 | 545.81 | 3.12 | 219.99 |
| [2] Fair value of plan assets | 3140.99 | ... | ... | 546.85 | 3153.72 | ... | ... | 548.68 | 3162.06 | ... | ... | 473.32 |
| [3] Funded status(Surplus/(Deficit)) | (376.51) | (587.92) | (1.87) | 311.90 | (363.98) | (648.75) | (2.58) | 318.40 | 258.63 | (545.81) | (3.12) | 253.33 |
| [4] Unrecognised past service cost | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| [5] Net assets/(liability) recognised in Balance Sheet | (376.51) | (587.92) | (1.87) | 311.90 | (363.98) | (648.75) | (2.58) | 318.40 | 258.63 | (545.81) | (3.12) | 253.33 |
| [IV] Components of employer Expenses recognised in Profit & Loss Account for the year ended 31st March, 2011 | | | | | | | | | | | | |
| [1] Current Service Cost | 176.99 | 33.83 | ... | 8.71 | 147.93 | 29.23 | ... | 8.38 | 132.90 | 34.49 | ... | 11.53 |
| [2] Interest Cost | 270.83 | 49.53 | 0.20 | 18.34 | 217.83 | 41.76 | 0.23 | 15.39 | 203.95 | 38.02 | 0.25 | 21.88 |
| [3] Expected return on plan assets | (255.81) | ... | ... | (15.22) | (238.52) | ... | ... | (44.36) | (250.46) | ... | ... | (45.71) |
| [4] Curtailment cost/(credit) | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| [5] Settlement cost/(credit) | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| [6] Past Service Cost | ... | ... | ... | ... | 392.76 | ... | ... | ... | ... | ... | ... | ... |
| [7] Actuarial Losses/(Gains) | 184.52 | (47.40) | (0.53) | (5.33) | 102.61 | 79.48 | (0.27) | (44.48) | 246.85 | 30.97 | (0.01) | (51.99) |
| [8] Total expenses recognised in the statement of Profit & Loss Account under the head Salaries & Wages | 376.53 | 35.96 | (0.33) | 6.50 | 622.61 | 150.47 | (0.04) | (65.07) | 333.24 | 103.48 | 0.24 | (64.29) |
| [V] Actuarial Assumptions | | | | | | | | | | | | |
| [1] Discount Rate | 8.35% | 8.35% | 8.35% | 8.35% | 8.25% | 8.25% | 8.25% | 8.25% | 8.00% | 8.00% | 8.00% | 8.00% |
| [2] Expected return on plan assets | 8.35% | NA | NA | NA | 8.25% | NA | NA | NA | 8.30% | 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) | 18.44 | 10.22 | NA | 2.85 | 18.57 | 9.52 | NA | 4.38 | 18.70 | 10.18 | NA | 4.30 |
| [5] Method of valuation | Projected Unit Credit (PUC) Actuarial Method | | | | Projected Unit Credit (PUC) Actuarial Method | | | | Projected Unit Credit (PUC) Actuarial Method | | | |

7. 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, 2011 is ₹138.35 lakh (₹122.49 lakh) has been taken into account.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

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

| Sl.No. | Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 | 2010-11 | 2009-10 |
|--------|---|---------|---------|
| 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 | 5.93 | 39.71 |
| | (ii) Interest Due | 0.64 | 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 |
| | (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 |
| IV | The amount of interest accrued and remaining unpaid at the end of the year; and | 0.64 | 14.72 |
| 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.

9. Directors' Remuneration :-

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--------------------------------|--|--|
| Salaries | 31.35 | 27.95 |
| Directors' Fees | 0.64 | 1.41 |
| Contribution to Provident Fund | 3.63 | 2.45 |
| Other Perquisites/benefits | 2.21 | 2.69 |
| Total | 37.83 | 34.50 |

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

10. Inventories include ₹106.51 lakh (₹115.46 lakh) worth of stocks lying with third parties for which confirmations are awaited and/or under reconciliation and the same has been fully provided for.
11. Disclosure of quantitative information relating to each class of goods dealt with by the Company has not been made pursuant to Notification No.SO301(E) dated 8th February, 2011.
12. Provision for Liquidated damages amounting to ₹1749.96 lakh (₹1645.48 lakh) has been set off against Sundry Debtors.
13. 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 ₹27.88 lakh (₹27.88 lakh). The possible loss, if any, will be accounted for as and when it arises.
14. 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, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

15. 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, 2011 are given below :-

(a) Timing difference of depreciation as per Tax Laws and Books ₹3.55 lakhs
 Total Deferred Tax liability ₹342.37 lakhs

(b) In computing deferred tax liability of the Company for the financial year 2010-11, 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.

16. 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, is still under the consideration of CBDT.

17. Segment Reporting

The Company's segment information as at and for the year ended 31st March, 2011 are as below :-

| Business Segment | Electrical | Tea | Engineering | Segment Total | Elimination | Total |
|--|----------------------|------------------------|-----------------------|------------------------|-----------------|--------------------------|
| 1. Segment Revenue | | | | | | |
| – External sales | 6441.45 [3875.63] | 14577.89 [13547.02] | 2190.18 [1210.43] | 23209.52 [18633.08] | | |
| – Inter Segment sales | ... [4.33] | 1.70 [1.93] | 27.34 [1.68] | 29.04 [7.94] | | |
| – Inter Segment Sale of Capital Goods | ... [12.92] | ... [...] | 2.18 [0.40] | 2.18 [13.32] | | |
| – Total Revenue | 6441.45 [3892.88] | 14579.59 [13548.95] | 2219.70 [1212.51] | 23240.74 [18654.34] | 29.04 [7.94] | 23211.70 [18646.40] |
| 2. Segment Results | -173.97 [73.25] | 2176.97 [2182.11] | 596.28 [(-)205.81] | 2599.28 [2049.55] | ... [...] | 2599.28 [2049.55] |
| – Unallocated Corporate expenses net of unallocated income | ... ... | ... ... | ... ... | ... ... | ... ... | -1922.83 [(-)6331.79] |
| – Operating Profit | ... ... | ... ... | ... ... | ... ... | ... ... | 4522.11 [8381.34] |
| – Interest expenses | ... ... | ... ... | ... ... | ... ... | ... ... | 1673.10 [(-)2251.47] |
| – Interest/dividend income | ... ... | ... ... | ... ... | ... ... | ... ... | 880.75 [994.55] |
| – Profit from ordinary activities | ... ... | ... ... | ... ... | ... ... | ... ... | 3729.76 [7124.42] |
| – Extra Ordinary Items (Interest on GOI Loan written back) | ... ... | ... ... | ... ... | ... ... | ... ... | 409.90 [424.80] |
| – Net Profit | ... [...] | ... [...] | ... [...] | ... [...] | ... [...] | 4139.66 [7549.22] |
| 3. Segment Assets | 9193.02 [7826.47] | 20979.82 [19099.15] | 2959.53 [2297.88] | 33132.38 [29223.50] | ... [...] | 33132.38 [29223.50] |
| – Unallocated corporate Assets | ... [...] | ... [...] | ... [...] | ... [...] | ... [...] | 8520.15 [12448.20] |
| – Total Assets | ... [...] | ... [...] | ... [...] | ... [...] | ... [...] | 41652.53 [41671.70] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

| Business Segment | Electrical | Tea | Engineering | Segment Total | Elimination | Total |
|---|------------|-----------|-------------|---------------|-------------|------------|
| 4. Segment Liabilities | 5861.90 | 4508.77 | 1923.49 | 12294.16 | ... | 12294.16 |
| | [5469.80] | [3711.29] | [2000.09] | [11181.18] | [...] | [11181.18] |
| – Unallocated corporate Liabilities | ... | ... | ... | ... | ... | 1491.29 |
| | [...] | [...] | [...] | [...] | [...] | [3670.89] |
| – Total Liabilities | ... | ... | ... | ... | ... | 13785.45 |
| | [...] | [...] | [...] | [...] | [...] | [14852.07] |
| 5. Others | | | | | | |
| – Capital Expenditure | 45.27 | 349.24 | 35.84 | 430.35 | | |
| | [38.00] | [253.27] | [15.10] | [306.37] | | |
| – Depreciation including Impairment | 61.46 | 342.13 | 12.87 | 416.46 | | |
| | [61.41] | [304.24] | [13.94] | [379.59] | | |
| – Non-Cash expenses other than depreciation | ... | ... | ... | ... | | |
| | [263.54] | [181.27] | [293.52] | [738.33] | | |

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.

18. Particulars relating to discontinued operations.

(a) Description of discontinued operations

Business Segments

(i) Engineering Division

Discontinued Operations

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

(ii) Electrical Division

Port Engineering Works (PEW)
Turnkey
Agency

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ 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, 2011 :

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

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

19. 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) |
| (d) S. Swaminathan | – | Director (Planning) |
| (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, 2011.

| Particulars | Associates | | Key Management Personnel and Relatives | |
|------------------------------|------------|---------|--|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Purchase of goods | 28.99 | 20.43 | ... | ... |
| Purchase of service | 4.54 | 4.10 | ... | ... |
| Sale of goods | 433.72 | 419.65 | ... | ... |
| Sale of services | 400.22 | 361.22 | ... | ... |
| Interest income | 30.08 | 30.00 | ... | ... |
| Dividend income | 114.19 | 68.52 | ... | ... |
| Rent / Hire charges received | 139.67 | 20.63 | ... | ... |
| Miscellaneous Receipt | 2.40 | 2.54 | ... | ... |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

| Particulars | Associates | | Key Management Personnel and Relatives | |
|--|------------|---------|--|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Expenses recovered | ... | ... | ... | ... |
| Loan/Advance given | ... | 62.18 | ... | ... |
| Remuneration to Directors | ... | ... | 37.20 | 33.09 |
| Remuneration to Others | ... | ... | 7.87 | 7.20 |
| Loans received | ... | ... | ... | ... |
| Loans repaid | ... | 1000.00 | ... | ... |
| Royalty receipt | 225.00 | ... | ... | ... |
| <u>Balances as on 31st March, 2011</u> | | | | |
| Debtors / Receivable | 134.23 | 77.58 | ... | ... |
| Advance recoverable in cash | 323.33 | 261.95 | ... | ... |
| Creditors / Payable | 7.54 | 0.74 | ... | ... |
| Deposit From | 148.80 | 28.80 | ... | ... |
| Loan given | 500 | 500.00 | ... | ... |
| Loan taken | ... | ... | ... | ... |
| Interest receivable | 30.00 | 30.00 | ... | ... |

20. Disclosure of Material transaction with related parties.

| | 2010-11 | 2009-10 |
|-----------------------------------|---------|---------|
| Purchase of Goods | | |
| Tide Water Oil Co. (I) Ltd. | 18.54 | 20.43 |
| WEBFIL Ltd. | 10.45 | ... |
| Purchase of Service | | |
| Yule Financing & Leasing Co. Ltd. | 2.78 | 2.36 |
| WEBFIL Ltd. | 1.76 | 1.74 |
| Sale of goods | | |
| Tide Water Oil Co. (I) Ltd. | 433.04 | 419.51 |
| Yule Financing & Leasing Co. Ltd. | 0.27 | ... |
| Coal Companies | 0.11 | 0.09 |
| WEBFIL Ltd. | 0.30 | 0.05 |
| Sale of service | | |
| Tide Water Oil Co. (I) Ltd. | 346.00 | 314.00 |
| WEBFIL Ltd. | 33.43 | 29.43 |
| Coal Companies | 20.79 | 17.79 |
| Interest income | | |
| Yule Financing & Leasing Co. Ltd. | 30.00 | 30.00 |
| Tide Water Oil Co. (I) Ltd. | 0.08 | ... |
| Dividend income | | |
| Tide Water Oil Co. (I) Ltd. | 114.19 | 68.52 |
| Rent and Hire charge received | | |
| Tide Water Oil Co. (I) Ltd. | 122.89 | 3.85 |
| WEBFIL Ltd. | 15.57 | 15.57 |
| Coal Companies | 1.21 | 1.21 |
| Miscellaneous Receipts | | |
| WEBFIL Ltd. | 0.21 | 0.35 |
| Tide Water Oil Co. (I) Ltd. | 2.40 | 2.15 |
| Royalty Receipts | | |
| Tide Water Oil Co. (I) Ltd. | 225.00 | ... |

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

| | 2010-11 | 2009-10 |
|-------------------------------|---------|---------|
| Key Management Personnel | | |
| [a] Remuneration to Directors | | |
| Kallol Dutta | 9.51 | 9.84 |
| I. Sengupta | 8.66 | 7.58 |
| R. K. Sikdar | ... | 6.96 |
| S. P. Kar | 11.05 | 5.07 |
| S. Swaminathan | 7.95 | 3.64 |
| [b] Remuneration to others | | |
| S. Munshi | 7.87 | 7.20 |
| [c] Miscellaneous Receipts | | |
| Kallol Dutta | 0.02 | 0.04 |

21. Earning per share

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--|--|--|
| (a) Number of Equity Share :- | | |
| At the beginning of the year | 29,63,28,478 | 29,63,28,478 |
| At the end of the year | 31,86,38,478 | 29,63,28,478 |
| Weighted average number of Equity Shares outstanding during the year | 30,32,12,725 | 29,63,28,478 |
| Face value of each Equity Share | ₹2.00 | ₹2.00 |
| (b) Profit after Tax before extra ordinary income available for Equity Shareholders | 3722.41 | 7113.20 |
| (c) Profit after Tax after extra ordinary income available for Equity Shareholders | 4132.31 | 7538.00 |
| (d) Basic earnings per Share before extra ordinary income | ₹1.23 | ₹2.40 |
| (e) Basic earnings per Share after extra ordinary income | ₹1.36 | ₹2.54 |

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

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

| | As on 31.03.10 | Provision written back/Provision made during the year | As on 31.03.11 |
|--|-------------------|--|-------------------|
| (a) Unconfirmed stock with various third parties | 63.02 | (11.96) | 51.06 |
| (b) Hooghly Docking & Port Engineering Co. Ltd. | 117.66 | ... | 117.66 |
| (c) Orissa Cements Ltd. | 351.37 | (276.17) | 75.20 |
| (d) Fixed Deposit as Guarantee for Brentford Unit after Nationalisation | 10.00 | ... | 10.00 |
| (e) Others | 20.65 | ... | 20.65 |
| Total | 562.70 | (288.13) | 274.57 |

(Contd.)

ANDREW YULE & CO. LTD.**NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)**

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

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

| P a r t i c u l a r s | 2010-11 | 2009-10 |
|---|---------|---------|
| Interest on Green Leaf Cess | 2.47 | ... |
| Interest (Others) | ... | 0.18 |
| Insurance | 3.58 | 2.57 |
| Travelling expenses | 0.03 | 0.38 |
| Excise Duty | 2.45 | ... |
| Legal expenses | ... | 0.17 |
| Bonus | 0.02 | 0.22 |
| Land Rent | 7.71 | 6.70 |
| Central sales tax/West Bengal sales tax | 15.14 | ... |
| Provident Fund/E.P.F./Inspection Charge | 5.09 | ... |
| Works Contract Tax | ... | 2.16 |
| Miscellaneous expenses | 11.67 | 11.98 |
| Arrear salary of Executive/Asstt./Staff | 9.94 | 25.30 |
| Stores | 33.32 | 29.07 |
| Food Stuff | 0.48 | 0.99 |
| Warehouse | 0.37 | ... |
| Repair | 20.07 | 3.76 |
| Gas | 2.50 | 5.13 |
| CENVAT/Service tax | ... | 0.12 |
| Labour welfare | ... | 0.20 |
| Power and Fuel | 1.60 | 0.03 |
| Electricity | ... | 6.50 |
| Packing material | 4.84 | 0.95 |
| Freight | 1.19 | 1.74 |
| Trusteeship fees | | 1.18 |
| Cultivation expenses | 21.49 | 1.81 |
| Total | 143.96 | 100.26 |

24. Fixed Assets have been physically verified by outside agencies and discrepancies (shortage) noticed on such verification valuing ₹ 19.48 lakhs has been adjusted in the Books of Accounts.
25. 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.
26. (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 ₹ 500 or less, although maintained in the books of accounts of the Company, do not appear in these accounts.
27. Other income includes ₹ 2397.00 lakh, considered as prior period item, being the amount received from two Associate Companies, against their realisation of sale proceeds in excess of ₹ 10/- per Share for 3.42 lakh shares of DPSC Ltd. for revival of the Company, pursuant to BIFR Order dated 26.11.2008, following a bidding conducted by Special Officer appointed by Hon'ble Calcutta High Court.

(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 :

(a) Particulars in respect of Goods manufactured :

| Class of Goods | Unit | Capacity | | Actual Production | |
|--|------|-----------------------------|-----------------------------|-------------------|---------|
| | | Licensed 2010-11 | Installed 2010-11 | 2010-11 | 2009-10 |
| 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 | ₹ | Worth about ₹10.08 lakhs | Worth about ₹10.08 lakhs | ₹ Nil | ₹ Nil |
| (2) Industrial Fans and Blowers : | | | | | |
| Assorted Fans | Nos. | 900 | 900 | 83 | 53 |
| 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. | - | - | - |
| (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 | - | - |

(₹ in lakhs)

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (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 2010-11 | Installed 2010-11 | 2010-11 | 2009-10 |
| 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 | 11 | 35 |
| (2) Circuit Breakers above 660 Volts Rating | " | 600 | 600 | 427 | 369 |
| (3) 6.6KVA Vacuum Contactors upto 400 Amps. | " | 50 | 50 | 30 | 12 |
| (4) LT Motor Control Centres | " | 200 | 200 | - | - |
| (5) (i) Shaft and Cage Communication System | } | Worth ₹ 300.00 lakhs | Worth ₹ 300.00 lakhs | ₹ Nil | ₹ 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 | 15074 | 7812 |
| Bi-metallic Overload Relays upto 600 Amps | " | 68,000 | 68,000 | 593 | 278 |
| Moulded Case Circuit Breakers upto 1200 Amps | " | 12,000 | 9,000 | 615 | 420 |
| Industrial Motor Starters | " | 25,000 | 25,000 | 8 | 3 |
| 11 KV Pole Mounted Sectionalizer | " | 500 | 500 | - | - |
| 11 KV Pole Mounted Capacitor Switch | " | 1,500 | 1,500 | 537 | 245 |
| Pole Mounted Vacuum Circuit Breakers/Auto Reclosure/Vacuum Capacitor Switch | " | 125 | 50 | - | 1 |
| 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 | 563590 | 322000 |
| Control Panel and Systems | Nos. | 350 | 350 | - | - |
| Air Break Switches upto 12 KV and 630 Amps | " | 500 | 500 | - | - |
| Air Break Load Interruptors upto 33 KV and 830 Amps | " | 500 | 500 | - | - |

(₹ in lakhs)
(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 2010-11 | Installed 2010-11 | 2010-11 | 2009-10 |
| B. ELECTRICAL DIVISION : – (Contd.) | | | | | |
| IV. BRENTFORD UNIT : | | | | | |
| Power Voltage Regulator upto 7500 KVA | KVA | 1,85,000 | 1,85,000 | 60950 | 51500 |
| Power Transformer upto 2500 KVA | " | 50,000 | 50,000 | 15243 | 18800 |
| Rectifiers upto 2500 KW | KW | 20,000 | 20,000 | – | – |
| C. TEA DIVISION | | | | | |
| *Tea | Kgs. | – | 1,12,00,000 | 10846791 | 10552131 |
| 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. 389663.80 Kgs. (2009-10 4,37,946.10 Kgs.) including 702 kgs kept for issue to labourers.

(b) Details of Raw Materials and Components Consumed :

| Class of Goods | Unit | Quantity | | Amount | |
|--|------|----------|----------|----------------|----------------|
| | | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Laminations | M.T. | 377.60 | 170.51 | 470.38 | 354.92 |
| Steel | " | 815.14 | 502.84 | 540.39 | 253.18 |
| Copper, Flats, Wires etc. | " | 199.05 | 113.67 | 838.39 | 347.71 |
| ** Green Tea Leaf | Kgs. | 49850569 | 48904517 | – | – |
| Sundries (None of which individually exceeds 10% of the consumption) | | – | – | 5417.75 | 2869.91 |
| | | | | <u>7266.91</u> | <u>3825.72</u> |

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

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

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

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 :

| 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 | " | - | - | - | - | - | - | 83 | 898.77 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (53) | (253.81) |
| Turnkey Contract | ₹ | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| II. AIR POLLUTION CONTROL UNIT : | | | | | | | | | |
| Air Pollution Control Equipment : | | | | | | | | | |
| Spares Components etc. for | | | | | | | | | |
| Air Pollution Control Equipment | | | | | | | | | |
| and their erection | | | | | | | | | |
| | ₹ | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Water Pollution Control Equipment | " | - | - | - | - | - | - | - | 56.55 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (25.05) |
| III PROJECT UNIT | | | | | | | | | |
| Engineering Project | ₹ | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| B. ELECTRICAL DIVISION: | | | | | | | | | |
| I. SWITCHGEAR UNIT : | | | | | | | | | |
| Circuit Breakers upto 660V Unit Rating | Nos. | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Flame Proof Transwitch Unit | " | - | - | - | - | - | - | 11 | 142.23 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (35) | (341.71) |
| Motor Control Centre Panel | " | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Flame Proof Gate End Boxes and Starters upto 250 HP | " | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Circuit Breakers above 660V unit Rating | " | - | - | - | - | - | - | 427 | 973.21 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (369) | (819.58) |
| 6.6KV Vacuum Contactors upto 400 Amps | " | - | - | - | - | - | - | 30 | 11.83 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (12) | (7.47) |
| FLP Drill control Panel | " | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Shaft and Cage Communication System | } | - | - | - | - | - | - | - | - |
| Face Signalling Units | | ₹ | - | - | - | - | - | - | - |
| Intrinsically Safe Telephone System | | | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Pre-start alarm to indicate status of the machine | | ₹ | - | - | - | - | - | - | - |
| System and Contract Engg. | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |

(₹ in lakhs)
(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 |
| B. ELECTRICAL DIVISION :- (Contd.) | | | | | | | | | |
| II. TOGAMI UNIT : | | | | | | | | | |
| Electromagnetic Contactors upto | Nos. | 1510 | 22.77 | - | - | 3707 | 53.26 | 12877 | 300.99 |
| 600 Amps. | | (3149) | (33.45) | (-) | (-) | (1510) | (22.77) | (9451) | (296.30) |
| Bi-metallic Overload Relays upto | " | 1109 | 5.66 | - | - | 1096 | 4.99 | 606 | 3.63 |
| 600 Amps | | (1519) | (7.02) | (-) | (-) | (1109) | (5.66) | (688) | (5.16) |
| Moulded Case Circuit Breakers | " | 2059 | 42.17 | - | - | 2124 | 27.13 | 550 | 15.77 |
| upto 1200 Amps | | (2948) | (36.36) | (-) | (-) | (2059) | (42.17) | (1309) | (21.41) |
| Industrial Motor Starters | " | 126 | 2.26 | - | - | 70 | 1.11 | 64 | 0.60 |
| | | (171) | (1.92) | (-) | (-) | (126) | (2.26) | (48) | (1.14) |
| 11 KV Pole Mounted Sectionalizer | " | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| 11 KV Pole Mounted Capacitor Switch | " | - | - | - | - | - | - | 537 | 417.68 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (245) | (261.80) |
| Pole Mounted Vacuum Circuit | " | - | - | - | - | - | - | - | - |
| Breaker/Auto Reclosure | | (-) | (-) | (-) | (-) | (-) | (-) | (1) | (3.77) |
| 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 | - | - | - | - | - | - | 563590 | 2844.46 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (322000) | (1480.31) |
| Control Panel and Systems (including | Nos. | - | - | - | - | - | - | - | - |
| Air break Load Interruptors) | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| IV. BRENTFORD UNIT : | | | | | | | | | |
| Power Voltage Regulator upto 7500KVA | KVA | - | - | - | - | - | - | 60950 | 503.16 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (51500) | (610.40) |
| Power Transformer upto 2500KVA | KVA | - | - | - | - | - | - | 15243 | 151.58 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (18800) | (191.13) |

(Contd.)

₹ in lakhs)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (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 |
| C. TEA DIVISION : | | | | | | | | | |
| Tea | Kgs. | 423092 | 456.45 | 148255 | 207.10 | 539195 | 623.61 | 10730688 | 14577.89 |
| | | (358551) | (361.45) | (104300) | (138.84) | (423092) | (456.45) | (10487590) | (13547.02) |
| Aromatic Oil | Kgs. | - | - | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Spares, Components and Trading items : | | | | | | | | | |
| Sirocco Unit | ₹ | - | - | - | - | - | - | - | 1431.96 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (1023.34) |
| Switchgear Unit | ₹ | - | - | - | - | - | - | - | 971.96 |
| | | (-) | (4.97) | (-) | (-) | (-) | (-) | (-) | (161.09) |
| Togami Unit | ₹ | - | - | - | - | - | - | - | 282.39 |
| | | (-) | (13.86) | (-) | (-) | (-) | (-) | (-) | (28.82) |
| Brentford Unit | ₹ | - | - | - | - | - | - | - | 589.02 |
| | | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (94.15) |
| | | | <u>529.59</u> | | <u>207.10</u> | | <u>710.38</u> | | <u>24173.68</u> |
| | | | <u>(459.90)</u> | | <u>(138.84)</u> | | <u>(529.59)</u> | | <u>(19173.46)</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, 2011 includes 38106 kgs., value ₹50.63 lakhs lying with third party.

(Contd.)

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ 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 | | | |
|------------|------------------------------|--------|---------|--------|------------------------|--------|---------|--------|
| | 2010-11 | % | 2009-10 | % | 2010-11 | % | 2009-10 | % |
| Imported | 150.71 | 2.07 | 66.10 | 1.76 | 7.54 | 0.67 | 3.00 | 0.17 |
| Indigenous | 7116.20 | 97.93 | 3759.62 | 98.24 | 1110.00 | 99.33 | 1810.11 | 99.83 |
| | 7266.91 | 100.00 | 3825.72 | 100.00 | 1117.54 | 100.00 | 1813.11 | 100.00 |

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

| | 2010-11 | 2009-10 |
|------------------------------|---------|---------|
| Raw Materials and Components | 139.73 | 76.53 |
| Stores and Spare Parts | 3.32 | 3.00 |
| | 143.05 | 79.53 |

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

| | |
|--------|--------|
| 194.55 | 133.07 |
|--------|--------|

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

| | |
|------|------|
| 3.95 | 0.33 |
|------|------|

ANDREW YULE & CO. LTD.**NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)**

(₹ 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 | 1 |

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

| | | | | | | | | | | |
|-------------------|--|--|--|---|---|---|---|---|---|--|
| Public Issue | | | | | | | N | I | L | |
| Right Issue | | | | | | | N | I | L | |
| Bonus Issue | | | | | | | N | I | L | |
| Private Placement | | | | 4 | 4 | 6 | 2 | 0 | | |

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

| | | | | | | | | | |
|-------------------|--|--|---|---|---|---|---|---|---|
| Total Liabilities | | | 3 | 3 | 0 | 6 | 3 | 2 | 9 |
| Total Assets | | | 3 | 3 | 0 | 6 | 3 | 2 | 9 |

Sources of funds :

| | | | | | | | | | | |
|---|--|--|---|---|---|---|---|---|---|--|
| Paid up Capital (including shares pending allotment of ₹300.00 lakhs) | | | 6 | 6 | 7 | 2 | 7 | 7 | | |
| Reserves and Surplus | | | 1 | 0 | 9 | 3 | 6 | 7 | 4 | |
| Secured Loans | | | 8 | 9 | 3 | 8 | 4 | 3 | | |
| Unsecured Loans | | | 6 | 1 | 7 | 2 | 9 | 8 | | |
| Deferred Tax Liability | | | 3 | 4 | 2 | 3 | 7 | | | |

Application of funds :

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

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ 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 ₹ Thousands) :

| | | | | | | | | | | | | | |
|---|-----|---|---|---|---|---|---|---|---|---|---|---|--|
| Turnover (including miscellaneous income) | | | 2 | 9 | 2 | 3 | 4 | 6 | 8 | | | | |
| Total Expenditure (including extra-ordinary item) | | | 2 | 5 | 0 | 9 | 5 | 0 | 2 | | | | |
| | + - | | | | | | | | | | | | |
| Profit/Loss before Tax | ✓ | | | | | | 4 | 1 | 3 | 9 | 6 | 6 | |
| | + - | | | | | | | | | | | | |
| Profit/Loss after Tax | ✓ | | | | | | 4 | 1 | 3 | 2 | 3 | 1 | |
| (Please tick Appropriate box + for Profit - for Loss) | | | | | | | | | | | | | |
| Earning per Share in Re. | | | | | | | 1 | / | 3 | 6 | | | |
| Dividend | - | - | | | | | | | | | | | |

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

| | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item Code No. (ITC Code) | | | 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) | | | | | | | | | | | | | | | | | | | |
| Product Description | | | | | | | T | R | A | N | S | F | O | R | M | E | R | S | |
| Item Code No. (ITC Code) | | | | | | | | | | | | | | | | | | | |
| Product Description | | | | | | | | | | | | | | | | | T | E | A |

D. BANDYOPADHYAY,
Company Secretary & General Manager (Legal).
KOLKATA - 23rd June, 2011.

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

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No. 304016E
(CA S. GHOSH)
Partner,

Kolkata - 23rd June, 2011.

Membership No. 5268

ANDREW YULE & CO. LTD.

STATEMENT UNDER SECTION 212(3) 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 ₹10 each, fully paid.
- [B] Yule Engineering Ltd.
Entire issued Share Capital of 50,000 Ordinary Shares of ₹10 each, fully paid.
- [C] Yule Electrical Ltd.
Entire issued Share Capital of 50,000 Ordinary Shares of ₹10 each, fully paid.

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

| Name of the Subsidiary | Profit for the | Profit for the |
|---------------------------|--|---|
| | Financial year ended 31st March, 2011 | previous year ended 31st March, 2010 |
| Hooghly Printing Co. Ltd. | 28.18 | 1.67 |
| Yule Engineering Ltd. | 2.40 | (-) 2.77 |
| Yule Electrical Ltd. | (-) 0.09 | (-) 0.15 |

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

| Name of the Subsidiary | Profit for the | Profit for the |
|---------------------------|--|---|
| | Financial year ended 31st March, 2011 | previous year ended 31st March, 2010 |
| Hooghly Printing Co. Ltd. | Nil | Nil |
| Yule Engineering Ltd. | Nil | Nil |
| Yule Electrical Ltd. | Nil | Nil |

D. BANDYOPADHYAY,
Company Secretary & General Manager (Legal).
KOLKATA – 23rd June, 2011.

On behalf of the Board,
K. DATTA, *Chairman and Managing Director*.
I. SENGUPTA
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, 2011.

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 ₹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

(Contd.)

basis) which not being related to any coal mines have not vested in the Central Government as a result of nationalisation of its coal mines. In the absence of any information as regards the original cost and depreciation if any, provided thereon, the book value of the said properties are considered to be nil for the purpose of these accounts.

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

(Contd.)

ANDREW YULE & CO. LTD.

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.
- (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.

(Contd.)

- (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.
- (b) Liability in respect of rectification work/replacement involving estimated value above ₹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,

(Contd.)

ANDREW YULE & CO. LTD.

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 CGF 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 AS-26.

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

15. Employee Benefits :

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

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

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

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

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

We have examined the attached consolidated Balance Sheet of Andrew Yule & Co. Ltd. (The Company) and its Subsidiary, Associates and Joint Venture Companies (the Andrew Yule Group) as at 31st March, 2011, 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. | 565.00 | 1128.02 |
| [ii] Yule Engineering Co. Ltd. | 5.35 | 28.80 |
| [iii] Yule Electrical Co. Ltd. | 9.10 | ... |

| Name of the Companies | Net Carrying cost of investment as on 31st March, 2011 | Current year's share of Profit |
|-----------------------|--|--------------------------------|
|-----------------------|--|--------------------------------|

B. Associates

| | | |
|------------------------------------|---------|----------|
| 1. Tide Water Oil Co. (India) Ltd. | 5233.33 | 1545.79 |
| 2. Katras Jherriah Coal Co. Ltd. | 4.85 | (-) 2.41 |
| 3. The New Beerbhoom Coal Co.Ltd. | 9.55 | (-) 1.21 |

- 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. The net worth of the Company has become positive at the year end. (Share pending allotment to Government of India ₹150.00 lakhs and Bank of Baroda ₹150.00 lakhs totaling to ₹300.00 lakhs) not considered for the purpose of net worth [Refer Note No.5 of Schedule 20].
- Non-provision against diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to ₹27.88 lakhs.**
- [i] Non-provision towards diminution in value of long term investments of New Beerbhoom Coal Co. Ltd., amounting to ₹1.50 lakh out of which Group share in Consolidated Accounts is ₹0.49 lakh. [Refer Note No.17(b) of Schedule 20]**

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ANDREW YULE & CO. LTD.

- [ii] Non Provision towards dimunition in value of long term investments of Katras Jherriah Coal Co. Ltd., amounting to ₹2.55 lakhs one of which group share in consolidated accounts is ₹0.81 lakh [Refer to Note No.17(c) in Schedule 20].
- [iii] Non-provision towards dimunition in value of long term investments of Tide Water Oil Co. (India) Ltd., amounting to ₹60.09 lakhs out of which Group share in Consolidated Accounts is ₹15.75 lakhs [Refer to Note No.17(a) in Schedule 20].
5. [i] Non-provision of ₹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 ₹1.48 lakhs (Refer to Note No.18 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 coking/non-coking coal mines which have been admitted by the respective Commissioner of Payments or are subject to appeal filed by the claimants and still pending with the appellate courts have been included in "Sundry Creditors". Accordingly, the extent of adjustments as may be required in respect of claims under appeals still pending with the Appellate Courts is not ascertainable at this stage [Refer to Note No.21(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 ₹1.79 lakhs. Group share in Consolidated Accounts is ₹0.57 lakh (Refer to Note No.19 in Schedule 20).
- [c] The extent of realisability of loan given to Body Corporate for ₹2.00 lakhs. Group share in Consolidated Accounts is ₹0.63 lakh (Refer to Note No.20 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 ₹5656.66 lakhs as against the reported profit of ₹5704.27 lakhs, accumulated profit net of General Reserve would have been ₹261.92 lakhs as against the reported figure of ₹309.53 lakhs, net current assets would have been ₹10016.26 lakhs as against the reported figure of ₹10018.94 lakhs, and investments would have been ₹5792.65 lakhs as against the reported figure of ₹5837.58 lakhs.

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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, 2011;

- [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, 27th July, 2011.

For S. GHOSH & CO.,
Chartered Accountants,
(CA. P. C. KONER)
Partner,
Membership No.16448.

ANDREW YULE & CO. LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | Schedules | As at 31.03.11 | As at 31.03.10 |
|---|-----------|------------------------|------------------------|
| SOURCES OF FUNDS | | | |
| (1) Shareholders' Funds : | | | |
| (a) Share Capital | 1 | 6372.77 | 5926.57 |
| (b) Share pending allotment to Govt. of India | | 300.00 | 847.00 |
| (c) Reserves and Surplus | 2 | 10937.14 | 10946.40 |
| (d) Profit and Loss Account | | 309.53 | ... |
| | | <u>17919.44</u> | <u>17719.97</u> |
| (2) Loan Funds : | 3 | | |
| (a) Secured Loans | | 9160.71 | 10891.57 |
| (b) Unsecured Loans | | 6172.98 | 7440.26 |
| | | <u>15333.69</u> | <u>18331.83</u> |
| (3) Deferred Tax Liability (Net) (Note No.23 on Schedule 20) | | 360.25 | 359.28 |
| TOTAL | | <u>33613.38</u> | <u>36411.08</u> |
| APPLICATIONS OF FUNDS | | | |
| (1) Fixed Assets : | 4 | | |
| (a) Gross Block | | 23784.81 | 23411.80 |
| (b) Less: Depreciation and Impairment of Assets | | 6223.26 | 5916.01 |
| (c) Net Block | | 17561.55 | 17495.79 |
| (d) Less: Impairment of Assets | | 188.82 | 188.82 |
| | | <u>17372.73</u> | <u>17306.97</u> |
| (e) Capital Work-in-Progress | | 366.43 | 630.44 |
| | | <u>17739.16</u> | <u>17937.41</u> |
| (2) Investments | 5 | 5837.58 | 4293.22 |
| (3) Current Assets, Loans and Advances : | | | |
| (a) Inventories | 6 | 3730.80 | 3116.31 |
| (b) Sundry Debtors | 7 | 4680.22 | 3787.78 |
| (c) Cash and Bank Balances | 8 | 10634.61 | 12934.43 |
| (d) Other Current Assets | 9 | 0.69 | 0.69 |
| (e) Loans and Advances | 10 | 4991.51 | 4317.78 |
| | | <u>24037.83</u> | <u>24156.99</u> |
| Less: Current Liabilities and Provisions : | | | |
| (a) Current Liabilities | 11 | 12506.30 | 13628.39 |
| (b) Provisions | 12 | 1512.59 | 1761.29 |
| | | <u>14018.89</u> | <u>15389.68</u> |
| Net Current Assets | | <u>10018.94</u> | <u>8767.31</u> |
| (4) (a) Miscellaneous Expenditure to the extent not written off or adjusted | | 17.70 | 17.70 |
| (b) Profit and Loss Account | | ... | 5395.44 |
| TOTAL | | <u>33613.38</u> | <u>36411.08</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 & General Manager (Legal).
KOLKATA – 27th July, 2011.

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

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA P. C. KONER)
Partner,

Kolkata – 27th July, 2011.

Membership No.16448

ANDREW YULE & CO. LTD.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | Schedules | 2010-11 | 2009-10 |
|--|-----------|-----------------|--------------------|
| INCOME | | | |
| Gross Sales | 13 | 25100.71 | 19963.39 |
| Less: Excise Duty | | 734.35 | 393.20 |
| Net Sales | | 24366.36 | 19570.19 |
| Interest and Dividend on Investments (Gross) | | 118.46 | 73.92 |
| Miscellaneous Operational Income | 14A | 1779.60 | 2262.58 |
| Other Income | 14B | 3552.61 | 8644.12 |
| Accretion/ Decretion (-) in Stocks | 15 | 149.32 | 242.55 |
| | | <u>29966.35</u> | <u>30793.36</u> |
| EXPENDITURE | | | |
| Materials Consumed | 16 | 8902.65 | 6100.99 |
| Salaries, Wages and Bonus | 17 | 9753.96 | 9253.35 |
| Interest | 18 | 1711.25 | 2290.04 |
| Other Expenses | 19 | 5368.85 | 5565.44 |
| Depreciation | 4 | 465.07 | 430.85 |
| Impairment of Assets | | ... | 7.30 |
| | | <u>26201.78</u> | <u>23647.97</u> |
| Profit/Loss(-) before Extra-ordinary items | | 3764.57 | 7145.39 |
| Add : Extra-ordinary Income [Note No.3(a)&3(b) of Schedule-20] | | 409.90 | 424.80 |
| Profit/Loss(-) for the year | | 4174.47 | 7570.19 |
| Add/Less : Provision for Taxation : | | | |
| [a] Wealth Tax | | 3.80 | 3.00 |
| [b] Income Tax | | 6.90 | -14.37 |
| [d] Deferred Tax | | 0.97 | 44.81 |
| | | <u>11.67</u> | <u>33.44</u> |
| Profit/Loss(-) for the year after provision | | 4162.80 | 7536.75 |
| Add : Share of Profit of Associates | | 1542.17 | 1430.39 |
| | | 5704.97 | 8967.14 |
| Add : Loss brought forward from last account | | (-) 5395.44 | (-) 12787.47 |
| | | 309.53 | (-) 3820.33 |
| Add/Less : Difference in net assets due to sale of Phoenix Yule Ltd. debited to opening Profit and Loss Account | | ... | 1575.11 |
| Balance carried to Balance Sheet | | <u>309.53</u> | <u>(-) 5395.44</u> |
| Basic and Diluted earnings per share before extraordinary income (Note No.28 of Schedule 20) | | 1.75 | 2.88 |
| Basic and Diluted earnings after extraordinary income (Note No..28 of Schedule 20) | | 1.88 | 3.03 |

NOTES ON ACCOUNTS

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

D. BANDYOPADHYAY,
Company Secretary & General Manager (Legal).
KOLKATA – 27th July, 2011.

On behalf of the Board,

K. DATTA, *Chairman and Managing Director.*

I. SENGUPTA

S. SWAMINATHAN } *Directors.*

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No.304016E
(CA P. C. KONER)
Partner,

Kolkata – 27th July, 2011.

Membership No.16448

ANDREW YULE & CO. LTD.**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011
PREPARED PURSUANT TO THE LISTING AGREEMENTS WITH STOCK EXCHANGES**

(₹ in lakhs)

| | <u>2010-11</u> | <u>2009-10</u> |
|--|----------------|----------------|
| Cash Flow Statement has been prepared by following Indirect Method mentioned in AS-3 | | |
| (A) CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax and extraordinary items | 5306.74 | 8575.78 |
| Adjustments for | | |
| Depreciation/Impairment of Assets | 465.07 | 438.15 |
| <i>Miscellaneous Expenditure written off</i> | ... | 224.99 |
| Interest charged | 1711.25 | 2290.04 |
| Investment Income | (880.75) | ... |
| <i>Subsidy credited to Profit and Loss Account/Provision for staff benefit</i> | ... | (34.24) |
| Investment Income | (59.01) | (7871.76) |
| Operating profit before changes in amount of Current Liabilities and Current Assets | 6543.30 | 3622.96 |
| Adjustments for | | |
| Trade Receivables | 1518.19 | (1752.33) |
| Inventories | (614.50) | (143.10) |
| Trade payable | (1544.82) | 1133.99 |
| Cash Generated from Operations | 5902.17 | 2861.52 |
| Wealth Tax paid | (3.76) | (2.84) |
| <i>Fringe Benefit Tax paid</i> | ... | (1.00) |
| <i>Agricultural Income Tax</i> | ... | (3.70) |
| Cash-flow before Extraordinary Items | 5898.41 | 2853.98 |
| Extraordinary Income | 409.90 | 424.80 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 6308.31 | 3278.78 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure) | (579.81) | (277.26) |
| Loans | (145.91) | 56.18 |
| <i>Sale of Non-Trade Investment</i> | ... | 8049.78 |
| Sale of Fixed Assets | 0.27 | ... |
| Investment made | (1542.17) | (1430.39) |
| Subsidy received from Tea Board for Capital Assets | 67.93 | 99.63 |
| Income from other Investments | 1016.00 | 1156.55 |
| Capital advance | 135.98 | ... |
| NET CASH FROM INVESTING ACTIVITIES (B) | 494.46 | 7654.49 |

(Contd.)

ANDREW YULE & CO. LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 PREPARED PURSUANT TO THE LISTING AGREEMENTS WITH STOCK EXCHANGES - (Contd.)

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|---|------------------|-------------------|
| (C) CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from borrowings | (2182.33) | (11752.34) |
| Interest paid | (2220.34) | (1034.35) |
| Advance against equity | (547.00) | 106.20 |
| Proceeds from equity | 446.20 | ... |
| NET CASH USED IN FINANCING ACTIVITIES (C) | (4503.47) | (12680.49) |
| NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C) | 756.86 | (1747.22) |
| CASH AND CASH EQUIVALENT Opening Balance as at 1st April,2010 | 2888.77 | 4635.99 |
| CASH AND CASH EQUIVALENT Closing Balance as at 31st March,2011 | 3645.63 | 2888.77 |

Notes :

[1] Break-up of Cash and Cash equivalent

| | | |
|---|---------|---------|
| Cash in hand | 43.14 | 34.78 |
| Postage and Stamps in hand | 0.03 | 0.21 |
| Cheques in hand | 23.04 | 13.83 |
| Remittance in transit | 2.99 | 54.34 |
| Remittance with Scheduled Banks : | | |
| On Current Account | 825.98 | 563.90 |
| Fixed Deposit with Banks maturing within 3 months | 2750.45 | 2221.71 |
| | 3645.63 | 2888.77 |

[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 & General Manager (Legal).
KOLKATA – 27th July, 2011.

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

In terms of our attached Report of even date.

For S. GHOSH & CO.,
Chartered Accountants,
Firm Registration No. 304016E
(CA P. C. KONER)
Partner,

Kolkata – 27th July, 2011.

Membership No.16448

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | <u>As at 31.03.11</u> | <u>As at 31.03.10</u> |
|--|-----------------------|-----------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised : | | |
| 375000000 Equity Shares of ₹2 each | 7500.00 | 7500.00 |
| (Previous year 375000000 Equity Shares of ₹2 each) | <u>7500.00</u> | <u>7500.00</u> |
| Issued, Subscribed and Fully Paid-up : | | |
| 318638478 Equity Share of ₹2 each | | |
| (Previous year 29,63,28,478 Equity Shares of ₹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 ₹2 each towards conversion of GOI loan and advance against Equity as per Sanctioned Rehabilitation Scheme (SRS) dated 30.10.2007 (ii) 12610000 No. of Shares Issued to Bank of Baroda of ₹2 each towards conversion of funded interest of ₹252.20 lakhs. (iii) 1,70,00,000 No. of Shares Issued to Govt. of India of ₹2 each (iv) 53,10,000 No. of Shares Issued to Allahabad Bank of ₹2 each towards conversion of funded interest of ₹106.20 lakhs. | | |
| | 6372.77 | 5926.57 |
| | <u>6372.77</u> | <u>5926.57</u> |
| SCHEDULE 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve : | | |
| General : | | |
| Balance as per last account | 10735.56 | 10735.56 |
| 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 | 110.69 | 38.70 |
| Add: Received during the year | 1.18 | 99.63 |
| | <u>111.87</u> | <u>138.33</u> |
| Less: Transfer to Profit and Loss Account (includes items relating to previous year- Nil (₹8.34 lakh) | 10.44 | 27.64 |
| | 101.43 | 110.69 |
| State Housing Subsidies | 4.06 | 4.06 |
| | <u>116.89</u> | <u>126.15</u> |
| | <u>10852.45</u> | <u>10861.71</u> |
| Preference Share Capital Redemption Reserve : | | |
| Balance as per last account | 84.69 | 84.69 |
| | <u>10937.14</u> | <u>10946.40</u> |

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | <u>As at 31.03.11</u> | <u>As at 31.03.10</u> |
|---|-----------------------|-----------------------|
| SCHEDULE 3 | | |
| LOANS | | |
| Secured Loans : | | |
| Term Loans : | | |
| Tea Board Special Purpose Tea Fund Loan (Secured by a charge on certain movable and immovable assets of Banarhat and Hoolungooree Tea Estates ranking subsequent to the charge in favour of the Bank on those assets) | 39.10 | 40.37 |
| 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>166.91</u> | <u>133.53</u> |
| | 548.33 | 514.95 |
| Others (Secured by hypothecation of certain movable properties) | 671.24 | 173.19 |
| Bonds : | | |
| 9% Secured Redeemable Non-convertible 12 Years Bond (Secured by creation of 2nd charge on mortgage of Banarhat and Karballa Tea Estates.) | 500.00 | 1000.00 |
| 9.1% Secured Redeemable Non-convertible 10 Years Bond | 2000.00 | 2000.00 |
| From Scheduled Banks on Cash Credit Accounts : | | |
| State Bank of India | 957.00 | 1257.75 |
| Add: Interest accrued and due thereon | <u>560.06</u> | <u>895.98</u> |
| | 1517.06 | 2153.73 |
| Bank of Baroda | 2991.00 | 3186.32 |
| Add: Interest accrued and due thereon | <u>5.41</u> | <u>378.47</u> |
| | 2996.41 | 3564.79 |
| Allahabad Bank | 105.29 | ... |
| Add: Interest accrued and due thereon | <u>13.47</u> | <u>...</u> |
| (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) | 118.76 | ... |
| United Bank of India (for Desam, Khowang, New Dooars and Choonabhutti Tea Estates) | 338.27 | 461.31 |
| Union Bank of India (for Banarhat, Karballa, and Hoolungooree Tea Estates) | 68.69 | 256.97 |
| United Bank of India (for Hooghly Printing Co. Ltd.) | | ... |
| Allahabad Bank | 356.47 | 726.26 |
| Add: Interest accrued and due thereon | <u>6.38</u> | <u>...</u> |
| (for Tinkong, Basmatia, Rajgarh, Murphulani and Mim Tea Estates) | 362.85 | 726.26 |
| (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) | | |
| Carried over | <u>9160.71</u> | <u>10891.57</u> |

(Contd.)

ANDREW YULE & CO. LTD.**SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 - (Contd.)**

(₹ in lakhs)

| | <u>As at 31.03.11</u> | <u>As at 31.03.10</u> |
|---|-----------------------|-----------------------|
| SCHEDULE 3 – (Contd.) | | |
| LOANS – (Contd.) | | |
| Secured Loans – (Contd.) | | |
| Brought forward | 9160.71 | 10891.57 |
| Unsecured Loans | | |
| From Government of India (Including interest free loan of ₹ Nil (2009-10 ₹1330.00 lakhs) | 4416.00 | 5844.00 |
| Add: Interest accrued and due thereon | <u>1487.13</u> | <u>1326.41</u> |
| | 5903.13 | 7170.41 |
| 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 | 0.30 |
| Add: Interest accrued and due thereon | <u>0.69</u> | <u>0.69</u> |
| | 0.99 | 0.99 |
| | <u>6172.98</u> | <u>7440.26</u> |
| | <u>15333.69</u> | <u>18331.83</u> |

ANDREW YULE & CO. LTD.

SCHEDULE 4

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

FIXED ASSETS

(₹ in lakhs)

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | IMPAIRMENT OF ASSETS | | NET BLOCK | |
|--|--|--|--|--|-----------------------|---------------|---|-----------------------|-----------------------|-----------------|------------------------|------------------------|
| | Cost/Book Value as at 31st March, 2010 | Additions/ Adjustments during the year | Less: Sales/ Adjustments during the year | Cost/Book Value as at 31st March, 2011 | Upto 31st March, 2010 | For the year | Less: On Sales/ Adjustments during the year | Upto 31st March, 2011 | Upto 31st March, 2010 | During the year | As at 31st March, 2011 | As at 31st March, 2010 |
| Goodwill | 12.15 | ... | ... | 12.15 | ... | ... | ... | ... | ... | ... | 12.15 | 12.15 |
| Land (including cost of development and leasehold land ₹15.10 lakhs; 2009-10 ₹15.10 lakhs) | 175.39 | 147.99 | ... | 323.38 | ... | 0.71 | ... | 0.71 | ... | ... | 322.67 | 175.39 |
| Estates[Leasehold(including garden development expenses)] | 12458.84 | 12.82 | 2.20 | 12469.46 | 234.48 | 20.99 | ... | 255.47 | ... | ... | 12213.99 | 12224.36 |
| Buildings | 2992.08 | 38.39 | 5.24 | 3025.23 | 1203.77 | 58.87 | 0.57 | 1262.07 | 5.78 | ... | 1757.38 | 1782.53 |
| Roads and Culverts | 53.75 | ... | ... | 53.75 | 15.73 | 0.98 | ... | 16.71 | ... | ... | 37.04 | 38.02 |
| Plant and Machinery | 5306.29 | 210.10 | 180.92 | 5335.47 | 3088.70 | 259.91 | 107.92 | 3240.69 | 96.41 | ... | 1998.37 | 2121.18 |
| Drawings, Designs and Tracings etc. | 74.99 | ... | ... | 74.99 | 40.91 | ... | ... | 40.91 | 34.09 | ... | -0.01 | -0.01 |
| Electrical Installations | 827.05 | 45.01 | -20.66 | 892.72 | 420.08 | 34.27 | -6.68 | 461.03 | ... | ... | 431.69 | 406.97 |
| Water Installations | 484.57 | 8.13 | -6.33 | 499.03 | 234.50 | 19.56 | 0.74 | 253.32 | ... | ... | 245.71 | 250.07 |
| Furniture, Fittings and Office Equipments | 393.81 | 17.80 | 29.01 | 382.60 | 305.30 | 14.93 | 25.21 | 295.02 | 0.01 | ... | 87.57 | 88.50 |
| Vehicles | 599.68 | 62.54 | -18.98 | 681.20 | 359.70 | 47.35 | 30.06 | 376.99 | ... | ... | 304.21 | 239.98 |
| Computer Software (intangible Assets) | 23378.60 | 542.78 | 171.40 | 23749.98 | 5903.17 | 457.57 | 157.82 | 6202.92 | 136.29 | ... | 17410.77 | 17339.14 |
| | 33.20 | 1.63 | ... | 34.83 | 12.84 | 7.50 | ... | 20.34 | ... | ... | 14.49 | 20.36 |
| Capital Work-in-Progress | 630.44 | 171.22 | 435.23 | 366.43 | ... | ... | ... | ... | 51.28 | 1.25 | 313.90 | 577.91 |
| TOTAL | 24042.24 | 715.63 | 606.63 | 24151.24 | 5916.01 | 465.07 | 157.82 | 6223.26 | 187.57 | 1.25 | 17739.16 | 17937.41 |
| PREVIOUS YEAR'S TOTAL | 25512.85 | 1175.35 | 2645.96 | 24042.24 | 6511.07 | 430.85 | 1025.91 | 5916.01 | 181.52 | 7.30 | 17937.41 | |

(Contd.)

[85]

ANDREW YULE & CO. LTD.

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 4 - (Contd.)

FIXED ASSETS - (Contd.)

Notes: [1] Land valuing ₹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 ₹255.46 lakhs and expenses on extension Planting/Maintenance and Up-keep expenses on immature plants.

[3] Renewal lease agreement for Banarhat and Choonabhatti 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 Doors | 145 | (145) |
| Hingrijan | 16 | (16) |

Against the above acquisitions, part compensation aggregating to ₹14.03 lakhs (₹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 ₹99.50 lakhs (₹99.50 lakhs) against which provision for doubtful advances of ₹99.50 lakhs (₹99.50 lakhs) has been provided.

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

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| SCHEDULE 5 | No. of Shares/ Units | Face Value per Share/ Unit | Book Value | |
|--|----------------------------|----------------------------------|---------------|---------------|
| | | | As at 31.3.11 | As at 31.3.10 |
| 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. | 2,28,390 | 10 | 141.07 | 141.07 |
| Add/Less: Group Share of Profit as on 31st March, 2011 | | | 5092.26 | 3546.47 |
| | | | 5233.33 | 3687.54 |
| Unquoted : | | | | |
| New Beerbhoom Coal Co. Ltd. | 1,05,355 | 10 | 12.27 | 12.27 |
| Add/Less: Group Share of Profit upto 31st March, 2011 | | | (-) 2.72 | 1.51 |
| | | | 9.55 | 10.76 |
| Katras Jherriah Coal Co. Ltd. | 60,260 | 10 | 6.95 | 6.95 |
| Add/Less: Group Share of Profit upto 31st March, 2011 | | | (-) 2.10 | 0.31 |
| | | | 4.85 | 7.26 |
| (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 | 0.01 |
| 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 | 1,55,400 | 10 | 32.94 | 30.75 |
| | (1,46,132) | | | |
| | | | 5842.79 | 4298.40 |
| Less: Provision for diminution in value for long term investments | | | 5.21 | 5.21 |
| | | | 5837.58 | 4293.22 |
| Market value of quoted investments | | | 14987.04 | 11713.52 |

(Contd.)

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 5 - (Contd.)

INVESTMENTS - (Contd.)

- Notes:**
- * The Coal mines of these Companies have been nationalised. Pending finalisation of compensation rolls by the Commissioners of Payments, the Company is not in a position to estimate the amount receivable on its holding in these Companies. However, losses, if any, in this regard will be adjusted against Capital Reserve.
 - ** Bonds Issued by WEBFIL Ltd. in lieu of adjustment of Advance to WEBFIL Ltd., as per their approved Revival package of BIFR.
 - The following Investments having been written down to a nominal value of ₹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. 7½% Tax-free Redeemable Cumulative Preference Shares | 1000 | 100 |
| Unquoted - Equity Shares : | | |
| Transformer & Switchgear Ltd. | 22395 | 10 |
| Hooghly Docking & Engineering Co. Ltd. | 4410 | 50 |
| Brentford Electric (India) Ltd. | 52500 | 10 |
| India Paper Pulp Co. Ltd. (In liquidation) | 439675 | 10 |

- During the year the following current investments were purchased and sold
30223.254 units of UTI liquid cash plan institutional growth option
50616.348 units of UTI Treasury Advantage Institutional Plan - Growth Fund.
62469.281 units of UTI Floating Funds - Short Term Plan - Institutional Growth Option.

SCHEDULE 6

INVENTORIES

At or under cost :

| | <u>As at 31.03.11</u> | <u>As at 31.03.10</u> |
|---|-----------------------|-----------------------|
| Raw materials, Components and Packaging Materials (Includes Stores-in-Transit ₹5.89 lakhs; 2009-10 ₹0.10 lakh) | 1124.59 | 924.23 |
| Stores and Spare parts | 823.02 | 584.66 |
| Food-stuff | 25.71 | 16.36 |
| Loose tools | 9.13 | 8.06 |

At Cost or net realisable value whichever is lower :

| | | |
|---------------------------------------|----------------|----------------|
| Finished goods | 710.80 | 530.02 |
| Work-in-Progress | 1012.50 | 1034.09 |
| Scrap (at estimated realisable value) | 25.05 | 18.89 |
| | <u>3730.80</u> | <u>3116.31</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in lakhs)

| | <u>As at 31.03.11</u> | <u>As at 31.03.10</u> |
|--|-----------------------|-----------------------|
| SCHEDULE 7 | | |
| SUNDRY DEBTORS | | |
| Unsecured : | | |
| Debts outstanding for a period exceeding six months : | | |
| Considered good | 495.05 | 929.21 |
| Considered doubtful | 4230.54 | 4175.01 |
| | 4725.59 | 5104.22 |
| Other Debts : | | |
| Considered good | 4185.17 | 2858.57 |
| | 8910.76 | 7962.79 |
| Less: Provision for doubtful debts | 4230.54 | 4175.01 |
| | 4680.22 | 3787.78 |
| SCHEDULE 8 | | |
| CASH AND BANK BALANCES | | |
| Cash-in-hand | 43.26 | 34.78 |
| Postage and Stamps-in-hand | 0.03 | 0.21 |
| Cheques-in-hand | 23.04 | 13.83 |
| Remittances-in-transit | 2.99 | 54.34 |
| Balances with Scheduled Banks : | | |
| On Current Account (Net) | 825.98 | 563.91 |
| On Deposit Account : | | |
| Employees' Security Deposit | 0.06 | 0.06 |
| * Others | 9738.45 | 12266.50 |
| | 9738.51 | 12266.56 |
| Unclaimed Preference Share Redemption Account | 0.80 | 0.80 |
| | 10634.61 | 12934.43 |

- Notes:** *1. (a) Includes Bank deposits of ₹10.00 lakhs (₹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 ₹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 ₹2776.79 lakhs (₹1734.75 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, 2011

(₹ in lakhs)

| | As at 31.03.11 | As at 31.03.10 |
|--|----------------|----------------|
| 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 | 0.69 |
| | <u>0.69</u> | <u>0.69</u> |
| SCHEDULE 10 | | |
| LOANS AND ADVANCES | | |
| Secured | | |
| Loans | 19.09 | 22.38 |
| Unsecured | | |
| Loans | 503.16 | 510.29 |
| Advances recoverable in cash or in kind or for value to be received | 2791.36 | 2218.10 |
| Advance Payment of Income/Wealth-tax/Fringe Benefit Tax (including Tax deducted at source) | 970.60 | 885.75 |
| Balance with Government Authorities | 112.74 | 104.13 |
| Interest accrued on Loans, Deposits etc. | 178.42 | 315.86 |
| Deposits – lodged with various authorities (including National Plan Savings Certificates ₹0.05 lakh; 2009-10 ₹0.65 lakh) | 416.14 | 261.27 |
| | <u>4972.42</u> | <u>4295.40</u> |
| | <u>4991.51</u> | <u>4317.78</u> |
| Notes: 1. Classification of Loans and Advances : | | |
| (A) Secured Considered Good | 19.09 | 22.38 |
| (B) Unsecured Considered Good | 4972.42 | 4295.40 |
| Considered Doubtful | 1865.76 | 1875.20 |
| | 6838.18 | 6170.60 |
| Less: Provision | 1865.76 | 1875.20 |
| | <u>4972.42</u> | <u>4295.40</u> |
| | <u>4991.51</u> | <u>4317.78</u> |

2. Secured Loans represent House Building and Car Loans (including loan of ₹0.02 lakh to Directors; 2009-10 ₹0.12 lakh)-Maximum amount due at any time during the year ₹0.02 lakh; (2009-10 ₹0.12 lakh) 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, 2011

(₹ in lakhs)

| SCHEDULE 11 | <u>As at 31.03.11</u> | <u>As at 31.03.10</u> |
|---|-----------------------|-----------------------|
| CURRENT LIABILITIES | | |
| Sundry Creditors and Other Liabilities : | | |
| Micro Small and Medium Enterprises | 6.57 | 54.43 |
| *Others | | |
| (including due to Subsidiary ₹7.49 lakhs and ₹Nil being Earnest Money and Security Deposits; 2009-10 ₹Nil and ₹79.02 lakhs) | 11104.64 | 12470.90 |
| Advances and Deposits received from Customers and others (including ₹323.46 lakhs being Security Deposits; 2009-10 ₹127.75 lakhs) | 827.38 | 841.87 |
| Employees' Security Deposits | 0.06 | 0.06 |
| Interest accrued but not due on loans and deposits | 566.85 | 260.33 |
| Unclaimed Redeemed Preference Shares | 0.80 | 0.80 |
| | <u>12506.30</u> | <u>13628.39</u> |

SCHEDULE 12

PROVISIONS

For Taxation :

| | | |
|--|----------------|----------------|
| Income Tax | 261.46 | 255.58 |
| Wealth Tax | 22.80 | 19.00 |
| Fringe Benefit Tax | <u>116.82</u> | <u>116.82</u> |
| | 401.08 | 361.40 |
| " Superannuation and Pension | 394.80 | 376.95 |
| " Provision for Capital-Work-in-Progress | 11.57 | 11.57 |
| " Stock Obsolescence | 416.59 | 418.67 |
| " Contingencies | 287.45 | 562.70 |
| " Food Stuff | 1.10 | ... |
| | <u>1512.59</u> | <u>1761.29</u> |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|--|----------|----------|
| SCHEDULE 13 | | |
| SALES | | |
| Sales and Work done [including trading item ₹230.67 lakhs (2009-10 ₹138.06 lakhs)(after adjusting ₹48.35 lakhs being returns/adjustments in respect of earlier year; 2009-10 ₹1.13 lakhs)] | 25328.34 | 20097.25 |
| Add: Inter Unit Transfer of Capital Goods manufactured | 2.18 | 13.32 |
| | 25330.52 | 20110.57 |
| Less: Excise Duty recovered on sales | 734.35 | 393.20 |
| Trade and Other Discount | 229.81 | 147.18 |
| | 964.16 | 540.38 |
| Net sales and job work done | 24366.36 | 19570.19 |
| SCHEDULE 14A | | |
| MISCELLANEOUS OPERATIONAL INCOME | | |
| Export Incentives | 1.17 | ... |
| Royalty | 225.00 | 130.20 |
| Sundry Receipts (including insurance claims of ₹86.61 lakhs; 2009-10 ₹80.32 lakhs) | 102.33 | 210.31 |
| Rent and Hire charges | 145.01 | 79.60 |
| Scrap/Tea waste sale | 119.21 | 181.70 |
| Service rendered to Group Companies (including TDS of ₹8.65 lakhs) | 444.00 | 386.22 |
| Service charges from customers | 14.66 | 47.10 |
| Trade Liabilities no longer required written back | 728.22 | 1227.45 |
| | 1779.60 | 2262.58 |
| SCHEDULE 14B | | |
| OTHER INCOME | | |
| Interest on Loans, Advances, Deposits etc. (Gross) (including TDS for ₹186.83 lakhs; 2009-10 ₹15.97 lakhs) | 750.24 | 920.66 |
| Profit on sale of stores/Fixed Assets | 0.43 | ... |
| Profit on sale of Current Investments | 12.05 | 34.20 |
| Profit on sale of Long Term Investments | ... | 6842.98 |
| Non Compete Fees | ... | 240.00 |
| Tea Board Replantation Subsidy | 66.76 | 14.25 |
| Adjustment for Tea Board Subsidy for Capital Assets | 10.43 | 19.30 |
| Fees and Commission received by Directors and Employees | 2.10 | 2.12 |
| Profit on Exchange | 1.12 | 0.14 |
| Items relating to previous years (including depreciation for earlier year) [Refer Note No.33 of Schedule 20] | 2410.35 | 40.79 |
| Provisions no longer required written back : | | |
| Doubtful Debts | 0.15 | 253.87 |
| Doubtful Loans and Advances | 8.77 | 4.66 |
| Contingencies | 288.13 | 2.51 |
| Stock Obsolescence and Depreciation | 2.08 | 46.35 |
| Prawn Project write back | ... | 222.29 |
| | 299.13 | 529.68 |
| | 3552.61 | 8644.12 |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|---|----------|---------|
| SCHEDULE 15 | | |
| ACCRETION / DECRETION (-) IN STOCKS | | |
| Opening Stock : | | |
| Finished goods | 530.01 | 454.80 |
| Finished goods-in-transit | 13.20 | 5.52 |
| Semi-Finished Articles | 289.69 | 191.19 |
| Work-in-Progress | 744.40 | 604.23 |
| Scrap | 18.89 | 98.31 |
| | 1596.19 | 1354.05 |
| Closing Stocks : | | |
| Finished goods | 710.80 | 530.01 |
| Semi-Finished Articles | 281.34 | 289.69 |
| Work-in-Progress | 731.16 | 744.40 |
| Scrap | 25.05 | 18.89 |
| Trading items | ... | 13.20 |
| | 1748.35 | 1596.19 |
| | 152.16 | 242.14 |
| Add: Excise Duty on Accretion(+)/Decretion(-) on finished goods | (-) 2.84 | 0.41 |
| | 149.32 | 242.55 |
| SCHEDULE 16 | | |
| MATERIALS CONSUMED | | |
| Stocks as at 1st April, 2010 : | | |
| Raw materials, components and packaging materials | 921.05 | 899.16 |
| Materials-in-transit | 3.18 | 26.43 |
| Stores and spare parts | 571.46 | 655.53 |
| Loose tools | 8.06 | 6.21 |
| | 1503.75 | 1587.33 |
| Less: Book value of Stocks sold/adjusted/written off | 4.21 | 52.53 |
| | 1499.54 | 1534.80 |
| Purchases during the year : | | |
| Raw materials, components and packaging materials (including erection expenses in case of composite contracts and processing charges) | 7992.39 | 5133.01 |
| Stores and spare parts | 1689.52 | 1733.27 |
| Loose tools | 6.32 | 5.39 |
| | 9688.23 | 6871.67 |
| | 11187.77 | 8406.47 |
| Less: Stocks as at 31st March, 2011 : | | |
| Raw materials, components and packaging materials | 1115.62 | 921.05 |
| Materials-in-transit | 8.97 | 3.18 |
| Stores and spare parts | 823.02 | 571.46 |
| Loose tools | 9.13 | 8.06 |
| | 1956.74 | 1503.75 |
| Raw materials and stores used on Capital Jobs ₹ Nil; 2009-10 ₹0.20 lakh and on Repair Jobs, Advertising, Transport, Power and Fuel, Research and Development etc. ₹315.10 lakhs; 2009-10 ₹801.53 lakhs. | 328.38 | 801.73 |
| | 2285.12 | 2305.48 |
| | 8902.65 | 6100.99 |

ANDREW YULE & CO. LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | <u>2010-11</u> | <u>2009-10</u> |
|--|-----------------------|-----------------------|
| SCHEDULE 17 | | |
| SALARIES, WAGES AND BONUS | | |
| Salaries, Wages, Bonus and Gratuity | 7941.14 | 7552.19 |
| Contribution to Provident and Other Funds | 1092.53 | 927.26 |
| Welfare and Other Expenses | 917.95 | 936.54 |
| | <u>9951.62</u> | <u>9415.99</u> |
| Less: Incurred on Capital jobs, Repair Jobs, Research and Development, Advertising, Transport etc. | 197.66 | 162.64 |
| | <u>9753.96</u> | <u>9253.35</u> |
| | <u><u>9753.96</u></u> | <u><u>9253.35</u></u> |
| SCHEDULE 18 | | |
| INTEREST | | |
| Term Loans | 774.37 | 1270.51 |
| Others | 936.88 | 1019.53 |
| | <u>1711.25</u> | <u>2290.04</u> |
| | <u><u>1711.25</u></u> | <u><u>2290.04</u></u> |

ANDREW YULE & CO. LTD.

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|---|---------|---------|
| SCHEDULE 19 | | |
| OTHER EXPENSES | | |
| Power and Fuel | 1698.61 | 1318.80 |
| Miscellaneous Tea Cultivtion and Manufacturing Expenses | 299.45 | 292.03 |
| <i>Research and Development Expenses</i> | ... | 56.01 |
| Directors' Salaries | 31.35 | 27.95 |
| Director' Fees | 0.64 | 1.41 |
| Rent (Net) | 39.76 | 30.48 |
| Rates and Taxes | 26.99 | 24.43 |
| Repairs and Maintenance : | | |
| Buildings | 212.50 | 205.85 |
| Plant and Machinery | 275.60 | 231.49 |
| Others | 41.99 | 35.92 |
| | 530.09 | 473.26 |
| Travelling Expenses and Upkeep of Vehicles | 480.55 | 443.93 |
| Insurance | 32.08 | 28.14 |
| Brokers' Commission | 188.13 | 177.79 |
| Selling Expenses : | | |
| Selling Agents' Commission | 31.85 | 31.07 |
| Others | 474.69 | 345.13 |
| | 506.54 | 376.20 |
| Miscellaneous Expenses | 994.97 | 925.02 |
| Excise Duty | 7.81 | 5.61 |
| Tea Cess | 32.74 | 31.73 |
| Educaion Cess | 0.97 | 0.92 |
| Assam Entry Tax | 4.72 | 3.70 |
| Bank Charges | 89.53 | 49.21 |
| Auditors' Remuneration : | | |
| Audit Fees | 2.45 | 2.53 |
| In Other Capacity : | | |
| Tax Audit Fees | 0.62 | 0.83 |
| For Certificates etc. | 0.82 | 0.79 |
| Out of Pocket Expenses | 0.71 | 0.25 |
| | 4.60 | 4.40 |
| Miscellaneous Expenditure Written off : | | |
| <i>Other Expenses</i> | ... | 2.70 |
| Net Loss on Exchange Fluctuation | 2.35 | 3.87 |
| Items relating to previous years (Refer to Note No.30 of Schedule 20) | 152.15 | 100.59 |
| <i>Bad Debts written off</i> | ... | 113.06 |
| <i>Expenses of shelved aqua culture project written off</i> | ... | 222.29 |
| Loss on sale/write off of stores | 2.72 | ... |
| Loss on sale/write off of fixed assets | 19.48 | 23.70 |
| Liquidated Damages and Penalty etc. | 114.77 | 54.87 |
| Rectification/Replacement | 54.26 | 34.99 |
| Provision for : | | |
| Doubtful Debts | 55.54 | 221.86 |
| <i>Doubtful Loans, Advances and Deposits</i> | ... | 483.49 |
| Food Stuff | 1.10 | ... |
| <i>Capital Work-in-Progress</i> | ... | 11.57 |
| <i>Stock Obsolescence</i> | ... | 2.25 |
| <i>Contingencies</i> | ... | 19.18 |
| | 56.64 | 738.35 |
| | 5371.90 | 5565.44 |
| Less: Amount transferred to Capital Jobs etc. | 3.05 | ... |
| | 5368.85 | 5565.44 |

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ 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, 2011 |
|---------------------------|--------------------------|---|
| 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, 2011 | Ownership interest as at 31st March, 2010 |
|---------------------------------|--------------------------|---|---|
| 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 ₹114.20 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, 2011 (Schedule-5) as per AS-23.

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 ₹748.00 lakhs which was sanctioned by State Bank

(Contd.)

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

- of India as per terms of Sanctioned Rehabilitation Scheme dated 30.10.2007 for conversion into equity to the extent of ₹150.00 lakh i.e. 20% of the funded interest comprising 75,00,000 shares @ ₹2/- per share has been kept in Share Pending Allotment Account. Balance 80% of funded interest i.e. ₹598.00 lakh arising out of remission of funded interest, charged to Profit and Loss Account in earlier years, has been accounted for an exceptional item in the Profit and Loss Account during the year.
- (b) In terms of the aforesaid order 46% of unsecured creditors amounting to ₹110.21 lakh except sub-judice matters has been written back during the year.
4. Extra-ordinary income consist of –
- (a) ₹598.00 lakh as stated in Note No.3(a).
- (b) (–) ₹188.10 lakh being difference between amount of ₹1003.20 lakh (i.e. 80% of accrued interest from the cut off date i.e. 31.03.2006 to 31.03.2009 amounting to ₹1254.00 lakh) credited to Profit and Loss Account for the year ended 31st March, 2009 on account of Bank of Baroda consequent upon the Bank agreeing to accept equity for 20% of the value after writing down the amount by 80% and ₹815.10 lakh (65% of the said ₹1254.00 lakh) in full and final settlement of the claim, in lieu of issue of equity sanctioned by Bank of Baroda and approved by the Board of Directors of the Company.
5. Share pending allotment consists of –
- (i) ₹150.00 lakh in favour of Govt. of India, which vide letter 10(3)/2008-PE-I dated 31st March, 2008 and No.10(26)/2005-PE-I dated 18th March, 2008 allocated ₹150.00 lakhs towards Equity @ ₹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 ₹2 in place of ₹10, the decision of issuance of fresh shares @ ₹2 per share after diminution has been kept pending till revised order in this regard is received from Govt. of India.
- (ii) ₹150.00 lakh as shown in point no.3(a).
6. 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 year
7. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹342.01 lakhs (₹247.23 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 ₹3.58 crore (₹2.44 crore) where Group Company's share is ₹0.94 crore (₹0.64 crore).
8. 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) Accrued interest of ₹5.56 crore upto 31.03.2007 being the difference between ₹27.29 crore, the interest including penal interest due upto 31.03.2007 as per books of DHI and the interest waived amounting to ₹21.73 crore. The proposal for waiver of ₹5.56 crore based on the principle of sanction by BIFR is under consideration of the GOI.
- (iii) Others ₹416.98 lakhs (₹415.05 lakh)
- (b) Guarantees and Indemnities given to various Institutions and Authorities in connection with Company's operations amounting to ₹1909.23 lakh (₹1545.81 lakh).

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

- (c) Guarantees given to banks on behalf of other Group and/or Associate Companies :
- *India Paper Pulp Co. Ltd. – ₹265.00 lakh (₹265.00 lakhs).
 - Other Companies – ₹328.00 lakh (₹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 ₹6699.98 lakh (₹7013.89 lakh). 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 ₹50.53 lakh (₹50.53 lakh) excluding interest not admitted, against which appeals have been preferred by the Company.
- (f) Disputed Excise/Customs Duty claims ₹538.95 lakh (₹582.40 lakh) excluding interest against which appeal have been preferred by the Company.
- (g) Unexpired Letter of Credit opened by the Company's bankers – ₹828.18 lakh (₹209.19 lakh).
- [h] 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 ₹38.30 lakhs (₹36.34 lakhs) Group Company's share of liability ₹10.04 lakhs (₹9.52 lakhs).
- [i] In Katras Jherriah Coal Co. Ltd. claims against the Company by Income Tax Authorities not acknowledged as debts and contested in appeals ₹1.78 lakhs (₹1.78 lakhs). The group interest in the said amount is ₹0.57 lakh (₹0.57 lakh).
- [j] In the New Beerbhoom Coal Company Ltd., claims against the Company by Income Tax Authorities not acknowledged as debts and contested in appeals ₹0.73 lakh (₹0.73 lakh). The Group interest in the said amount is ₹0.24 lakh (₹0.24 lakh).
9. (a) Share pending allotment consists of the following :-
- 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 ₹150.00 lakhs towards Equity @ ₹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 ₹2 in place of ₹10, the decision of issuance of fresh shares @ ₹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 ₹150.00 lakhs so received has been shown in the Balance Sheet under head "Share pending allotment".
 - The Govt. of India vide letter No.10(11)/2004-PE-I dated 27th March, 2009 has released ₹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".
 - 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 ₹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 ₹1003.20 lakh to the Profit and Loss Account and retaining ₹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 ₹2/- per share. Approval from GOI to the above renegotiated price has been sought for.
- ₹106.20 lakh as stated in Point No.3(a).

(Contd.)

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

10. 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.
11. 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, 2011 is ₹138.35 lakh (₹122.49 lakh) has been taken into account.
12. Directors' Remuneration :-

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--------------------------------|--|--|
| Salaries | 31.35 | 27.95 |
| Directors' Fees | 0.64 | 1.41 |
| Contribution to Provident Fund | 3.63 | 2.45 |
| Other Perquisites/benefits | 2.21 | 2.69 |
| Total | 37.83 | 34.50 |

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

13. Inventories include ₹106.51 lakh (₹115.46 lakh) worth of stocks lying with third parties for which confirmations are awaited and/or under reconciliation and the same has been fully provided for.
14. Confirmation for balances of Sundry debtors, deposits and advances to the parties, Trade Creditors, 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.
15. Provision for Liquidated damages amounting to ₹1749.96 lakh (₹1645.48 lakh) has been set off against Sundry Debtors.
16. 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 ₹27.88 lakh (₹27.88 lakh). The possible loss, if any, will be accounted for as and when it arises.
17. [a] In Tide Water Oil Co. (India) Ltd. diminution in value of long term investments amounting to ₹60.09 lakhs (₹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 ₹15.75 lakhs (₹15.75 lakhs).
- [b] In New Beerbhoom Coal Co. Ltd. diminution in value of long term investment amounting to ₹1.50 lakh (₹1.50 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 ₹0.49 lakhs (₹0.49 lakhs).
- [c] In Katras Jherriah Coal Co. Ltd. diminution in value of long term investment amounting to ₹2.55 lakhs (₹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 ₹0.81 lakh (₹0.81 lakh).
18. New Beerbhoom Coal Co. Ltd. an Associate of the Company, the extent of realisability of a loan given to a body corporate amounting to ₹4.50 lakhs (₹4.50 lakhs) is not ascertainable. Group interest in the said amount is ₹1.48 lakhs (₹1.48 lakhs).
19. In Katras Jherriah Coal Co. Ltd., the extent to which amount receivable ₹1.79 lakhs from Central Government is not ascertainable. Group interest in the said amount is ₹0.57 lakh (₹0.57 lakh).

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

20. 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 ₹2.00 lakhs (₹2.00 lakhs) is not ascertainable. Group interest in the said amount is ₹0.63 lakh (₹0.63 lakh).
21. [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 ₹178572 as shown in the Balance Sheet are after adjustments of ₹6298861 being payments made by the Commissioners of Payments, Dhanbad and Calcutta upto 31st March, 2011 against admitted claims of the Company's bankers and other creditors, and ₹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.
22. In Tide Water Oil Co. (India) Ltd. ₹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 ₹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 ₹91.25 lakhs (₹91.25 lakhs).
23. In computing Deferred Tax Liability of the Company for the Financial Year 2010-11, 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, 2011 stood at ₹360.25 lakhs (₹359.28 lakhs).
24. 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.
25. Consolidated Segment Reporting :

The Group's segment information as at and for the year ended 31st March, 2011 are as below :-

| | 2010-11 | | |
|---------------------------|----------------|---------------------|------------|
| | External Sales | Inter Segment Sales | Total |
| 1. Segment Revenue | | | |
| Electrical | 6441.45 | ... | 6441.45 |
| | [3875.63] | [4.33] | [3879.96] |
| Tea | 14577.89 | 1.70 | 14579.59 |
| | [13547.02] | [1.93] | [13548.95] |
| Engineering | 2190.18 | 27.34 | 2217.52 |
| | [1210.43] | [1.68] | [1212.11] |
| Printing | 1105.13 | 20.73 | 1125.86 |
| | [923.79] | [11.01] | [934.80] |
| Yule Engineering | 28.80 | ... | 28.80 |
| | [...] | [...] | [...] |
| Segment Total | 24364.18 | 29.04 | 24393.22 |
| | [19556.87] | [18.95] | [19575.82] |
| IUT Sale of Capital Goods | | | 2.18 |
| | | | [13.32] |
| Eliminations | | | 29.04 |
| | | | [18.95] |
| Consolidated Total | | | 24366.36 |
| | | | [19570.19] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 - (Contd.)

| | 2010-11 | | Total |
|--|----------------|---------------------|---------------|
| | External Sales | Inter Segment Sales | |
| 2. Segment Results | | | |
| Electrical | | | (-)-173.97 |
| | | | [73.25] |
| Tea | | | 2176.97 |
| | | | [2182.11] |
| Engineering | | | 596.28 |
| | | | [(-)-205.81] |
| Printing | | | 66.33 |
| | | | [94.11] |
| Yule Engineering | | | 2.40 |
| | | | [(-)-2.77] |
| Yule Electrical | | | (-)-0.09 |
| | | | [(-)-0.15] |
| Segment Total | | | 2667.92 |
| | | | [2143.66] |
| Unallocated Corporate Expenses (Net of Unallocated Income) | | | (-)-1915.48 |
| | | | [(-)-6330.63] |
| Profit before Interest and Taxation | | | 4583.40 |
| | | | [8474.29] |
| Interest etc. paid | | | 1711.25 |
| | | | [2290.04] |
| Interest/Dividend Income | | | 880.75 |
| | | | [994.58] |
| Profit from ordinary activity | | | 3752.90 |
| | | | [7145.39] |
| Extra ordinary Income (Net) | | | 409.90 |
| | | | [424.80] |
| Extra ordinary Expenses (Net) | | | ... |
| | | | [...] |
| Net Profit | | | 4162.80 |
| | | | [7570.19] |
| Provision for Taxation (Net of written back) | | | ... |
| | | | [33.44] |
| 3. Profit after taxation before share of results of Associates | | | 4162.80 |
| | | | [7536.75] |
| Share of Profit of Associates | | | 1542.17 |
| | | | [1430.39] |
| 4. Profit after taxation | | | 5704.97 |
| | | | [8967.14] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

| Other Information | Segment Assets | Segment Liabilities |
|--|----------------|---------------------|
| Electrical | 9193.02 | 5861.90 |
| | [7826.47] | [5469.80] |
| Tea | 20979.82 | 4508.77 |
| | [19099.15] | [3711.29] |
| Engineering | 2959.53 | 1923.49 |
| | [2297.88] | [2000.09] |
| Printing | 957.75 | 392.75 |
| | [1096.17] | [536.96] |
| Yule Engineering | 17.90 | 13.08 |
| | [18.01] | [...] |
| Yule Electrical | ... | 0.06 |
| | [...] | [...] |
| Segment Total | 34108.03 | 12700.05 |
| | [30319.67] | [11718.14] |
| Unallocated Corporate Assets/Liabilities | 13506.54 | 1318.84 |
| | [15915.65] | [3673.24] |
| Total | 47614.57 | 14018.89 |
| | [46235.32] | [15391.38] |

| | Capital Expenditure | Depreciation including Impairment | Non-Cash Expenditure Other than Depreciation |
|---------------|---------------------|-----------------------------------|--|
| Electrical | 45.27 | 61.46 | ... |
| | [38.00] | [61.41] | [263.54] |
| Tea | 349.24 | 342.13 | ... |
| | [253.27] | [304.24] | [181.27] |
| Engineering | 35.84 | 12.87 | ... |
| | [15.10] | [13.94] | [293.52] |
| Printing | 19.75 | 41.96 | ... |
| | [0.60] | [45.02] | [12.97] |
| Segment Total | 450.10 | 458.42 | ... |
| | [306.97] | [424.61] | [751.30] |

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. |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 - (Contd.)

26. Particulars relating to discontinued operations.

(a) Description of discontinued operations

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

(b) Carrying amount of fixed Assets, Current Assets and Current Liabilities in respect of discontinued operations included in the total Assets and liabilities as shown in the Balance Sheet as on 31st March, 2011 :

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

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

27. Related party disclosure

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

| | |
|---------------------|---|
| Associate Companies | <ul style="list-style-type: none"> - 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) |
| (f) Sunil Munshi | - Chief Executive, Tea Division |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 - (Contd.)

[iii] Disclosure of transactions between the Group and related parties and the status of outstanding balance as on 31st March, 2011.

| | Associates | Key Management Personnel and Relatives |
|--|------------|---|
| Purchase of goods | 10.45 | |
| | [...] | [...] |
| Purchase of services | 4.54 | |
| | [4.10] | [...] |
| Sale of goods | 0.68 | |
| | [0.14] | [...] |
| Sale of services | 54.22 | |
| | [39.05] | [...] |
| Interest income | 30.00 | |
| | [30.00] | [...] |
| Dividend income | ... | |
| | [...] | [...] |
| Rent / Hire charges received | 16.78 | |
| | [16.45] | [...] |
| Miscellaneous Receipt | 0.21 | 0.02 |
| | [0.35] | [0.04] |
| Expenses recovered | ... | |
| | [...] | [...] |
| Loan given | ... | ... |
| | [62.18] | [...] |
| Remuneration to Directors | ... | 37.17 |
| | [...] | [33.09] |
| Remuneration to Others | ... | 7.87 |
| | [...] | [7.20] |
| Loan recovered | ... | ... |
| | [10.96] | [...] |
| <u>Balances as on 31st March, 2011</u> | | |
| Debtors / Receivable | 0.58 | ... |
| | [0.01] | [...] |
| Advance recoverable | 305.26 | ... |
| | [244.96] | [...] |
| Creditors / Payable | 6.98 | ... |
| | [0.69] | [...] |
| Deposits from | 28.80 | ... |
| | [28.80] | [...] |
| Loan given | 500.00 | ... |
| | [500.00] | [...] |
| Loan taken | ... | ... |
| | [...] | [...] |
| Interest receivable | 30.00 | ... |
| | [30.00] | [...] |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 - (Contd.)

(₹ in lakhs)

SCHEDULE 20 - (Contd.)

28. Earning per share

| | For the year ended 31st March, 2011 | For the year ended 31st March, 2010 |
|--|--|--|
| [a] Number of Equity Share :- At the beginning of the year | 296328478 | 29,63,28,478 |
| At the end of the year | 318638478 | 29,63,28,478 |
| Weighted average number of Equity Shares outstanding during the year | 303212725 | 29,63,28,478 |
| Face value of each Equity Share | ₹2.00 | ₹2.00 |
| [b] Profit after Tax before extra ordinary income available for Equity Shareholders | ₹5295.07 | ₹8542.34 lakhs |
| [c] Profit after Tax after extra ordinary income available for Equity Shareholders | ₹5704.97 | ₹8967.14 lakhs |
| [d] Basic earnings per Share before extra ordinary income | ₹1.75 | ₹2.88 |
| [e] Basic earnings per Share after extra ordinary income | ₹1.88 | ₹3.03 |

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

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

| | As on 31.03.10 | Provision written back/Provision made during the year | As on 31.03.11 |
|--|-------------------|--|-------------------|
| (a) Unconfirmed stock with various third parties | 63.02 | (11.96) | 51.06 |
| (b) Hooghly Docking & Port Engineering Co. Ltd. | 117.66 | ... | 117.66 |
| (c) Orissa Cements Ltd. | 351.37 | (276.17) | 75.20 |
| (d) Fixed Deposit as Guarantee for Brentford Unit after Nationalisation | 10.00 | ... | 10.00 |
| (e) Others | 20.65 | ... | 20.65 |
| Total | 562.70 | (288.13) | 274.57 |

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

| Particulars | 2010-11 | 2009-10 |
|---|---------|---------|
| Interest on Green Leaf Cess | 2.47 | ... |
| Interest (Others) | ... | 0.18 |
| Insurance | 3.58 | 2.57 |
| Travelling expenses | 0.03 | 0.38 |
| Excise Duty | 2.45 | ... |
| Legal expenses | ... | 0.17 |
| Bonus | 0.02 | 0.22 |
| Land Rent | 7.71 | 6.70 |
| Central sales tax/West Bengal Sales Tax | 15.14 | ... |
| Provident Fund/EPF/Inspection charge | 5.09 | ... |

(Contd.)

ANDREW YULE & CO. LTD.

NOTES ON THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 – (Contd.)

(₹ in lakhs)

SCHEDULE 20 – (Contd.)

| Particulars | 2010-11 | 2009-10 |
|-----------------------------------|---------|---------|
| <i>Works Contract Tax</i> | ... | 2.16 |
| Miscellaneous expenses | 19.86 | 11.98 |
| Arrear salary of Executive/Asstt. | 9.94 | 25.30 |
| Stock of stores | 33.32 | 29.07 |
| Food Stuff | 0.48 | 0.99 |
| <i>Warehouse</i> | 0.37 | ... |
| Repair | 20.07 | 3.76 |
| Gas | 2.50 | 5.13 |
| <i>CENVAT/Service tax</i> | ... | 0.12 |
| <i>Labour welfare</i> | ... | 0.20 |
| Power and Fuel | 1.60 | 0.03 |
| <i>Electricity</i> | ... | 6.50 |
| Packing material | 4.84 | 0.95 |
| Freight | 1.19 | 1.74 |
| <i>Trusteeship fees</i> | ... | 1.18 |
| Cultivation expenses | 21.49 | 1.81 |
| Total | 152.15 | 100.59 |

31. Fixed Assets have been physically verified by outside agencies and discrepancies (shortage) noticed on such verification valuing ₹19.48 lakhs has been adjusted in the Books of Accounts.
32. 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.
33. Other income includes ₹2397.00 lakh, considered as prior period item, being the amount received from two Associate Companies, against their realisation of sale proceeds in excess of ₹10/- per Share for ₹3.42 lakh shares of DPSC Ltd. for revival of the Company, pursuant to BIFR Order dated 26.11.2008, following a bidding conducted by Special Officer appointed by Hon'ble Calcutta High Court.
34. The Company has obtained exemption from the Company Law Board in respect of disclosure of quantitative information relating to production/sale of spares and components.
35. [a] Previous year's figures have been re-arranged and/or re-grouped wherever necessary.
[b] The figures in these accounts have been rounded off to nearest lakhs of rupees and, as such, the balances in certain heads of account amounting to ₹500 or less, although maintained in the books of accounts of the Company, do not appear in these accounts.