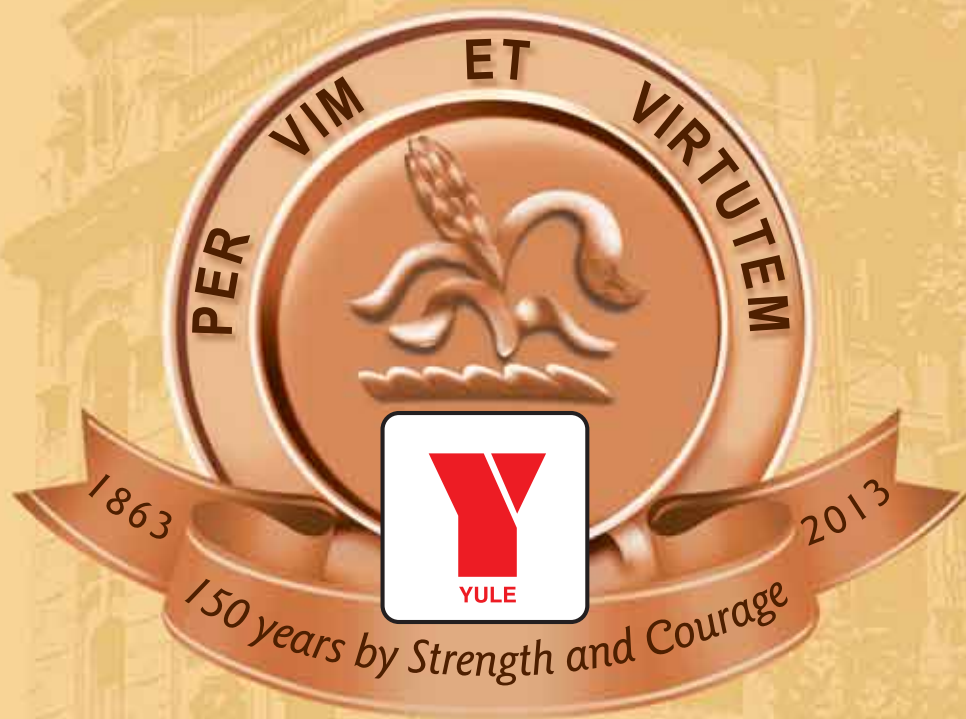


ANNUAL REPORT 2011-12



ANDREW YULE & CO. LTD.





### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars, stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holdings with the Share Department.

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**BOARD OF DIRECTORS**

- Kallol Datta – *(Chairman and Managing Director)*  
S. Swaminathan – Director (Planning)  
Amitava Dhar – Director (Finance)  
Sunil Munshi – Director (Personnel)  
Harbhajan Singh – Non-Executive Director  
S. K. Goyal – Non-Executive Director  
A. R. Nagappan – Special Director (BIFR Nominee)

**FINANCIAL CONTROLLER &  
COMPANY SECRETARY**

Debabrata Bandyopadhyay

**REGISTERED OFFICE**

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

**Office at :**

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

***Auditor***

**GUPTA & CO.,**

Chartered Accountants,  
3C Arihant,  
53A, Mirza Ghalib Street,  
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 Friday, the 21<sup>st</sup> September, 2012 at 11-00 a.m. to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2012, 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 31<sup>st</sup> March, 2013.
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 S.K. Goyal 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 14<sup>th</sup> September, 2012 to 21<sup>st</sup> September, 2012, both days inclusive.

### **Registered Office :**

“Yule House”,  
8, Dr. Rajendra Prasad Sarani,  
Kolkata-700 001.  
17<sup>th</sup> August, 2012.

By Order of the Board,  
D. Bandyopadhyay  
Financial Controller & Company Secretary.

- Notes :
1. A member who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his/her stead. Proxies, in order to be effective must be received at the Company's Registered Office not less than forty-eight hours before the commencement of the Meeting (i.e. upto 11-00 a.m. 19<sup>th</sup> September, 2012).
  2. In terms of Clause (aa) to Sub-Section 8 of Section 224 of the Companies Act, 1956 (Act) the remuneration payable to the auditor(s) appointed under Section 619 of the Act by the Comptroller & Auditor General of India shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.
  3. The Register of Members and Share Transfer Registers of the Company will remain closed from 14<sup>th</sup> September, 2012 to 21<sup>st</sup> September, 2012, both days inclusive.
  4. Members holding shares in more than one account are requested to intimate the Share Department of the Company, the Ledger Folios to enable the Company to consolidate the same into one account.
  5. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
  6. Members, who hold shares in de-materialised form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
  7. Members holding shares in physical form are requested to notify immediately any changes in their address to the Company or its Registrar & Share Transfer Agent. In case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants without any delay.
  8. KINDLY BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.



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

**Item No. 4 :**

Shri S.K. Goyal, Director (Finance) to the Government of India, Department of Heavy Industry, was appointed a Part-time Director with effect from 18<sup>th</sup> April, 2012, in place of Shri R. Asokan 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 Goyal as Director of the Company and he had agreed to act as Director, if appointed.

None of the Directors other than Shri Goyal 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. Cement Corporation of India Ltd. HMT Ltd. HMT Machine Tools Limited HMT International Limited Heavy Engineering Corporation NTPC-BHEL Power Projects (P) Ltd.
Shri S. K. Goyal.	18th July, 1960.	18th April, 2012.	Director (Finance) to the Government of India, Department of Heavy Industry.	An Associate Member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India.	

**REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS FOR THE  
FINANCIAL YEAR ENDED 31ST MARCH, 2012.**

Your Directors have pleasure in presenting the Annual Report and Accounts of the Company for the financial year ended 31st March, 2012.

**01.0 FINANCIAL RESULTS :**

	[₹ Lakhs]
Profit before Taxation	1,199.69
Less : Provision for Taxation :	
[a] Fringe Benefit	(-) 4.18
[b] Deferred Tax	19.24
	<u>15.06</u>
Profit for the year (PAT)	1,184.63
Add: Transfer from Preference Share Capital Redemption Reserve	84.69
	<u>1,269.32</u>
Add: Balance brought forward from last Account	(-) 5,187.19
Balance carried over to Balance Sheet	<u>(-) 3,917.87</u>

**02.0 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, 2012.

**03.0 CONTRIBUTION TO NATIONAL EXCHEQUER :**

Your Company contributed Rs.1103.65 lakhs during the year to national exchequer by way of taxes, duties, levies, cess, etc.

**04.0 OPERATIONS :****4.1 Tea :**

The Tea Division achieved a sales of Rs.150.05 crores, earned a profit of Rs.11.89 crores as compared to a profit of Rs.15.53 crores in previous year.

**4.2 Electrical :**

During the year the Division achieved a sales of Rs.85.91 crores and recorded a loss of Rs.7.20 crores as compared to loss of Rs.9.18 crores in previous year.

**4.3 Engineering :**

During the period under review the Division achieved a sales of Rs.30.41 crores, and recorded a profit of Rs.0.63 crores as compared to a profit of Rs.10.85 crores (inclusive of extra-ordinary income of Rs.5.98 crores) in previous year.

**4.4 General Division :**

During the period under review the Division recorded a profit of Rs.6.68 crores as compared to a profit of Rs.24.20 crores in previous year.

**05.0 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.

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 during the year 2007-08 to 2011-12. Balance will be considered in the Books of Accounts for the year 2012-13.

**06.0 AWARD AND RECOGNITION :**

Your Company has received consecutive three prestigious Awards namely Scope Excellence Award for turnaround in 2010. BRPSE Awards for Turnaround in 2011 and MOU Excellence Award in 2012.

MOU Excellence Award for 2009-10 was awarded by the Hon'ble Prime Minister of India, Dr. Manmohan Singh to Shri Kallol Datta, Chairman & Managing Director of your Company on 31.01.2012 at a ceremony held in Vigyan Bhawan, New Delhi.

**07.0 FIXED DEPOSIT :**

Deposits from the public and others amounted to Rs. NIL as on 31st March, 2012.

**08.0 EXPORT :**

The Company's exports during the year were Rs.1.19 crores on F.O.B. basis.

**09.0 PROSPECTS :**

Your Company is on the verge of reaching another milestone of its proud existence of 150 years with the beginning of financial year 2012-13. The year 2011-12 be the fifth consecutive year of making profit by your company since its turnaround in 2007-08. Your Company has drawn up its Road Map to reach a turnover of Rs.1000 crore by 2020, for which expansion and diversification programme are being taken up.

Your Company's financial results in current fiscal year have been encouraging and it is expected that your Company will be able to set a new land mark in turnover and growth by the end of current financial year.

**10.0 SUBSIDIARY :**

The performance of Hooghly Printing Co. Ltd. the wholly owned subsidiary continued to be profitable. The sales achieved was Rs.1579.20 lakhs compared to Rs.1125.86 lakhs in the previous year. The profit before tax recorded was Rs.53.48 lakhs as against Rs.31.48 lakhs in the year 2010-2011.

**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] Diminution in the value of long term equity investment amounting to Rs.27.88 lakhs in Yule Financing & Leasing Co., Ltd. (YFLC), a Company managed by AYCL, is in the opinion of the management not of a permanent nature and accordingly no provision has been made in the Accounts. A suitable disclosure in this regard has been made in the Note No.10.08.
- [b] Diminution in the value of long term equity investment in WEBFIL Ltd., is in the opinion of the management not of a permanent nature and possible loss, if any, is not ascertainable at this stage and accordingly no provision has been in the Accounts. A suitable disclosure in this regard has been made in the Note No.10.08.

**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, 2012, 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 2011-12 were 270 (2010-11 : 510) imparted in house, at some professional institutes in India and at Chambers of Commerce & Industry.

The total number of employees of the Company and its subsidiaries as on 31st March, 2012 stood at 15073.

**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.

In respect of the comments made by the Statutory Auditors in their Report, your directors have to state that appointment of requisite number of Non-Executive Independent Directors on Board by Competent Authority is still under process.

**17.0 CORPORATE SOCIAL RESPONSIBILITY :**

Your Company, under its CSR (Corporate Social Responsibility) Project Scheme, have taken up different projects viz. "Yule Centre for Learning" Vocational Training Centers, Medical Camps, Village Development Programme, Creation of Drinking Water Facilities, Awareness Programmes during 2011-12 on different types of social issue.

List of major CSR initiative had been taken by your Company during 2011-12 are :

- [i] Night School for street children at Yule House – 'Yule Centre for Learning' have completed its first anniversary on 2nd March, 2012. It was set up for the children of ill-fated pavement dwellers residing in the vicinity of Company's Head Office. Your Company recognizes the issue of dropouts and downtrodden children which have serious social implication, hence care must be taken of such children to place them on the right track. Already 50 children had enrolled their name and regularly attending the classes.
- [ii] Drinking Water Facilities –
  - [a] The Company is providing drinking





- water facilities to the Corporation School run by Perungudi Panchayet situated in the nearby area of Chennai Unit of Electrical Division. Company provides packed drinking water to 400 students and teachers.
- [b] Three numbers of water hand pumps and one number of electric water pump were installed with shed and inaugurated on 12th December, 2011, in the village near Desam Tea Estate in the District of Dibrugarh, Assam in collaboration with the NGO "District Multipurpose Development and Information Centre" Naharkatia. This project aims at installing another two numbers of Electric Pumps with three numbers tank distributor taps.
- [iii] Vocational Training Centre –  
Vocational Training Centre was set up in October, 2011 at Binaguri near Banarhat Tea Estate in the District of Jalpaiguri, West Bengal, in collaboration with a Siliguri based NGO "Niswarth" with the object of providing training and skill development of women and youth in the knowledge of computer, tailoring, mobile repairing and beautician courses.
- [iv] Village Development Programme –  
The Company had undertaken a project in a village called Kalagaiti, near Odlabari, P.S. Malbazar, District –Jalpaiguri, West Bengal in collaboration with NGO "Niswarth" to improve sanitation facilities by construction of Rural Toilets and providing safe drinking water with commissioning of Hand Pump.
- [v] Medical Camp : Blood Donation & Dental Camp –  
Murphulani Tea Estate in association with a NGO "Bhavishya Nirman" (Moranhat) organized a Health Camp on 15th March, 2011. The Camp was organized in a local School. Health of 856 persons, residing in nearby locality, were examined by the specialized Doctors and Practitioners. Subsequently, Awareness Camps on Health-Education was organized on 10th April, 17th May, 19th June, 3rd July and 15th January, 2012.  
On 11th December, 2011, a Blood donation and a Dental Camp was organized in the Hospital of Karballa Tea Estate in Dooars, West Bengal.
- [vi] AIDS / HIV Awareness Programme –  
A programme was taken up in collaboration with NGO "Bhavishya Nirman" for installation of Free Condom Vending Machine (5 nos.) in the villages in and around Khowang, Bhamun and Rajgarh Tea Estates in Disbrugarh, Assam. Such machines have already been installed.
- [vii] Women Empowerment Project for Free Sanitary Napkins Dispensation –  
Another programme was taken up in collaboration with NGO "Bhavishya Nirman" for free supply of sanitary napkins to the school going girls, near Khowang, Bhamun and Hingrijan Tea Estates in the District of Dibrugarh, Assam.
- [viii] Vocational Training in livelihood trading for the Women on Jute Diversified Products –  
The Company had taken a project in collaboration with NGO "Sutanutir Sakhya", Kolkata at Rajarhat, Bishnupur 1 & 2 Panchayet, North 24 Parganas to provide Vocational Training to the women in Panchayet areas for skill development of Jute diversified and handicraft items.
- [ix] Vocational Training Centre at "Rasapunja" Kolkata –  
Under CSR Project Scheme, Company had opened a Vocational Training Centre in association with NGO "Lily Foundation" on 11th November, 2011 at "Rasapunja", Thakurpukur, Kolkata with the mission to offer educational facility to younger generation on the downtrodden people of our society.

## **18.0 CONSOLIDATED FINANCIAL STATEMENTS :**

In accordance with Accounting Standard 21 Consolidated Financial Statements form part of this Annual Report & Accounts.

## **19.0 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.

#### **20.0 AUDITORS :**

The Comptroller and Auditor General of India had appointed M/s. Gupta & Co., Chartered Accountants as Auditor for the year ended 31st March, 2012.

#### **21.0 DIRECTORS' :**

The Central Government has appointed Shri Amitava Dhar as Director (Finance) of the Company for a period of five years with effect from 20th December, 2011 or till the date of his superannuation or until further order, whichever would be earliest.

Shri Indrajit Sengupta, Director (Personnel) retired from the services of the Company on expiry of his term of office on 30th June, 2012.

The Central Government has appointed Shri Sunil Munshi, as Director (Personnel) of the Company for a period of five years with effect from 2nd July, 2012 or till the date of his superannuation or until further order, whichever would be the earliest.

Shri R. Asokan, ceased to be Director with effect from 18th April, 2012 and Shri S.K. Goyal, Director (Finance), Department of Heavy Industry, was appointed as a Director in the casual vacancy caused by the vacation of the office of Shri R. Asokan. Shri Goyal 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 S.K. Goyal as Director of the Company at the Annual General Meeting.

The Board places on record its appreciation of the contribution made by Shri Indrajit Sengupta and Shri R. Asokan 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.

#### **22.0 ROLE OF VIGILANCE :**

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

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

On the Punitive side, confidential enquiries and investigations were initiated on verifiable complaints brought to the notice of Vigilance Department and appropriate disciplinary action set-in motion as and when mis-conduct were prima facie established.

#### **23.0 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.

#### **24.0 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.

#### **25.0 ACKNOWLEDGEMENT :**

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

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

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

Kolkata,  
 17th August, 2012.

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 2012-13 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 2012-13.

Your Engineering and Electrical Divisions have been shown signs of improvements in spite of adverse market conditions. The market conditions are expected to recover as at present, the scenario in the areas, in which these Divisions operate, is undergoing a slower growth. The Company has drawn up a roadmap to augment the turnover in the coming years for which expansion and diversification programmes are being taken up.

#### **Opportunities & Threats :**

Your Tea Gardens have the potential to achieve higher yield, produce best quality of tea and to reach within the top 10 position in the Batting Order for each of the Tea Gardens. But, tea is a cyclic nature of business. It is price sensitive to domestic and global demand and limits scope of growth due to limitation of land. In addition, intensified Plantation programme is being carried out at the Tea Garden to sustain improvement in quality and yield.

The 12th five year plan envisages additional power generation to the tune of 76000 MW. Though, this will provide the demand for the products of Engineering and

Electrical Divisions, the growth in the present operating segments is expected to be low. Hence, pressure on value additions is expected which is being planned to overcome by cost control measures and increase of turnover through diversification programme.

#### **Segmentwise Performance :**

The Company is a multi-segment Company as reported in Note No.10.16 in the Accounts.

#### **Outlook :**

The overall outlook for the year 2012-13 is expected to be positive in spite of adverse climatic conditions for Tea Division. For Engineering and Electrical Divisions the year 2012-13 will be a challenging one owing to lesser price realization consequent to idle capacities of the industries.

#### **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 16% growth in turnover during the year 2011-12 as compared to the preceding year and recorded a profit of Rs.11.85 crores before tax.

#### **Human Resource :**

During the year, employer and employee relationship remained cordial.



**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.

**FORM - A**

**ANDREW YULE & COMPANY LIMITED : TEA DIVISION**

		2011-12	2010-11
<b>A. CROP</b>	KGS	10817271.00	11097331.00
<b>1. ELECTRICITY</b>			
[a] PURCHASED UNIT	KWH	9900718.00	9975756.00
TOTAL AMOUNT	₹	66010015.00	64151154.00
RATE/UNIT	₹	6.67	6.43
[b] [i] OWN GENERATION : THROUGH GENERATOR (DIESEL) UNIT	KWH	1249381.00	1439268.02
TOTAL FUEL COST	₹	18983390.00	21784075.81
TOTAL FUEL	LTRS.	483693.00	569176.00
UNIT/LITRE OF DIESEL	KWH	2.58	2.53
RATE/UNIT	₹	15.19	15.14
[ii] THROUGH GENERATOR (NATURAL GAS) UNIT	KWH	303772.00	305699.00
UNIT/SCM OF GAS	KWH	1.43	1.53
RATE/UNIT	₹	7.28	6.09
<b>2. COAL</b>			
QUANTITY	MT	5142.00	5815.672
TOTAL COST	₹	31969657.00	28260147.99
RATE	₹/MT	6217.00	4859.31
<b>3. FURNACE OIL</b>			
QUANTITY	LTRS.	36650.00	113424.00
TOTAL COST	₹	1603696.00	4127979.18
RATE	₹/LTR	43.76	36.39
<b>4. USE OF GAS FOR PROCESSING</b>			
QUANTITY	SCM	3058623.00	3442082.00
TOTAL COST	₹	28203345.00	26478094.00
RATE/UNIT	₹	9.22	7.69
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
PRODUCTS BLACK TEA			
ELECTRICITY	KWH/KG	1.06	1.06
FURNACE OIL	LTR/KG	0.02	0.06
COAL	KG/KG	1.10	1.20
NATURAL GAS	SCM/KG	0.50	0.55



**FORM - B**

**[A] PARTICULARS FOR TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D):**

**[i] Specific areas in which R&D was carried out by the Company :**

- [a] Engineering Division has developed the following equipment and accessories of Industrial Fans :
- By developing high tensile stainless steel plate, high speed ID fan for Gas boosting application has been developed.
  - The designs of the silencers have been simplified and executed for various fan applications.
  - The Evase design has been suitably modified and executed for various fan applications.
- [b] Electrical Division has completed the development of 33kV PCVCB and the same has been finally validated after completion of the balance tests.
- [c] The design for the range enhancement of the Impulse Voltage Generator to test 220 kV class transformers has been finalized.

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

Orders have been received and executed for high speed ID fans with HT stainless steel plates. The simplified silencers' designs and modified E-base designs have been taken up for regular production.

**[iii] Future Plan of Action :**

- The Engineering Division proposes to take up New Series of Fan in 42 and 65/2 series to improve the Energy Efficiency of the Fan.
- Optimization of design of fan components through EFA.
- The Electrical Division has plans to develop higher rating of 11 kV class Breaker
- The enhancement of range of Impulse Voltage Generator is under progress and expected to be completed in this current Fiscal.B.

**[B] TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

- [i] Efforts Made :The efforts made by Engineering and Electrical Division have resulted in increased range of production, thus, improving the turnover.
- [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 : ₹119.10 lakh  
Foreign Exchange outflow were : ₹6.97 lakh

Kolkata,  
17th August, 2012.

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 :

### 01. 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.

### 02. 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, 2012 was seven of which four (4) were whole-time Directors, viz. Chairman & Managing Director, Director (Personnel), Director(Finance), Director (Planning), two(2) were part-time Non-Executive DHI Nominee Directors and one (1) Special Director appointed 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, 2012 are given below :—

Name of Directors	Category of Directorship	No. of other Directorship held as on 31.03.2012.	Committee Membership held in other Companies (xx)	
			As Member	As Chairman
01. Shri Kallol Datta	Chairman & Managing Director.	10	2	Nil
02. Shri Indrajit Sengupta	Director (Personnel)	8	2	Nil
03. Shri Amitava Dhar	Director (Finance)	3	2	Nil
04. Shri S. Swaminathan	Director (Planning)	3	Nil	Nil
05. Shri Harbhajan Singh	Govt. Nominee – Non-Executive Director	6	Nil	Nil
06. Shri R. Asokan	Govt. Nominee – Non-Executive Director	3	Nil	Nil
07. Shri A.R. Nagappan	Special Director – BIFR Nominee.	2	7	Nil

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

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

- Notes :**
- ◆ Shri Amitava Dhar was appointed as a Director w.e.f. 20<sup>th</sup> December, 2011.
  - ◆ Shri S.K. Goyal was appointed as a Director in place of Shri R. Asokan w.e.f. 18<sup>th</sup> April, 2012.
  - ◆ Shri Indrajit Sengupta, the erstwhile Director (Personnel) retired from the Board of Directors on 30<sup>th</sup> June, 2012 on attaining the age of superannuation.
  - ◆ Shri Sunil Munshi was appointed as Director (Personnel) w.e.f. 1<sup>st</sup> July, 2012.



## 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 31<sup>st</sup> March, 2012, Five Meetings of the Board of Directors were held on 21st April, 2011, 23<sup>rd</sup> June, 2011, 27<sup>th</sup> July, 2011, 17th November, 2011 and 20th March, 2012.

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 21st September, 2011	Remarks
<b>Executive Directors :</b>			
1. Shri Kallol Datta	5	Yes	...
2. Shri Indrajit Sengupta	5	Yes	...
3. Shri Amitava Dhar	1	No	Appointed as a Director (Finance) w.e.f. 20th Decembr, 2011.
4. Shri S. Swaminathan	5	Yes	...
<b>Non-Executive Directors :</b>			
1. Shri Harbhajan Singh	5	No	...
2. Shri R. Asokan	5	No	...
3. Shri A. R. Nagappan	4	Yes	...

## 03 Committee of the Board of Directors :

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

- [i] General powers of management.
- [ii] To borrow monies upto the specified limit from Banks, Financial Institution and others for working capital purposes.
- [iii] To authorize 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, long term deposit with Banks/Financial Institutions etc.
- [ix] To approve appointment of Consultants/Architects.
- [x] Approve transfer/transmission of shares.
- [xi] Carryout the function of shareholders/Investors Grievance Redressal Committee.

As on 31st March, 2012 the Committee of the Board of Directors were comprised of the following :

Director	Designation	Status in the Committee	Number of Meetings held 2011-12	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	1	Ceased to be a Director w.e.f. 20th April, 2011.
Shri S. Swaminathan	Director (Planning)	Member	17	16	
Shri Amitava Dhar	Director (Finance)	Member	...	...	Appointed as a Member w.e.f. 20th March, 2012.

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.

#### 04. 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 :

As there was no Independent Director on the Board of Directors of the Company during the financial year 2011-12, no Audit Committee was formed during the financial year 2011-12. Hence no meeting of the Audit Committee was held during the year.

#### 05. Remuneration Committee :

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

[b] The remuneration of the whole-time functional Directors include basic salary, allowances and perquisites as determined by the Government of India and also as per rules of the Company. The details of remuneration paid





to all the whole-time functional Directors during the year ended 31st March, 2012 are given below :

Name of Directors	Salary(Rs.)	Perquisite(Rs.)	Total(Rs.)
Shri Kallol Datta	13,24,886.00	1,28,277.47	14,53,163.47
Shri Indrajit Sengupta	11,90,373.00	49,147.00	12,39,520.00
Shri Sriprakash Kar	56,206.00	0.00	56,206.00
Shri S. Swaminathan	10,63,319.00	63,832.00	11,27,151.00
Shri Amitava Dhar	4,83,186.00	23,269.00	5,06,455.00

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 the 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.

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.

#### **06. 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. 3 (Three) complaints were received from the shareholders during the year 2011-2012 and all of them have been attended to.

There is no complaint lying pending.

Number of shares pending transfer as on 31st March, 2012 was : Nil

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

#### **07. 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.

#### **08. Risk Management :**

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

#### **09. 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. 10.18 of the Annual Audited Accounts as at 31st March, 2012.

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.



**10. GENERAL INFORMATION FOR SHAREHOLDERS :**

**CIN of the Company – L63090WB1919GOI003229**

**Registration No.021-003229**

- Corporate and Registered Office : YuleHouse'  
8, Dr. Rajendra Prasad Sarani,  
Kolkata – 700 001.  
Tel: 2242-8210, 2242-8550  
E-mail: ay\_secl@rediffmail.com/com.sec@andrewyule.com  
Telegram: "YULETIDE", Fax: 91-33-2242-9770/2243-4741
- Date of Annual General Meeting, Time and Venue : 21st September, 2012 at 11-00 am.  
Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata-700 001.
- Financial Calendar : April to March.
- Date of Book Closure : From 14th September 2012 to 21st September, 2012 (both days inclusive)
- Listing on Stock Exchange : The Stock Exchange, Mumbai.  
The Listing Fees for the Financial Year 2011-12 has been paid to the Stock Exchange, Mumbai on 29th April, 2011.
- 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 (2011-2012) traded at BSE. : Please see Annexure -"A".
- Registrar and Transfer Agents : 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 4951 Shares (previous year – 6487 Shares).
- Dematerialisation of Shares : 98.17 Equity Shares have been dematerialized upto 31st March, 2012 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, 2012. : Please see Annexure -"B".
- Address for Correspondence : Shareholder's Correspondence should be addressed to :  
Andrew Yule & Company Ltd., Share Department,  
8, Dr. Rajendra Prasad Sarani, Kolkata- 700 001.  
Telephone : 033 2242-8210/2242-8550  
E-mail: ay\_secl@rediffmail.com/com.sec@andrewyule.com  
Telegram: "YULETIDE", Fax: 91-33-2242-9770/2243-4741



**MEANS OF COMMUNICATION :**

Quarterly Results published in Financial Express and Ekdin. 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 Meetings held in the last three years :-

[i] Annual General Meeting –

Financial Year	Date	Time	Location
2010-2011	21.09.2011	11.00 a.m.	Williamson Magor Hall, of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata- 700 001.
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.

**Special Resolutions :**

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

Date of AGM	Subject matter of the resolution	Triggering Section of the Companies Act, 1956.
24.09.2009	NIL	....
27.09.2010	NIL	....
21.09.2011	NIL	....

**Postal Ballot :**

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

**Plant Locations :**

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

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

**11. CEO/CFO Certification :**

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

**12. Non-mandatory Requirements :**

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

Kolkata,  
14th August, 2012

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

**ANNEXURE - "A"**

**MARKET PRICE DATA : HIGH/LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR (2011-12)**

Month	The Stock Exchange, Mumbai		B.S.E. Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	31.90	25.40	19,811.14	18,976.19
May, 2011	29.10	23.40	19,253.87	17,786.13
June, 2011	25.70	21.10	18,873.39	17,314.38
July, 2011	25.40	22.20	19,131.70	18,131.86
August, 2011	23.00	17.10	18,440.07	15,765.53
September, 2011	23.30	17.70	17,211.80	15,801.01
October, 2011	20.25	18.05	17,908.13	15,745.43
November, 2011	22.00	15.60	17,702.26	15,478.69
December, 2011	17.45	12.30	17,003.71	15,135.86
January, 2012	22.70	14.00	17,258.97	15,358.02
February, 2012	28.85	20.35	18,523.78	17,061.55
March, 2012	24.65	19.00	18,040.69	16,920.61

**ANNEXURE - "B"**

**(i) DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2012.**

Shareholding (Range)		No. of Shares	% of Total Shares	No. of Shareholders	% of Total Shareholders
From	To				
0	500	30,09,007	0.92	19,406	79.92
501	1000	21,13,132	0.65	2,457	10.12
1001	2000	18,03,920	0.55	1,140	4.69
2001	5000	28,49,769	0.88	834	3.43
5001	10000	20,27,615	0.62	264	1.09
10001	Above	31,43,35,035	96.38	182	0.75
<b>Total</b>		<b>32,61,38,478</b>	<b>100.00</b>	<b>24,283</b>	<b>100.00</b>

**(ii) SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2012**

Category	No. of Shares	% of total Shares
Central Government	30,42,89,706	93.30
Financial Institutions	400	0.00
Nationalised Banks	55,51,723	1.70
Mutual Funds	950	0.00
Domestic Companies	26,63,522	0.82
Non-domestic Companies	44,077	0.01
Resident Individual	1,32,78,612	4.07
Non-Resident Individuals (Foreign National)	22,471	0.01
Non-Resident Individuals (Indian)	2,87,017	0.09
Director and their Relatives	...	0.00
<b>Total :</b>	<b>32,61,38,478</b>	<b>100.00</b>



## 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 2011-12.

Kolkata,  
16<sup>th</sup> April, 2012.

KALLOL DATTA  
Chairman & Managing Director.

### CEO AND CFO CERTIFICATION

We, Kallol Datta, Chairman & Managing Director and Shri Amitava Dhar, Director (Finance) of Andrew Yule & Co. Ltd. in terms of Clause 49(v) of the listing Agreement certify that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2012, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors only, pending reconstitution of Audit Committee upon appointment of Independent Directors by the Competent Authority and steps have been taken to rectify these deficiencies.
- d) We have indicated to the auditors :
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata,  
16<sup>th</sup> April, 2012

Amitava Dhar  
Director (Finance)

Kallol Datta  
Chairman & Managing Director.



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

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

We have examined the compliance of conditions of Corporate Governance by Andrew Yule & Company Limited for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. 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 and subject to our comments below:

- [i] The number of Non Executive Directors was less than fifty percent of the strength of Board of Directors during the financial year 2011-2012.
- [ii] The Board of Directors did not have any independent directors during the financial year 2011-2012. Consequently no Audit Committee could be reconstituted during the financial year 2011-2012.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Kolkata, 14th August 2012.

For Gupta & Co.  
Chartered Accountants  
Firm Registration No: 301028E  
( A. Deb )  
Partner.  
Membership No: 062018



## AUDITORS' REPORT

## TO THE MEMBERS OF ANDREW YULE & COMPANY LIMITED

1. We have audited the attached Balance Sheet of **Andrew Yule & Company Limited** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 our opinion.
  3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India ("the Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
  4. Without qualifying our report we draw attention to Note No.10.03 that in the proceedings of hearing held on 30th October, 2007 before the Board for Industrial and Financial Reconstruction (BIFR). Rehabilitation Schedule of the Company with cut off date as 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.
- However, net worth of the Company has become positive at the year end.
5. Further, to our comments referred in paragraph 3 above, we report that :
    - [i] *Note No.10.08 regarding non provision against diminution in the value of investment in Yule Financing & Leasing Co. Limited amounting ₹27.88 lakhs.*
    - [ii] *Again, Note No.10.08 regarding non provision against diminution in the value of investment in equity shares of WEBFIL Limited which is not ascertainable at this stage.*
  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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - [d] In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting Standard (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. *Had the observations made under item No. 5(i) above been considered, the profit for the year after provision for taxation would have been ₹1156.75 lakhs as against the reported profit of ₹1184.63*

(Contd.)



*lakhs, Reserves & Surplus would have been ₹ 6916.88 lakhs as against the reported Reserves & Surplus of ₹6944.76 lakhs and the value of investments would have been ₹835.43 lakhs as against the reported value of ₹863.31 lakhs.*

*Further, the impact of investment in equity shares on profit for the year after provision for taxation, Reserves and Surplus and Investments, as stated in item 5(ii) above, could not be ascertained at this stage.*

9. 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 *together with our observations in paragraph 5 above and Note 10.11*

*and also our comments in paragraphs 2, 7 and 11 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 :-*

- [i] in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- [ii] in the case of the Statement of Profit and Loss, of the "profit" of the Company for the year ended on that date, and
- [iii] in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For GUPTA & CO.  
*Chartered Accountants*  
*Firm's Registration No.301028E*  
(CA A. Deb)  
Partner  
Membership No.062018

Kolkata – 2nd July, 2012.



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

- |   |  |
|---|--|
| <p>1. [a] The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.</p>   | <p>given to us, the Company has not granted any secured or unsecured loans to any companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 during the year.</p>  |
| <p>[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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> | <p>[b] In view of the above, clauses 4(iii) (b) to (d) of the Order are not applicable to the Company.</p>   |
| <p>[c] During the year, in our opinion, any substantial part of fixed assets has not been disposed off by the Company.</p>  | <p>[c] The Company has not taken any secured or unsecured loans from any company, firm or other party covered in the register maintained under section 301 of the Companies Act, 1956 during the year.</p>   |
| <p>2. [a] The inventory of the Company has been verified by the Management during the year. In our opinion, the frequency of verification of high value items is reasonable, but for other items, frequency of verification needs to be improved.</p>   | <p>[d] Accordingly, clauses 4(iii)(f) and (g) of the Order are not applicable to the Company.</p>  |
| <p>[b] In our opinion, the procedures of physical verification of inventory followed by the Management were found reasonable for high value items and adequate in relation to the size of the Company and the nature of its business, but for other items the procedure needs improvement to make it adequate in relation to the size and nature of its business.</p>   | <p>4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods and services. 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 such internal control system.</p> |
| <p>[c] On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory for high value items and the discrepancies noticed on physical verification between the physical stocks and book records have been properly dealt with in the books of account, mainly for high value items.</p>   | <p>5. In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 –</p>  |
| <p>3. [a] According to the information and explanations</p>   | <p>[a] In our opinion and according to the information and explanations given to us, the transaction made pursuant to contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.</p>  |
|   | <p>[b] In our opinion and according to the information and explanations given to us, the transaction made in pursuant to contracts/ arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹5,00,000/- in respect of each party during the year have been made at prices, which appear reasonable as per information available with the Company.</p>  |

*(Contd.)*

6. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of Clause (IV) of Paragraph 4 of the Order are not applicable to the Company.

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 in-depth and coverage should be enlarged.

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 for the year.

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 Fund, 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, 2012 for a period of more than six months from the date they became payable.

[ii] As at 31st March, 2012 according to the records of the company and the information and explanations given to us, the particulars of dues on account of sale tax, entry tax, and 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	1988-89 & 2004-05	C.I.T.(Appeal)
	Income Tax	132.74	2009-10	C.I.T.(Appeal)
W.B.Sales Tax and VAT	W.B.Sales Tax & VAT	27.53	Pre-amalgamation	Appellate Authority
		2854.49	1979-80, 1986-87 to 1988-89, 1996-97, 1998-99, 2000-01, 2001-02, 2004-05, 2006-07	Moved Revision before the West Bengal Commercial Tax Appellate & Revisional Board.
		345.04	1973-74, 1994-95, 1997-98, 1999-2000 & 2003-04	Appellate Authority West Bengal Taxation Tribunal.
		76.53	2007-08 & 2008-09	Appellate Authority before Sr.J.C.C.T.
		538.45	1985-86, 1992-93, 1997-98, 1999-2000, 2003-04	Appellate Authority before the High Court. Kolkata.
49.34	1980-81, 1982-83 to 1984-85	Appellate Authority, SoD		
Assam Sales Tax VAT	Assam Gardens	152.93	1996-97 to 1998-99	Appellate Authority Revenue Board.
Orissa Sales Tax and VAT	Orissa Sales Tax	161.83	1999-2000 & 2000-2001	Appellate Authority Tribunal at High Court Cuttack.
		6.64	2001-02	2nd Appellate Authority Berhampore
Central Excise	Central Excise	469.70	1996-97, 1998-99, 1992-93, 1993-94, 1989-90, 1990-91, 2001 to 2003 & 2007-08	Appeal at CESTAT.
		29.52	1995-96 to 1998-99 & 2008-09	Appeal at Commissioner
		52.59	1991 to 1993	Appeal at High Court. Kolkata.

(Contd.)



10. The net worth of the Company became positive (₹31.35 crore) without considering Share Pending Allotment of ₹1.50 crore and Revaluation Reserve of ₹103.33 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 the immediately preceding 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 sanctions 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 except repayment of Short Term Borrowings from a bank amounting to ₹353.79 lacs.
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 shares, securities, debentures and other investments.
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, 2012, 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 any Party or Company 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 issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For GUPTA & CO.  
*Chartered Accountants*  
*Firm's Registration No.301028E*  
(CA A. Deb)  
Partner  
Membership No.062018

Kolkata – 2nd July, 2012.



**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, KOLKATA,  
FOR THE YEAR ENDED 31ST MARCH, 2012**

The preparation of financial statements of Andrew Yule & Company Limited, Kolkata, for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 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 2nd July, 2012.

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, 2012. This supplementary audit has been carried out independently and is limited primarily to inquire of the Statutory Auditors and 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 1st August, 2012.

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

## Note 9 – Significant Accounting Policies

The Financial Statements have been prepared under the historical cost convention on accrual basis adjusted by revaluation of Fixed Assets in compliance with all materials aspect of applicable Accounting Standards in India and in accordance with the Company's (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

### 9.1 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.

### 9.2 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 Statement of Profit and Loss as and when the payment is due.

- [f] Liquidated damages recovered by the Company for delayed construction and delayed supply of equipment are treated as Other Income.
- [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 Statement of 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.

### 9.3 Intangible Assets

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortisation. Cost comprises purchase price and directly attributable expenditure on making the assets ready for its intended use.

### 9.4 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-

(Contd.)

Progress incurred upto the end of the year and losses estimated for further Works Cost to be incurred on such jobs are taken into account and duly provided for.

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

- [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.

#### 9.5 Investments :

Non Current 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.

Current Investments are carried at lower of cost and fair value.

#### 9.6 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.
- [g] Freight and other charges recoverable under the terms of the sales contract are included in sales.

#### 9.7 Dividend Receipts :

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

#### 9.8 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.

(Contd.)

- [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] Export/Deemed Export benefits are accounted for on completion of despatches in terms of the contract.
- [d] Liquidated Damages recovered by the Company for delayed execution and delayed supply of equipment/spares are treated as Other Income.

#### 9.9 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 Statement of Profit and Loss.
- [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.

#### 9.10 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] Payment of Technical Know how Fees is accounted for in compliance with the relevant Accounting Standard.
- [g] Provision for unrealised profit is made in respect of partially completed composite/turnkey contracts on the basis of proportionate direct cost on the revenue recognised.
- [h] Medicine purchase for Tea Estates are all charged out as per consistent practice.
- [i] Guarantee commission is taken in the year of guarantees issued/renewed.

#### 9.11 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 Statement of Profit and Loss 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.

#### 9.12 Contingent Liabilities and Contingent Assets :

Disputed liabilities and claims against the Company including claims by Tax Authorities (for example,

(Contd.)

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.

**9.13 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.

**9.14 Conversion of Foreign Currencies :**

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

- [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.

**9.15 Research and Development Costs :**

Expenditure in relation to Research and Development activities are expensed out in the year in which they are incurred.

**9.16 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 Statement of Profit and Loss.
- [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).




**BALANCE SHEET AS AT 31ST MARCH, 2012**

[₹ in lakh]

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
[1] Shareholders' Funds	<b>1</b>		
[a] Share Capital	1.1	6522.77	6372.77
[b] Reserves and Surplus	1.2	6944.76	5749.55
[2] Share application money pending allotment	<b>2</b>	150.00	300.00
[3] Non-Current Liabilities	<b>3</b>		
[a] Long Term Borrowings	3.1	6851.28	9007.12
[b] Deferred Tax Liabilities		361.61	342.37
[c] Other Long Term Liabilities	3.2	94.82	214.49
[d] Long Term Provisions	3.3	1072.76	1039.03
[4] Current Liabilities	<b>4</b>		
[a] Short Term Borrowings	4.1	2605.89	868.22
[b] Trade Payables	4.2	6069.52	5305.27
[c] Other Current Liabilities	4.3	13099.91	12839.10
[d] Short Term Provisions	4.4	700.17	418.08
<b>Total :</b>		<b><u>44473.49</u></b>	<b><u>42456.00</u></b>
<b>II. ASSETS</b>			
[1] Non-Current Assets			
[a] Fixed Assets	<b>5</b>		
[i] Tangible Assets	5	17409.38	16998.45
[ii] Intangible Assets	5	13.62	14.27
[iii] Capital Work-in-Progress	5	331.27	313.47
[b] Non-Current Investments	5.1	863.31	861.12
[c] Long Term Loans and Advances	5.2	1652.85	2036.71
[d] Other Non-Current Assets	5.3	528.70	361.31
[2] Current Assets	<b>6</b>		
[a] Current Investments	6.1	1.55	2.19
[b] Inventories	6.2	3395.89	3711.55
[c] Trade Receivables	6.3	7580.65	4265.52
[d] Cash and Bank Balances	6.4	10172.50	10897.19
[e] Short Term Loans and Advances	6.5	2109.06	2833.86
[f] Other Current Assets	6.6	414.71	160.36
<b>Total :</b>		<b><u>44473.49</u></b>	<b><u>42456.00</u></b>
Significant Accounting Policies	<b>9</b>		
Other Notes to Financial Statements	<b>10</b>		

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 2nd July, 2012.

On behalf of the Board,

K. DATTA, *Chairman and Managing Director.*  
S. SWAMINATHAN }  
AMITAVA DHAR } *Directors.*

In terms of our attached Report of even date.

For GUPTA & CO.,  
Chartered Accountants,  
Firm Registration No.301028E  
(CA ARNAB DEB )  
Partner,

Kolkata – 2nd July, 2012.

Membership No.62018



## ANDREW YULE & CO. LTD.

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

[₹ in lakh]			
Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>I. INCOME</b>	<b>7</b>		
Revenue from Operations	7.1	29069.19	24991.30
Other Income	7.2	1172.77	3670.65
<b>Total Revenue [A]</b>		<b>30241.96</b>	<b>28661.95</b>
<b>II. EXPENSES</b>	<b>8</b>		
Cost of Materials Consumed	8.1	10948.78	8389.69
Changes in Inventories of Finished Goods	8.2	512.34	(-) 162.83
Employee Benefits Expenses	8.3	10005.13	9539.30
Finance Costs	8.4	1649.51	1738.85
Depreciation and Amortisation Expenses	8.5	426.31	423.11
Other Expenses	8.6	5761.07	5007.87
<b>Total Expenses [B]</b>		<b>29303.14</b>	<b>24935.99</b>
<b>Profit before Exceptional and Extraordinary items and Tax [A-B]</b>		<b>938.82</b>	<b>3725.96</b>
Exceptional Item [Refer Note No.10.12]		260.87	...
<b>Profit before Extraordinary Items and Tax</b>		<b>1199.69</b>	<b>3725.96</b>
<i>Extraordinary Items</i>		...	409.90
<b>Profit Before Tax [PBT]</b>		<b>1199.69</b>	<b>4135.86</b>
<b>Tax Expenses :</b>			
Fringe Benefit Tax		(-) 4.18	...
Deferred Tax		19.24	3.54
<b>Total Tax Expenses</b>		<b>15.06</b>	<b>3.54</b>
<b>Profit for the year</b>		<b>1184.63</b>	<b>4132.32</b>
Basic & Diluted earnings per share before extraordinary income [Note No.10.20]		₹0.37	₹1.23
Basic & Diluted earnings per share after extraordinary income [Note No.10.20]		₹0.37	₹1.36
<b>Significant Accounting Policies</b>	<b>9</b>		
<b>Other Notes to Financial Statements</b>	<b>10</b>		

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 2nd July, 2012.

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

In terms of our attached Report of even date.

For GUPTA & CO.,  
Chartered Accountants,  
Firm Registration No.301028E  
(CA ARNAB DEB )  
Partner,

Kolkata – 2nd July, 2012.

Membership No.62018


**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax and extraordinary items	1199.69	3729.76
Adjustments for :		
Depreciation/Impairment of Assets	426.31	423.11
Interest charged	1591.14	1673.10
Investment Income	(990.56)	(880.75)
Subsidy Credited to Profit and Loss Account	(12.51)	(77.19)
<b>Operating profit before changes in amount of     Current Liabilities and Current Assets</b>	<b>2214.07</b>	<b>4868.03</b>
Adjustment for :		
Trade Receivables	(1867.62)	1434.85
Inventories	315.66	(648.88)
Trade payable	2288.78	(1374.62)
<b>Cash Generated from Operations</b>	<b>2950.89</b>	<b>4279.38</b>
Wealth Tax paid	(3.85)	(3.76)
<b>Cash-flow before Extraordinary Items</b>	<b>2947.04</b>	<b>4275.62</b>
<i>Extraordinary Income</i>	...	409.90
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>2947.04</b>	<b>4685.52</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets (including Capital WIP and Pre-operative Expenditure)	(854.39)	(424.08)
Loans	183.81	(145.91)
<i>Decrease in Subsidy</i>	...	(9.26)
Subsidy credited to Profit and Loss Account	12.51	77.19
Decrease in Current Investments	0.64	...
Income from other Investments	736.21	1016.00
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>78.78</b>	<b>513.94</b>

*(Contd.)*



**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012 – (Contd.)**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Proceeds from borrowings	(2155.86)	(1900.74)
Interest paid	(921.04)	(2162.38)
<i>Advance against equity</i>	...	(547.00)
<i>Proceeds from Equity</i>	...	446.20
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>	<b>(3076.90)</b>	<b>(4163.92)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C]</b>	<b>(51.08)</b>	<b>1035.54</b>
CASH AND CASH EQUIVALENT Opening Balance as at 1st April, 2011	3908.22	2872.68
CASH AND CASH EQUIVALENT Closing Balance as at 31st March, 2012	3857.14	3908.22
[1] Cash Flow Statement has been prepared by following Indirect Method mentioned in AS-3		
[2] Break-up of Cash and Cash equivalent		
Cash in hand	19.83	42.95
<i>Postage and Stamps in hand</i>	...	0.03
Cheques in hand	11.89	21.66
Remittance in transit	2.52	2.99
Balance with scheduled Banks :		
On Current Account	583.31	1090.70
Fixed Deposit with Banks maturing within 3 months	3239.59	2749.89
	<b>3857.14</b>	<b>3908.22</b>

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

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

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 2nd July, 2012.

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

In terms of our attached Report of even date.

For GUPTA & CO.,  
Chartered Accountants,  
Firm Registration No.301028E  
(CA ARNAB DEB )  
Partner,

Kolkata – 2nd July, 2012.

Membership No.62018


**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 1.1 – SHARE CAPITAL</b>		
<b>Authorised :</b>		
Equity Shares 375000000 (Previous year 375000000) of ₹2/- each	7500.00	7500.00
<b>Issued, Subscribed and Fully Paid-up :</b>		
Equity Shares 326138478 (Previous year 318638478) of ₹2/- each [Out of above 600000 shares issued as Bonus Shares by Capitalisation of General Reserve, 2135344 shares issued pursuant to a contract without payment being received in cash and 1157600 shares issued to Govt. of India in the name of President of India pursuant to Transformer & Switchgear Ltd. and Brentford Electric India Ltd. against compensatio money paid by them]	6522.77	6372.77
	<u>6522.77</u>	<u>6372.77</u>

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Authorised :</b> 375000000 (Previous year 375000000) Equity Shares of ₹2/- each	7500.00	7500.00
<b>Issued, Subscribed and Paid-up :</b> 326138478 (Previous year 318638478) Equity Shares of ₹2/- each	6522.77	6372.77

The details of Shareholder holding more than 5% shares as at 31st March set out below :

Nature of the Shareholders	31st March, 2012		31st March, 2011	
	No. of shares	%age	No. of shares	%age
President of India	30,42,89,706	93.30	29,67,89,706	93.14

The reconciliation of the number of shares outstanding as at 31st March :

	31st March, 2012		31st March, 2011	
	No. of Shares	Value	No. of Shares	Value
Equity shares at the beginning of the year	31,86,38,478	6372.77	29,63,28,478	5926.57
Issued during the year	75,00,000	150.00	2,23,10,000	446.20
Equity shares at the end of the year	32,61,38,478	6522.77	31,86,38,478	6372.77



**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 1.2 – RESERVES AND SURPLUS</b>		
<b>Capital Reserve :</b>		
General :		
Balance as per Last Account	402.64	402.64
<b>Preference Share Capital Redemption Reserve :</b>		
General :		
Balance as per Last Account	84.69	84.69
Less: Transfer to Profit & Loss Account	84.69	...
	...	84.69
<b>Revaluation Reserve :</b>		
General :		
Balance as per Last Account	10332.52	10332.52
<b>Other Reserves :</b>		
<b>Special :</b>		
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	101.43	110.69
Add: During the year	23.09	1.18
	124.52	111.87
Less: Transfer to Profit and Loss Account	12.51	10.44
	112.01	101.43
State Housing Subsidy	4.06	4.06
<b>Balance of Profit &amp; Loss A/c. as per Last Account</b>	(-) 5187.19	(-) 9319.51
Add: Transfer from Preference Share Capital Redemption Reserve	84.69	...
Add: Profit during the year	1184.63	4132.32
	(-) 3917.87	(-) 5187.19
	<u>6944.76</u>	<u>5749.55</u>
<b>Note 2 – SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		
[Refer Note No.10.03(a)]		
State Bank of India	150.00	150.00
Government of India	...	150.00
	150.00	300.00


**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 3.1 – LONG TERM BORROWINGS</b>		
<b>Secured Loans :</b>		
Bonds :		
9.1% Secured Redeemable Non-Convertible 10 Years Bond (To be redeemed on 22nd February in the years 2015, 2016 and 2017 in three equal instalment)	2000.00	2000.00
9% Secured Redeemable Non-Convertible 12 Years Bond (Secured by creation of 2nd charge on Mortgage of Banarhat and Karballa Tea Estates)	...	500.00
Term Loans from Scheduled Banks [Refer Point No.10.14 (The above loans comprising State Bank of India (SBI) ₹716.00 lakh, Bank of Baroda (BOB) ₹2884.18 lakh, Allahabad Bank ₹279.47 lakh, United Bank of India (UBI) ₹151.48 lakh, Union Bank of India ₹41.43 lakh, out of the above loans from SBI and BOB are secured by whole of the Company's present and future stock of raw materials, Work in Progress, Finished goods and manufactured goods and articles, stores, components and spares, other movable properties wherever situated, book debts and all other curret assets, claims, rights to movable properties by way of first charge ranking pari-passu inter-se without any preference to one over the other and loans from Allahabad Bank, UBI and Union Bank of India are secured by hypothecation of the whole of crops, book debts and all other movable assets both present and future and by equitable mortgage of all immovable properties of the designated Tea Estates)	4072.56	4743.75
Other Loans (Secured by a charge on certain movable and immovable Assets of Banarhat, Hoolungooree and Khowang Tea Estate ranking subsequent to the charge in favour of Bank on these assets for ₹39.10 lakh for Tea Board Special purpose Tea Fund Loan and ₹581.70 lakh from West Bengal Govt. Sales Tax loan to be secured by residuary charge of certain immovable properties ranking next only to charges in favour of the Bank)	620.80	587.41
	6693.36	7831.16
<b>Unsecured Loans :</b>		
West Bengal Industrial Development Corpn. Ltd.	89.92	179.56
Government of India	68.00	996.40
	157.92	1175.96
	6851.28	9007.12


**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 3.2 – OTHER LONG TERM LIABILITIES</b>		
Security Deposit from Related Parties	28.80	148.80
Others (Security Deposit, Earnest Money Deposit)	<u>66.02</u>	<u>65.69</u>
	<u>94.82</u>	<u>214.49</u>
<b>Note 3.3 – LONG TERM PROVISIONS</b>		
Provision for Employee Benefits (Gratuity)	485.91	376.53
Provision for Tax (Income Tax, Wealth Tax, FBT)	274.91	376.75
Provision for Contingencies	11.23	11.23
Others (Provision for Employees' Benefit and Capital Work-in-Progress)	<u>300.71</u>	<u>274.52</u>
	<u>1072.76</u>	<u>1039.03</u>
<b>Note 4.1 – SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
From Banks	2605.89	868.22
(Comprising of Union Bank of India ₹6.37 lakh, Allahabad Bank ₹1211.51 lakh, State Bank of India ₹241.00 lakh, Bank of Baroda ₹1147.01 lakh secured by hypothecation of inventories, book debts and certain movable and immovable properties)		
	<u>2605.89</u>	<u>868.22</u>
<b>Note 4.2 – TRADE PAYABLE</b>		
For Goods and Services [Refer Note No.10.06]	<u>6069.52</u>	<u>5305.27</u>
	<u>6069.52</u>	<u>5305.27</u>
<b>Note 4.3 – OTHER CURRENT LIABILITIES</b>		
Current Maturity on Long Term Debt		
Government of India	4250.00	3419.60
Others	537.49	723.23
(Comprising of Bank of Baroda ₹106.82 lakh, Allahabad Bank ₹135.00 lakh, United Bank of India ₹75.00 lakh, Union Bank of India ₹41.43 lakh and WBIDC ₹179.24 lakh)		
	<u>4787.49</u>	<u>4142.83</u>
Interest accrued but not due on borrowings		
Government of India	258.18	536.81
Others	<u>19.40</u>	<u>30.04</u>
	277.58	566.85
Interest accrued and due on borrowings		
Government of India	2364.69	1487.13
Others (Comprising of W.B. Housing Loan ₹0.68 lakh, State Bank of India ₹706.50 lakh, and Bank of Baroda ₹87.34 lakh)	<u>794.52</u>	<u>712.71</u>
	3159.21	2199.84
Advance and Deposits received from Customers	656.78	419.94
Unclaimed Preference Shares	...	0.80
Related Parties	120.00	...
Others Payable (Employees' dues, Other Contractual obligation and Statutory Dues)	<u>4098.85</u>	<u>5508.84</u>
	<u>13099.91</u>	<u>12839.10</u>
<b>Note 4.4 – SHORT TERM PROVISIONS</b>		
<b>Others :</b>		
Other Provisions (Stock Obsolescence, Contingencies and Food Stuff)	<u>700.17</u>	<u>418.08</u>
	<u>700.17</u>	<u>418.08</u>



**ANDREW YULE & CO. LTD.**

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

**Note 5 – FIXED ASSETS**

₹ in lakh]

Description of Assets	GROSS BLOCK			DEPRECIATION			IMPAIRMENT OF ASSETS		NET BLOCK		
	Cost/Book Value as at 1st April, 2011	Additions/ Adjustments during the year	Less: Sales/ Adjustments during the year	Cost/Book Value as at 31st March, 2012	Upto 31st March, 2011	For the year	Less: On Sales/ Adjustments during the year	Upto 31st March, 2012	During the year	As at 31st March, 2012	As at 31st March, 2011
<b>Tangible Assets</b>											
Land (including cost of development and leasehold land ₹15.10 lakhs; 2010-11 ₹15.10 lakhs)	175.39	...	...	175.39	...	...	...	...	...	175.39	175.39
Estates [Leasehold (including garden development expn)]	12469.46	4.15	19.50	12454.11	255.47	5.78	0.01	261.24	...	12192.87	12213.99
Buildings	3024.44	195.59	0.41	3219.62	1261.28	58.54	1.65	1318.17	5.78	1895.67	1757.38
Roads and Culverts	53.75	11.21	...	64.96	16.71	1.10	...	17.81	...	47.15	37.04
Plant and Equipments	4868.82	398.17	34.34	5232.65	3016.32	229.05	(-) 1.58	3246.95	96.41	1889.29	1756.09
Drawings, Designs and Tracings etc.	74.99	...	...	74.99	40.91	...	0.01	40.90	34.09	...	(-) 0.01
Electrical Installations	887.88	74.28	...	962.16	458.51	35.52	(-) 0.01	494.04	...	468.12	429.37
Water Installations	499.03	47.20	0.24	545.99	253.32	20.83	0.22	273.93	...	272.06	245.71
Furniture and Fixtures	373.10	6.80	69.19	310.71	288.21	11.19	46.76	252.64	0.01	58.06	84.88
Office Equipments	...	17.94	...	17.94	...	1.49	(-) 11.17	12.66	...	5.28	...
Vehicles	675.01	163.79	16.05	822.75	376.40	55.96	15.10	417.26	...	405.49	298.61
<b>TOTAL Intangible Assets</b>	<b>23101.87</b>	<b>919.13</b>	<b>139.73</b>	<b>23881.27</b>	<b>5967.13</b>	<b>419.46</b>	<b>50.99</b>	<b>6335.60</b>	<b>136.29</b>	<b>17409.38</b>	<b>16998.45</b>
Computer Software	34.37	6.31	...	40.68	20.10	6.85	(-) 0.11	27.06	...	13.62	14.27
<b>TOTAL Capital Work-in-Progress (Tangible)</b>	<b>23136.24</b>	<b>925.44</b>	<b>139.73</b>	<b>23921.95</b>	<b>5987.23</b>	<b>426.31</b>	<b>50.88</b>	<b>6362.66</b>	<b>136.29</b>	<b>17423.00</b>	<b>17012.72</b>
	366.00	236.14	218.34	383.80	...	...	...	...	52.53	331.27	313.47
<b>TOTAL</b>	<b>23502.24</b>	<b>1161.58</b>	<b>358.07</b>	<b>24305.75</b>	<b>5987.23</b>	<b>426.31</b>	<b>50.88</b>	<b>6362.66</b>	<b>188.82</b>	<b>17754.27</b>	<b>17326.19</b>
<b>PREVIOUS YEAR'S TOTAL</b>	<b>23235.98</b>	<b>560.33</b>	<b>294.07</b>	<b>23502.24</b>	<b>5721.94</b>	<b>423.11</b>	<b>157.82</b>	<b>5987.23</b>	<b>188.82</b>	<b>17326.19</b>	<b>17326.19</b>

**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

[₹ in lakh]

	No. of Shares/ Units	Face Value per Share/ Unit	Book Value	
			As at 31.03.2012	As at 31.03.2011
<b>Note 5.1 – NON-CURRENT INVESTMENTS</b>				
<b>1. Equity Shares in Subsidiary Company–Non-Trade Investments :</b>				
<b>Unquoted :</b>				
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
<b>2. In Other Companies–Non-Trade Investments :</b>				
<b>Equity Shares (Fully Paid) :</b>				
<b>Quoted :</b>				
Yule Financing & Leasing Co. Ltd.	3,00,000	10	27.88	27.88
DPSC Ltd.	34,500	1	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
<i>Gloster Jute Mills Ltd.</i>	416	10	...	...
Exide Industries Ltd.	2,12,714	1	4.22	4.22
The Gillapukri Tea and Industries Ltd.	26	10	...	...
<b>Unquoted :</b>				
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 Ltd.	20,44,000	10	204.40	204.40
Woodlands Multispeciality Hospital Ltd.	23,200	10	0.66	0.66
<b>Bonds (Fully Paid) :</b>				
<b>Unquoted</b>				
WEBFIL Ltd. Zero Rate Unsecured Redeemable Bond	305	1,00,000	305.00	305.00
<b>3. Units (Fully Paid) :</b>				
<b>Quoted :</b>				
Unit Trust of India Balanced Fund	1,63,261 (1,55,400)	10	32.94 868.52	30.75 866.33
Less: Provision for diminution in value for long term investments			5.21	5.21
			<u>863.31</u>	<u>861.12</u>
[Investments are valued at cost]				
			Book Value	
			As at	As at
			31.3.2012	31.3.2011
<b>SUMMARY</b>				
1. Subsidiary Company - Equity Shares			113.20	113.20
2. Other Companies (Non-Trade Investments) :				
Preference Shares			204.40	204.40
Equity Shares			212.98	212.98
Bonds			305.00	305.00
			<u>722.38</u>	<u>722.38</u>
3. Unit Trust of India				
Balanced Fund			32.94	30.75
			<u>868.52</u>	<u>866.33</u>
			As at 31.03.2012	As at 31.03.2011
<b>Aggregate Value of Investments :</b>			Book Value	Market Value
Quoted			220.75	17379.04
Unquoted			647.77	647.77
			<u>868.52</u>	<u>866.33</u>


**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 5.2 – LONG TERM LOANS AND ADVANCES</b>		
Capital Advance	22.38	6.78
Security Deposit	126.31	250.26
Advance Income Tax and Other Tax	850.10	927.52
Loans and Advance to related parties	502.05	500.00
Other Loans and Advances	152.01	352.15
	<u>1652.85</u>	<u>2036.71</u>
<b>Classification :</b>		
Unsecured – Considered Good	1652.85	2036.71
– Considered Doubtful	1808.42	1865.04
	3461.27	3901.75
Less: Provisions for Doubtful Advance	1808.42	1865.04
	<u>1652.85</u>	<u>2036.71</u>
<b>Note 5.3 – OTHER NON-CURRENT ASSETS</b>		
Others (Plan Assets for Superannuation Fund and Retention Money)	528.70	361.31
	<u>528.70</u>	<u>361.31</u>
<b>Note 6.1 – CURRENT INVESTMENT (Investment in Mutual Fund)</b>		
<b>Quoted :</b>		
<b>Unit Trust of India</b>		
Balance Fund	1.55	2.19
(7860.423 No. of Units of face value of ₹10/- each)(Market value of ₹20.93 each, total value ₹1.65 lakh – Valued at cost)		
	<u>1.55</u>	<u>2.19</u>
<b>Note 6.2 – INVENTORIES (At lower of cost and net realisable value)</b>		
Raw Materials, Components & Packaging Material	1119.78	1110.45
Work in Progress	853.53	1008.47
Finished Goods	364.38	710.38
Stores and Spare Parts	1023.91	822.36
Loose Tools	9.26	9.13
Food Stuff	11.38	25.71
Scrap	13.65	25.05
	<u>3395.89</u>	<u>3711.55</u>
<b>Note 6.3 – TRADE RECEIVABLES</b>		
<b>Trade Receivable :</b>		
<b>Unsecured :</b>		
<b>Debts outstanding over six months :</b>		
Considered Good	1092.81	476.65
Considered Doubtful	4273.24	4230.54
	5366.05	4707.19
Less: Provision for Doubtful Debts	4273.24	4230.54
	1092.81	476.65
<b>Other Debts :</b>		
Considered Good	6487.84	3788.87
	<u>7580.65</u>	<u>4265.52</u>



**NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

	[₹ in lakh]	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 6.4 – CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents :</b>		
Balance with Bank	583.31	1090.70
Cheques in Hand	11.89	21.66
Cash in Hand	19.83	42.95
<i>Postage and Stamps in hand</i>	...	0.03
Remittance in Transit	2.52	2.99
Deposit with Bank maturing within 3 months	<u>3239.59</u>	<u>2749.89</u>
	3857.14	3908.22
<b>Other Bank Balances :</b>		
* Deposit with Bank maturing after 3 months	4220.11	4211.39
Margin Money with Bank	<u>2095.25</u>	<u>2776.78</u>
	6315.36	6988.17
	10172.50	10896.39
<i>Unclaimed Preference Share Redemption Account</i>	...	0.80
	<u>10172.50</u>	<u>10897.19</u>
	<u>10172.50</u>	<u>10897.19</u>
* Including Deposit maturing more than 12 months ₹159.70 lakh		
<b>Note 6.5 – SHORT TERM LOANS AND ADVANCES</b>		
Loans and Advances to related parties	278.60	353.33
Balance with Customs & Central Excise	86.03	111.93
Deposits	29.01	259.09
Advance recoverable in cash or in kind	1715.42	2109.51
	<u>2109.06</u>	<u>2833.86</u>
<b>Notes :</b>		
Secured – Considered Good	13.73	19.09
Unsecured – Considered Good	2095.33	2814.77
– Considered Doubtful	0.28	...
	2095.61	2814.77
Less: Provision for Doubtful Debts	0.28	...
	2095.33	2814.77
	<u>2109.06</u>	<u>2833.86</u>
<b>Note 6.6 – OTHER CURRENT ASSETS</b>		
Others (Interest accrued on deposits)	414.71	160.36
	<u>414.71</u>	<u>160.36</u>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	[₹ in lakh]	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>INCOME</b>		
<b>Note 7.1 – REVENUE FROM OPERATIONS</b>		
Sale of Products	27980.46	24175.86
Sale of Services	427.22	458.66
Other Operational Income	<u>2000.20</u>	<u>1320.94</u>
	30407.88	25955.46
Less: Trade and Other Discount	212.46	229.81
	<u>30195.42</u>	<u>25725.65</u>
Less: Excise Duty	1126.23	734.35
	<u>29069.19</u>	<u>24991.30</u>
<b>Note 7.2 – OTHER INCOME</b>		
Interest Income	842.34	750.24
Dividend Income on Long Term Investments	141.29	118.46
Net gain on sale of current investments	7.10	12.05
Other non-operating income (Tea Board Subsidy, Adjustment of Tea Board Subsidy, Profit on Exchange, Items relating to previous year, Provision no longer required written back)	<u>182.04</u>	<u>2789.90</u>
	<u>1172.77</u>	<u>3670.65</u>
<b>Note 8.1 – COST OF MATERIAL CONSUMED</b>		
<b>Opening Stock as at 1st April, 2011 :</b>		
Raw Materials, Components and Packing Materials	1110.45	889.42
Stores and Spare Parts	822.36	570.60
Loose Tools	<u>9.13</u>	<u>8.06</u>
	1941.94	1468.08
<i>Less: Book value of stocks sold/adj/written off</i>	<u>...</u>	<u>4.21</u>
	1941.94	1463.87
<b>Purchase during the year :</b>		
Raw Materials, Components and Packing Materials	9619.64	7503.25
Stores and Spare Parts	1911.20	1686.57
Loose Tools	<u>6.97</u>	<u>6.32</u>
	11537.81	9196.14
	<u>13479.75</u>	<u>10660.01</u>
<b>Less: Closing Stock as at 31st March, 2012 :</b>		
Raw Materials, Components and Packing Materials	1119.78	1110.45
Stores and Spare Parts	1023.91	822.36
Loose Tools	<u>9.26</u>	<u>9.13</u>
	2152.95	1941.94
	<u>11326.80</u>	<u>8718.07</u>
Less: Raw Materials and Stores used on various jobs	378.02	328.38
	<u>10948.78</u>	<u>8389.69</u>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	[₹ in lakh]	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Note 8.2 – CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>Inventories (at close)</b>		
Finished Goods	364.38	710.38
Work in Progress	853.53	1008.47
Scrap	<u>13.65</u>	<u>25.05</u>
	1231.56	1743.90
<b>Inventories (at commencement)</b>		
Finished Goods	710.38	529.59
Work in Progress	1008.47	1029.75
Scrap	<u>25.05</u>	<u>18.89</u>
	1743.90	1578.23
	<u>512.34</u>	<u>(-) 165.67</u>
<i>Add: Excise duty on Acc/Dec on Finished Goods</i>	...	2.84
	<u>512.34</u>	<u>(-) 162.83</u>
<b>Note 8.3 – EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	8143.41	7777.79
Contribution to Provident and Other Funds	1100.30	1051.16
Staff Welfare Expenses	<u>984.11</u>	<u>908.01</u>
	10227.82	9736.96
Less: Incurred on Capital Jobs, Repair Jobs etc.	<u>222.69</u>	<u>197.66</u>
	<u>10005.13</u>	<u>9539.30</u>
<b>Note 8.4 – FINANCE COSTS</b>		
Interest Expenses	1591.14	1673.10
Other Borrowing costs	<u>58.37</u>	<u>65.75</u>
	<u>1649.51</u>	<u>1738.85</u>
<b>Note 8.5 – DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Assets	419.46	415.74
Amortisation of Intangible Assets	<u>6.85</u>	<u>7.37</u>
	<u>426.31</u>	<u>423.11</u>


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

[₹ in lakh]

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Note 8.6 – OTHER EXPENSES</b>		
Power and Fuel	1666.93	1691.84
Tea Cultivation and Manufacturing Expenses	409.56	299.45
Research and Development Expenses	6.57	...
Directors' Salaries and Fees	33.05	31.99
Rent (Net)	36.15	30.35
Rates and Taxes	31.12	30.28
<b>Repairs and Maintenance :</b>		
Buildings	247.02	212.50
Plant and Machinery	301.62	274.25
Others	68.64	41.23
	617.28	527.98
Travelling Expenses and Upkeep of Vehicles	552.04	472.85
Insurance	35.21	30.14
Broker's Commission	173.07	188.13
<b>Selling Expenses :</b>		
Selling Agent's Commission	59.06	31.85
Others	563.12	467.58
	622.18	499.43
Miscellaneous Expenses	879.47	740.23
Bank charges	8.58	23.78
Excise Duty	16.06	7.81
Assam Entry Tax	3.30	4.72
Assam Cess on Green Leaf	97.91	...
West Bengal Primary and Rural Education Cess	17.84	...
Tea Cess	49.99	32.74
Education Cess	1.01	0.97
Net loss on Foreign Currency	0.86	2.35
<b>Auditor's Remuneration :</b>		
As Auditor	2.00	2.00
For Taxation matter	0.75	0.52
For Other Services	0.88	1.48
For Reimbursement Expenses	0.16	0.05
	3.79	4.05
Item relating to previous years [Refer Point No.10.21]	139.33	143.96
<i>Loss on sale/write off of stores</i>	...	2.72
<i>Loss on sale/write off of Fixed Assets</i>	...	19.48
Liquidated Damages and Penalty etc.	208.17	114.77
Rectification/Replacement	57.32	54.26
<b>Provision for :</b>		
Doubtful Debts	46.22	55.54
Doubtful Loans, Advances and Deposits	24.57	...
<i>Food Stuff</i>	...	1.10
Stock/Stores Obsolescence	26.51	...
	97.30	56.64
	5764.09	5010.92
Less: Amount transferred to Capital Jobs etc.	3.02	3.05
	5761.07	5007.87

**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10**

10.01 Estimated amount of contracts remaining to be executed on Capital Account ₹70.64 lakh (net of advances) (₹342.01 lakh) and Other Commitments ₹ Nil (₹ Nil) not provided for.

10.02 Contingent liabilities not provided for in respect of :

[a] Claims against the Company not acknowledged as debts :

[i] Accrued interest of ₹555.96 lakh upto 31st March, 2007 being the difference between ₹2728.96 lakh, the interest including penal interest due upto 31st March, 2007 as per books of DHI and the interest waived amounting to ₹2173.00 lakh. The proposal for waiver of ₹555.96 lakh based on the principle of sanction by BIFR is under consideration of the GOI.

[ii] Others ₹68.77 lakhs (₹416.98 lakh)

[b] Guarantees and Indemnities given to various Institutions and Authorities in connection with Company's operations amounting to ₹1932.23 lakh (₹1909.23 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 ₹4212.78 lakh (₹6686.40 lakh). The demand under the WBST, CST, AGST and OST 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 including penalty amounting to ₹183.27 lakh (₹50.53 lakh) excluding interest not admitted, against which appeals have been preferred by the Company.

[f] Disputed Excise/Customs Duty claims ₹551.81 lakh (₹538.95 lakh) excluding interest against which appeal have been preferred by the Company.

[g] Unexpired Letter of Credit opened by the Company's Bankers – ₹1392.80 lakh (₹828.18 lakh).

10.03 **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] ₹150.00 lakh appearing in the Accounts as Share Pending Allotment represents 20% of funded interest upto cut off date i.e. 31st March, 2006 amounting to ₹748.00 lakh which was sanctioned by State Bank of India (SBI) as per terms of Sanctioned Rehabilitation Scheme dated 30th October, 2007 for conversion into Equity. Allotment of 7500000 Shares at Face Value of ₹2/- each aggregating to ₹150.00 lakh will be made on receipt of Sanction Letter from SBI and approval of the same by Company's Competent Authority.

[b] In terms of the aforesaid order 46% of unsecured creditors amounting to ₹113.93 lakh (₹110.21 lakh) except sub-judice matters has been written back during the year.

10.04 [a] Employee Benefits

The Company's contribution to Defined Contribution Plans aggregated to ₹824.36 lakhs (₹813.21 lakhs) for the year ended 31st March, 2012 has been recognised under the line item Contribution to Provident and Other Funds on Note No.8.3 above.

	2011-12	2010-11
Contribution to Provident Fund	815.41	805.01
Contribution to Employees State Insurance Fund	8.95	8.20

(Contd.)





**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

[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	2011-12				2010-11				2009-10			
	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, 2012												
<b>[I] Change in present value of Defined Benefit Obligations during the year ended 31st March, 2012</b>												
[1] Present value of DBO at beginning 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
[2] Current Service cost	178.57	35.12	...	16.40	176.99	33.83	...	8.71	147.93	29.23	...	8.38
[3] Interest cost	279.85	45.39	0.14	18.36	270.83	49.53	0.20	18.34	217.83	41.76	0.23	15.39
[4] Curtailment cost/(credit)	...	...	...	...	...	...	...	...	...	...	...	...
[5] Settlement cost/(credit)	...	...	...	...	...	...	...	...	...	...	...	...
[6] Plan amendments	...	...	...	...	...	...	...	...	...	392.76	...	...
[7] Acquisitions	...	...	...	...	...	...	...	...	...	...	...	...
[8] Actuarial (Gains)/Losses	258.68	211.39	(0.20)	148.89	21.92	(47.40)	(0.53)	(6.46)	216.78	79.48	(0.27)	41.78
[9] Benefits paid	(331.94)	(88.58)	(0.31)	(30.16)	(469.94)	(96.19)	(0.38)	(15.92)	(361.03)	(47.53)	(0.50)	(55.26)
[10] Present Value of DBO at the end of period	3902.66	791.24	1.50	388.44	3517.50	587.92	1.87	234.95	3517.70	648.75	2.58	230.28
<b>[II] Change in Fair value of Assets during the year ended 31st March, 2012</b>												
[1] Plan assets at beginning of period	3140.99	...	...	546.85	3153.72	...	...	548.68	3162.06	...	...	473.32
[2] Actuarial Gain/(Loss)	93.16	...	...	182.07	(162.60)	...	...	(43.84)	114.17	...	...	86.26
[3] Actual return on plan assets	259.08	...	...	62.71	255.81	...	...	57.93	238.52	...	...	44.36
[4] Actual company contribution	255.48	88.58	0.31	...	364.00	96.79	0.38	...	...	47.53	0.50	...
[5] Benefits paid	(331.94)	(88.58)	(0.31)	(30.16)	(469.94)	(96.79)	(0.38)	(15.92)	(361.03)	(47.53)	(0.50)	(55.26)
[6] Plan assets at the end of the period	3416.77	...	...	761.47	3140.99	...	...	546.85	3153.72	...	...	548.68
<b>[III] Net assets/(liability) recognised in Balance Sheet as at 31st March, 2012</b>												
[1] Present value of Defined Benefit Obligation	3902.66	791.24	1.50	388.44	3517.50	587.92	1.87	234.95	3517.70	648.75	2.58	230.28
[2] Fair value of plan assets	3416.77	...	...	761.47	3140.99	...	...	546.85	3153.72	...	...	548.68
[3] Funded status (Surplus/(Deficit))	(485.89)	(791.24)	(1.50)	373.03	(376.51)	(587.92)	(1.87)	311.90	(363.98)	(648.75)	(2.58)	318.40
[4] Unrecognised past service cost	...	...	...	...	...	...	...	...	...	...	...	...
[5] Net assets/(liability) recognised in Balance Sheet	(485.89)	(791.24)	(1.50)	373.03	(376.51)	(587.92)	(1.87)	311.90	(363.98)	(648.75)	(2.58)	318.40
<b>[IV] Components of employer Expenses recognised in Profit &amp; Loss Account for the year ended 31st March, 2012</b>												
[1] Current Service Cost	178.57	35.12	...	16.40	176.99	33.83	...	8.71	147.93	29.23	...	8.38
[2] Interest Cost	279.85	45.39	0.14	18.36	270.83	49.53	0.20	18.34	217.83	41.76	0.23	15.39
[3] Expected return on plan assets	(259.08)	...	...	(62.71)	(255.81)	...	...	(15.22)	(238.52)	...	...	(44.36)
[4] Curtailment cost/(credit)	...	...	...	...	...	...	...	...	...	...	...	...
[5] Settlement cost/(credit)	...	...	...	...	...	...	...	...	...	...	...	...
[6] Past Service Cost	...	...	...	...	...	...	...	...	392.76	...	...	...
[7] Actuarial Losses/(Gains)	165.52	211.39	0.20	(33.18)	184.52	(47.40)	(0.53)	(5.33)	102.61	79.48	(0.27)	(44.48)
[8] Total expenses recognized in the statement of Profit & Loss Account under the head Salaries & Wages	364.86	291.90	(0.06)	(61.13)	376.53	35.96	(0.33)	6.50	622.61	150.47	(0.04)	(65.07)
<b>[V] Actuarial Assumptions</b>												
[1] Discount Rate	8.75%	8.75%	8.75%	8.75%	8.35%	8.35%	8.35%	8.35%	8.25%	8.25%	8.25%	8.25%
[2] Expected return on plan assets	8.35%	NA	NA	NA	8.35%	NA	NA	NA	8.25%	NA	NA	NA
[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)	18.45	11.38	NA	4.26	18.44	10.22	NA	2.85	18.57	9.52	NA	4.38
[5] Method of valuation	Projected Unit Credit (PUC) Actuarial Method				Projected Unit Credit (PUC) Actuarial Method				Projected Unit Credit (PUC) Actuarial Method			

(Contd.)

OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)

[₹ in lakh]

**Note 10 – (Contd.)**

10.05 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, 2012 is ₹178.38 lakh (₹138.35 lakh) has been taken into account.

10.06 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	2011-12	2010-11
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year [i] Principal Amount unpaid [ii] Interest Due	...	5.93 0.64
II	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year [i] Payment made beyond the Appointed Date [ii] Interest paid beyond the Appointed Date	...	...
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.	...	...
IV	The amount of interest accrued and remaining unpaid at the end of the year; and	...	0.64
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.

10.07 Provision for Liquidated damages amounting to ₹1888.14 lakh (₹1749.96 lakh) has been set off against Trade Receivables.

10.08 [i] Diminution in the value of long term investment amounting to ₹27.88 lakh in Yule Financing & Leasing Co. Ltd. (YFLC) is in the opinion of the Management not of a permanent nature and accordingly no provision has been made in the Accounts.

[ii] Diminution in the value of Long Term Investments in Equity Shares of WEBFIL Ltd. is not of a permanent nature. The possible loss, if any, is not ascertainable at this stage and accordingly no provision has been made in the Accounts.

10.09 Confirmation for balances of Trade Receivables, Deposits and Advances to the parties, Trade Payables, 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.)

**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

10.10 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, 2012 are given below :-

[a] Timing difference :	31st March, 2012	31st March, 2011
[i] Depreciation as per Tax Laws	₹488.57 lakh	₹434.61 lakh
[ii] Depreciation as per Books	₹426.31 lakh	₹423.11 lakh
[iii] Difference	₹62.26 lakh	₹11.50 lakh
Deferred Tax liability including Education Cess	₹19.24 lakh	₹3.55 lakh

[b] In computing deferred tax liability of the Company for the financial year 2011-12, 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.

10.11 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.

10.12 Consequent to acquisition of leasehold land by Govt. of Assam measuring about 9.07 hectares from Rajgarh Tea Estate for which compensation amounting to ₹280.37 lakh (net of charges) received by the Company consisting of ₹19.50 lakh for leasehold land and ₹260.87 lakh for loss of revenue arising out of tea bushes. The Company considered the loss of revenue as "Exceptional Item" in the Statement of Profit and Loss Account.

10.13 Proposal for conversion of Government of India Non-plan loan amounting to ₹4152.00 lakh into Equity and waiver of interest accrued thereon as on 31st March, 2012 amounting to ₹2622.00 lakh is under consideration of Govt. of India. However, out of aforesaid non-plan loan of ₹4152.00 lakh appearing as "Other Current Liabilities", four yearly instalment of ₹830.40 lakh each has fallen due consecutively since 2008-09 aggregating ₹3321.60 lakh. Final instalment of ₹830.40 lakh will fall due in 2012-13. The rate of interest is 14.50% p.a. and penalty of 2.75% in case of default.

10.14 In terms of the sanction letter/debt covenants received by the Company from the lending Banks and Financial Institutions, repayment schedule of term loan and applicable rate of interest are as set out below (other than what is stated in Note No.10.13).

From Consortium Bank	₹2990.96 Lacs to be repaid in 28 equal quarterly installments of ₹106.82 lakh each commencing from 25th March, 2013.	9.25% p.a. with monthly rest.
From Bankers of Tea Division	Repayment of ₹723.81 lakh to be repaid in 2012-13 (₹251.43 Lakh), in 2013-14 (₹251.43 lakh), in 2014-15 (₹210.00 lakh) & in 2015-16 (₹10.95 lakh).	9.75% p.a. with monthly rest for Allahabad Bank. 10.75% p.a. for other Banks.
From Central Financial Institution	₹29.44 lakh to be repaid in 16 equal half-yearly installments of ₹1.84 lakh each starting from 2014-15 for 8 years upto 2022-23. ₹9.60 lakh to be repaid in 16 equal half-yearly installments of ₹0.60 lakh each starting from 2013-14 for 8 years upto 2021-22.	9.50% p.a.
From Government of India for Plan Loan	₹166.00 lakh to be repaid in 2012-13 (₹98.00 lakh) & in 2013-14 (₹68.00 lakh).	14.50% p.a. Penalty of 2.75% in case of default.

(Contd.)

**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

10.15 In view of downturn in the business of one of its Units, Company approached Consortium Bank for extension of the period of repayment of Short Term Borrowing due for the period from January, 2012 to March, 2012, amounting to ₹353.79 lakh. Accordingly, the said amount could not be settled as on the Balance Sheet date.

10.16 Segment Reporting

The Company's segment information as at and for the year ended 31st March, 2012 are as below :-

Business Segment	Electrical	Tea	Engineering	Segment Total	Elimination	Total
1. Segment Revenue						
- External sales	8591.43 [6441.45]	15005.24 [14577.89]	3041.33 [2190.18]	26638.10 [23209.52]		
- Inter Segment sales	5.79 [...]	1.97 [1.70]	28.71 [27.34]	36.47 [29.04]		
- Inter Segment Sale of Capital Goods	3.57 [...]	...	...	3.57 [2.18]		
- Total Revenue	8600.89 [6441.45]	15007.21 [14579.59]	3070.04 [2219.70]	26678.14 [23240.74]	36.47 [29.04]	26641.67 [23211.70]
2. Segment Results						
	(-)303.68 [(-)173.97]	1608.70 [2176.97]	259.51 [596.28]	1564.53 [2599.28]	...	1564.53 [2599.28]
- Unallocated Corporate expenses net of unallocated income	...	...	...	...	...	(-)235.58
- Operating Profit	[...]	[...]	[...]	[...]	[...]	1800.11
- Interest expenses	[...]	[...]	[...]	[...]	[...]	1591.14
- Interest/dividend income	[...]	[...]	[...]	[...]	[...]	983.62
- Profit on sale of current investments	[...]	[...]	[...]	[...]	[...]	7.10
- Profit from ordinary activities	[...]	[...]	[...]	[...]	[...]	1199.69
- Extra Ordinary Items	[...]	[...]	[...]	[...]	[...]	[3729.76]
- Net Profit	[...]	[...]	[...]	[...]	[...]	[409.90]
	[...]	[...]	[...]	[...]	[...]	1199.69
	[...]	[...]	[...]	[...]	[...]	[4139.66]
3. Segment Assets	10377.60 [9193.02]	21776.06 [20979.82]	3509.88 [2959.53]	35663.54 [33132.37]	...	35663.54 [33132.37]
- Unallocated corporate Assets	...	...	...	...	...	8809.89
- Total Assets	[...]	[...]	[...]	[...]	[...]	[8520.15]
	[...]	[...]	[...]	[...]	[...]	44473.43
	[...]	[...]	[...]	[...]	[...]	[41652.53]
4. Segment Liabilities	13730.73 [11937.67]	9859.57 [10108.70]	4377.40 [4041.39]	27967.70 [26087.76]	...	27967.70 [26087.76]
- Unallocated corporate Liabilities	...	...	...	...	...	2888.24
- Total Liabilities	[...]	[...]	[...]	[...]	[...]	[3151.46]
	[...]	[...]	[...]	[...]	[...]	30855.94
	[...]	[...]	[...]	[...]	[...]	[29239.22]
5. Others						
- Capital Expenditure	104.83 [45.27]	702.87 [349.24]	63.65 [35.84]	871.35 [430.35]		
- Depreciation including Impairment	63.94 [61.46]	340.04 [342.13]	15.34 [12.87]	419.32 [416.46]		
- Non-Cash expenses other than depreciation	71.54 [...]	24.12 [...]	...	95.66 [...]		

(Contd.)


**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

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

- |             |   |   |
|-------------|---|---|
| Engineering | – | Industrial Fans.                                      |
|             | – | 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.

**10.17 Particulars relating to discontinued operations.**

[a] Description of discontinued operations

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

[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, 2012 :

Sl. No.	Discontinued operations	Fixed Assets	Current Assets	Current liabilities and provisions
1.	PEW	...	...	170.70
2.	Agency	...	...	1.28
3.	Project	0.09	40.00	35.32
	Total	0.09	40.00	207.30

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

**10.18 Related party disclosure**

[i] Names of Related Parties with whom Company had transactions during the year :

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

(Contd.)

OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)

[₹ in lakh]

**Note 10 – (Contd.)**

(ii) Key Management Personnel :

- (a) Kallol Datta – Chairman and Managing Director
- (b) I. Sengupta – Director (Personnel)
- (c) S. Swaminathan – Director (Planning)
- (d) Amitava Dhar – Director (Finance) (w.e.f. 20.12.2011)
- (e) Sunil Munshi – Executive Director, Tea Division
- (f) Sri Prakash Kar – Director (Finance) (from 01.04.2011 to 19.04.2011)

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2012.

Particulars	Associates		Key Management Personnel and Relatives	
	2011-12	2010-11	2011-12	2010-11
Purchase of goods	3.78	28.99	...	...
Purchase of service	19.14	4.54	...	...
Sale of goods	185.02	433.72	...	...
Sale of services	400.22	400.22	...	...
Interest income	30.00	30.08	...	...
Dividend income	137.03	114.19	...	...
Rent / Hire charges received	140.00	139.67	...	...
Reimbursement of Contractual employment	4.32	...	...	...
Miscellaneous Receipt	2.64	2.40	0.02	0.02
Remuneration to Directors	...	...	43.82	37.20
Remuneration to Others	...	...	10.12	7.87
Royalty receipt	252.87	225.00	...	...
Advance Adjusted	57.79	...	...	...
<b>Balances as on 31st March,2012</b>				
Trade Receivable	149.72	134.23	...	...
Trade Payable	11.81	7.54	...	...
Long Term Loans and Advances	502.05	500.00	...	...
Short Term Loans and Advances	278.60	353.33	...	...
Other Long Term Liability	28.80	148.80	...	...
Other Current Liability	120.00	...	...	...

(Contd.)


**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

10.19 Disclosure of Material transaction with related parties.

	2011-12	2010-11
<b>Purchase of Goods</b>		
Tide Water Oil Co. (I) Ltd.	2.28	18.54
WEBFIL Ltd.	1.50	10.45
<b>Purchase of Service</b>		
Yule Financing & Leasing Co. Ltd.	2.00	2.78
WEBFIL Ltd.	17.14	1.76
<b>Sale of goods</b>		
Tide Water Oil Co. (I) Ltd.	183.22	433.04
Yule Financing & Leasing Co. Ltd.	0.06	0.27
Coal Companies	...	0.11
WEBFIL Ltd.	1.74	0.30
<b>Sale of service</b>		
Tide Water Oil Co. (I) Ltd.	346.00	346.00
WEBFIL Ltd.	33.43	33.43
Coal Companies	20.79	20.79
<b>Interest income</b>		
Yule Financing & Leasing Co. Ltd.	30.00	30.00
Tide Water Oil Co. (I) Ltd.	...	0.08
<b>Dividend income</b>		
Tide Water Oil Co. (I) Ltd.	137.03	114.19
<b>Rent and Hire charge received</b>		
Tide Water Oil Co. (I) Ltd.	123.21	122.89
WEBFIL Ltd.	15.58	15.57
Coal Companies	1.21	1.21
<b>Miscellaneous Receipts</b>		
WEBFIL Ltd.	0.28	0.21
Tide Water Oil Co. (I) Ltd.	2.36	2.40
<b>Royalty Receipts</b>		
Tide Water Oil Co. (I) Ltd.	252.87	225.00
<b>Key Management Personnel</b>		
<b>[a] Remuneration to Directors</b>		
Kallol Datta	14.53	9.51
I. Sengupta	12.40	8.66
S. P. Kar	0.56	11.05
S. Swaminathan	11.27	7.95
Amitava Dhar	5.06	...
<b>[b] Remuneration to others</b>		
S. Munshi	10.12	7.87
<b>[c] Miscellaneous Receipts</b>		
Kallol Datta	0.02	0.02

(Contd.)

OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)

[₹ in lakh]

**Note 10 – (Contd.)**

10.20 Earning per share

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
[a] Number of Equity Share :- At the beginning of the year At the end of the year  Weighted average number of Equity Shares outstanding during the year Face value of each Equity Share	31,86,38,478 32,61,38,478  32,34,13,068 ₹2.00	29,63,28,478 31,86,38,478  30,32,12,725 ₹2.00
[b] Profit after Tax before extra ordinary income available for Equity Shareholders	1184.63	3722.41
[c] Profit after Tax after extra ordinary income available for Equity Shareholders	1184.63	4132.31
[d] Basic earnings per Share before extra ordinary income	₹0.37	₹1.23
[e] Basic earnings per Share after extra ordinary income	₹0.37	₹1.36
Note: There was no change in basic structure of Paid-up Share Capital during the year. Hence diluted earning per share is not applicable also refer Note No.10.03(a)		

10.21 Details of Expenses under Item relating to previous year are as under :-

Particulars	2011-12	2010-11
Interest on Green Leaf Cess	3.25	2.47
Interest (Others)	36.56	...
Insurance	0.31	3.58
Travelling expenses	2.49	0.03
Excise Duty	...	2.45
Legal expenses	0.03	...
Bonus	7.19	0.02
Land Rent	0.36	7.71
Central sales tax/West Bengal sales tax	...	15.14
Provident Fund/E.P.F./Inspection Charge	4.80	5.09
Works Contract Tax	1.16	...
Miscellaneous expenses	11.04	11.67
Arrear salary of Executive/Asstt./Staff	3.99	9.94
Stores	9.27	33.32
Food Stuff	2.66	0.48

(Contd.)




**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

Particulars	2011-12	2010-11
Warehouse	2.06	0.37
Repair	4.89	20.07
Gas	11.03	2.50
CENVAT/Service tax	0.01	...
Air and Water Pollution Charges	14.44	...
Power and Fuel	...	1.60
One Time Settlement	14.28	...
Packing material	3.33	4.84
Freight	0.17	1.19
Settlement Money	5.29	...
Cultivation expenses	0.72	21.49
<b>Total</b>	<b>139.33</b>	<b>143.96</b>

10.22 [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.

10.23 [a] Particulars of Sales and Raw Materials consumed

[i] Sales	Year ended 31st March, 2012	Year ended 31st March, 2011
Class of Goods		
Black and Packet Tea	15005.34	14577.89
Transformers	5927.89	2996.04
Industrial Fans	2361.67	898.77
LT and HT Switchgears	2537.59	1865.94
Spares	1395.53	3275.33
Others	752.44	561.89
<b>Total</b>	<b>27980.46</b>	<b>24175.86</b>
[ii] Raw Materials consumed	Year ended 31st March, 2012	Year ended 31st March, 2011
Class of Goods		
Steel	1115.72	540.40
Copper	1461.21	838.39
Green Leaf	1449.44	1360.91
Oil, Chemical etc.	1382.43	974.06
Others	5539.98	4675.93
<b>Total</b>	<b>10948.78</b>	<b>8389.69</b>

(Contd.)

**OTHER NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

- [b] 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			
	2011-12	%	2010-11	%	2011-12	%	2010-11	%
Imported	27.77	0.30	150.71	2.07	...	...	7.54	0.67
Indigenous	9325.88	99.70	7116.20	97.93	1595.13	100.00	1115.24	99.33
	9353.65	100.00	7266.91	100.00	1595.13	100.00	1122.78	100.00

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

	2011-12	2010-11
Raw Materials and Components	34.11	139.73
Stores and Spare Parts	...	3.32
	34.11	143.05

- [d] Earnings in Foreign Exchange :  
Export on F.O.B. basis

	2011-12	2010-11
	119.10	194.55

- [e] Expenditure in Foreign Currencies (on Accrual basis) :  
Others (Foreign Tour Expenses)

	2011-12	2010-11
	6.97	3.95

- 10.24 The Annual Accounts for the year ended 31st March, 2012 have been approved by the Board of Directors in the meeting held on 29th June, 2012.
- 10.25 The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the Circular. The Company has satisfied the conditions stipulated in the Circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- 10.26 Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, previous year figures have also been reclassified to conform to this year's classification and also have been regrouped, recast and rearranged wherever necessary to make it comparable with the current year figures. The adoption of Revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.
- 10.27 Pending transfer of Assets and Liabilities of Engineering and Electrical Divisions to two 100% subsidiaries incorporated in the name of Yule Engineering Ltd. and Yule Electrical Ltd. as per Sanctioned Rehabilitation Scheme (SRS) all transactions for the year ended 31st March, 2012 relating to aforesaid Divisions entered into by the Company in the name of Andrew Yule & Co. Ltd. (AYCL) have been accounted for in the Books of Accounts of AYCL.



**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 :

(₹ in lakhs)

Name of the Subsidiary	Profit for the Financial year ended 31st March, 2012	Profit for the previous year ended 31st March, 2011
Hooghly Printing Co. Ltd.	46.62	28.18
Yule Engineering Ltd.	(-) 0.36	2.40
Yule Electrical Ltd.	(-) 0.20	(-) 0.09

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

Name of the Subsidiary	Profit for the Financial year ended 31st March, 2012	Profit for the previous year ended 31st March, 2011
Hooghly Printing Co. Ltd.	Nil	Nil
Yule Engineering Ltd.	Nil	Nil
Yule Electrical Ltd.	Nil	Nil

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 2nd July, 2012.

On behalf of the Board,

K. DATTA, *Chairman and Managing Director.*  
S. SWAMINATHAN } *Directors.*  
AMITAVA DHAR }



**ANDREW YULE & CO. LTD.**

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# **CONSOLIDATED ACCOUNTS**

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**Statement of Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended 31st March, 2012.**

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 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.

(Contd.)

- (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 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 packaging 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

(Contd.)

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.
- (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

(Contd.)

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, 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

(Contd.)



when the exchange is booked in advance, as the case may be. Necessary adjustments with regard to such exchange rate difference are made to secured loans, fixed assets and depreciation.

- (b) In respect of any import of materials both under CIF, FOB and C&F Contracts, purchases are booked at the exchange rates ruling on the date of Bill of Entry. The exchange difference, if any, arising from the difference between the above rate and the rate at which the actual payment is made or at the rate prevailing on 31st March, whichever is earlier, is accounted for in the Profit and Loss Account.
- (c) Exports/Overseas Sales are booked at the rates ruling on the date of bill of lading. Exchange difference, if any, relating to such bills arising either on realisation of the proceeds or on conversion thereof at the exchange rate ruling at the close of the year, whichever is earlier, is accounted for in Profit and Loss Account.
- (d) Receivables and Payables in foreign currency are reported in the Balance Sheet at the parity rate ruling at the close of the financial year. The exchange difference arising on the settlement of such receivables/payable or on reporting such receivables/payables at rates different from those at which those are initially recorded during the period or reported in previous Balance Sheet is accounted for in Profit and Loss Account.
- (e) Wherein contract for import or export is covered by forward exchange contract any premium or discount at inception of such contract and any other gain or loss arising out of exchange differences between the forward contract rate and the rate on the day of reporting are treated in compliance with Accounting Standard-11.

#### **14. Research and Development Costs :**

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

## **AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ANDREW YULE & COMPANY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the attached consolidated Balance Sheet of Andrew Yule & Company Limited (The Company) and its Subsidiaries and Associates, hereinafter referred to as the "Group" (refer note 10.02 to the Consolidated Financial Statements) as at 31st March, 2012, the related Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 our opinion.
3. We did not audit the financial statements of any of the subsidiaries & the associates. The financial statements of the subsidiaries reflect total assets of ₹907.74 lakhs as at 31st March, 2012, the total revenue of ₹1,581.69 lakhs for the year ended on that date, and cash flows amounting to ₹70.19 lakhs for the year ended on that date. The financial statements of the associates reflect the group's share of profit upto 31st March, 2012 of ₹6422.36 lakhs and the group's share of profit of ₹1334.92 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements & Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements as notified under the Companies (Accounting Standard) Rules, 2006.
5. Without qualifying our report we draw attention to Note No.10.05 that in the proceedings of hearing held on 30th October, 2007 before the Board for Industrial and Financial Reconstruction (BIFR). Rehabilitation Schedule of the Company with cut off date as 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. However, net worth of the Company has become positive at the year end.
6. Further, to our comments referred in paragraph 5 above, we report that:
  - [i] Note 10.09(i) regarding non provision against diminution in the value of investment in Yule Financing & Leasing Co. Limited amounting ₹27.88 lakhs.
  - [ii] Again, Note. 10.09(ii) regarding non provision against diminution in the value of investment in equity shares of WEBFIL Limited which is not ascertainable at this stage.
7. In the accounts of Tide Water Oil (India) Company Limited :
  - [i] No provision has been made in the accounts in respect of advance given to a company towards purchase of shares for ₹348 lakhs which is doubtful in nature with consequential impact on Profit & Net Assets position at the end of the year. Group share in consolidated accounts is ₹91.25 lakhs. Refer note 10.18.
  - [ii] Investments in quoted equity shares made by the company have suffered diminution in value (amount not ascertained) for which no provision has been made in the accounts with consequential impact on Profit & Net assets position at the end of the year. Group share in the consolidated accounts cannot be ascertained. Refer note 10.09(iii).
8. In the accounts of New Beerbhoom Coal Company Limited :
  - [i] Non provision for diminution in value of investments in Yule Financing & Leasing Co. Ltd. amounting to ₹1.42 lakhs. Group share in consolidated accounts is ₹0.46 lacs. Refer para 10.24(a).
  - [ii] Non provision against non realisability of the principal on maturity amounting to ₹4.50 lakhs due from a body corporate. Group share in



- consolidated accounts is ₹1.48 lacs. Refer para 10.24(c).
9. In the accounts of Katras Jherriah Coal Co Limited:
- [i] 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 appeals filed by the claimants & still pending with the appellate courts have been included in Trade Payables and therefore adjustments may be required in these accounts in respect of the appeals. Further as the orders of the Commissioner of Payments admitting / rejecting the claims of the creditors against the company were not available in all cases, representations made by the company in this regard has been relied upon. Group share in consolidated accounts cannot be ascertained. Refer note no 10.17(a).
- [ii] From the available records and information it has not been possible to ascertain the extent of realisability of ₹1.79 lakhs. Group share in consolidated accounts is ₹0.57 lakhs. Refer note 10.24(d).
- [iii] Provision against non realisability of the principal on maturity amounting to ₹ 2 lakhs due from a body Corporate has not been made. Group share in consolidated accounts is ₹0.63 lakhs. Refer note 10.24(e).
- [iv] Non provision against diminution in value of Investments in Yule Agro Industries Ltd. and in The New Beerbhoom Coal Co. Ltd. amounting to ₹4.73 lakhs. Group share in consolidated accounts is ₹1.52 lakhs. Refer note no 10.24(b).
10. Had the observations made under item No. 6(i), 7(i), 8(i), 8(ii), 9(ii), 9(iii) and 9(iv) above been considered, the profit for the year after provision for taxation would have been ₹2441.82 lakhs as against the reported profit of ₹2565.61 lakhs, Reserves & Surplus would have been ₹13,510.04 lakhs as against the reported Reserves & Surplus of ₹13,633.83 lakhs and the value of non-current investments would have been ₹7048.71 lakhs as against the reported value of ₹7172.50 lakhs.
- Further, the impact of our comments in para 6(ii), 7(ii) and 9(i) on profit for the year after provision for taxation, Reserves and Surplus, Non Current Investments and Trade Payables could not be ascertained at this stage.
11. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements read with the accounting policies and notes on accounts together with our observations in paragraph 5 to 9 above give a true and fair view in conformity with the accounting principles generally accepted in India:
- [i] in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
- [ii] in the case of the Consolidated Statement of Profit and Loss, of the "profit" of the Group for the year ended on that date, and
- [iii] in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Gupta & Co.  
Chartered Accountants  
Firm's Registration No. 301028E

Place: Kolkata  
Date: 17th August, 2012

A. Deb  
Partner  
Membership No.062018



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012**

[₹ in lakh]

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITY</b>			
[1] Shareholder's Funds	1		
[a] Share Capital	1.1	6522.77	6372.77
[b] Reserves and Surplus	1.2	13633.84	11057.65
[2] Share application money pending allotment	2	150.00	300.00
[3] Non-Current Liabilities	3		
[a] Long Term Borrowings	3.1	6952.83	9132.55
[b] Deferred Tax Liabilities		376.46	360.25
[c] Other Long Term Liabilities	3.2	94.82	218.59
[d] Long Term Provisions	3.3	1153.56	1097.24
[4] Current Liabilities	4		
[a] Short Term Borrowing	4.1	2605.89	941.19
[b] Trade Payables	4.2	6172.69	5418.81
[c] Other current Liabilities	4.3	13256.15	13087.06
[d] Short Term Provisions	4.4	700.59	418.08
<b>Total :</b>		<b><u>51619.60</u></b>	<b><u>48404.19</u></b>
<b>II. ASSETS</b>			
[1] Non-Current Assets			
[a] Fixed Assets	5		
[i] Tangible Assets	5	17772.24	17398.38
[ii] Intangible Assets	5	13.94	14.73
[iii] Capital Work-in-Progress	5	332.67	313.90
[b] Non-Current Investments	5.1	7172.50	5835.39
[c] Long Term Loans and Advances	5.2	1853.99	2157.69
[d] Other Non-Current Assets	5.3	528.70	361.31
[2] Current Assets	6		
[a] Current Investments	6.1	1.55	2.19
[b] Inventories	6.2	3404.33	3730.80
[c] Trade Receivables	6.3	7809.78	4680.23
[d] Cash and bank Balances	6.4	10261.78	10916.26
[e] Short Term Loans and Advances	6.5	2044.71	2824.25
[f] Other Current Assets	6.6	423.41	169.06
<b>Total :</b>		<b><u>51619.60</u></b>	<b><u>48404.19</u></b>
<b>Significant Accounting Policies</b>	<b>9</b>		
<b>Other Notes to Financial Statements</b>	<b>10</b>		

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 17th August, 2012.

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

In terms of our attached Report of even date.

For GUPTA & CO.,  
Chartered Accountants,  
Firm Registration No.301028E  
(CA ARNAB DEB )  
Partner,

Kolkata – 17th August, 2012.

Membership No.62018


**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

[₹ in lakh]

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended 31st March, 2012</u>	<u>For the year ended 31st March, 2011</u>
<b>I. INCOME</b>	7		
Revenue from Operations	7.1	30607.83	26145.96
Other Income	7.2	1174.89	3672.81
<b>Total Revenue [A]</b>		<b><u>31782.72</u></b>	<b><u>29818.77</u></b>
<b>II. EXPENSES</b>	8		
Cost of Materials Consumed	8.1	11741.57	8902.64
Changes in Inventories of Finished Goods	8.2	516.37	(-) 149.32
Employee Benefit Expenses	8.3	10272.98	9753.96
Finance Cost	8.4	1682.55	1777.00
Depreciation and Amortisation Expenses	8.5	464.34	465.07
Other Expenses	8.6	6113.17	5308.64
<b>Total Expenses [B]</b>		<b><u>30790.88</u></b>	<b><u>26057.99</u></b>
Profit before Exceptional and Extraordinary Items and Tax [A-B]		991.74	3760.78
Add: Exceptional Item [Refer to Note No.10.13]		260.87	...
Profit before Extraordinary Items and Tax		1252.61	3760.78
Add: Extraordinary Items		...	409.90
Profit Before Tax [PBT]		1252.61	4170.68
Tax Expenses :			
Fringe Benefit Tax		(-) 4.18	...
Deferred Tax		16.21	0.97
Taxation		9.89	6.91
		21.92	7.88
Profit for the Year		<b><u>1230.69</u></b>	<b><u>4162.80</u></b>
Add: Group Share of Profit from Associates		<b><u>1334.92</u></b>	<b><u>1542.17</u></b>
		<b><u>2565.61</u></b>	<b><u>5704.97</u></b>
Basic & Diluted earnings per share before extraordinary income [Note No.10.22]		₹0.79	₹1.75
Basic & Diluted earnings per share after extraordinary income [Note No.10.22]		₹0.79	₹1.88
<b>Significant Accounting Policies</b>	<b>9</b>		
<b>Other Notes to Financial Statements</b>	<b>10</b>		

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 17th August, 2012.

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

In terms of our attached Report of even date.

For GUPTA & CO.,  
Chartered Accountants,  
Firm Registration No.301028E  
(CA ARNAB DEB )  
Partner,

Kolkata – 17th August, 2012.

Membership No.62018


**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax and extraordinary items	2587.53	5306.74
Adjustment for :		
Deprecitaion/Impairment of Assets	464.34	465.07
Interest Charged	1624.18	1711.25
Investment Income	(990.56)	(880.75)
Subsidy Credited to Profit and Loss Account	1.64	(59.01)
<i>Profit on sale of Fixed Assets</i>	...	(0.27)
<b>Operating profit before changes in amount of current Liabilities and Current Assets</b>	<b>3687.13</b>	<b>6543.03</b>
Adjustment for :		
Trade Receivables	(1766.17)	1518.07
Inventories	326.48	(614.50)
Trade Payble	2241.22	(1544.82)
<b>Cash generated from operations</b>	<b>4488.66</b>	<b>5901.78</b>
Wealth tax paid	(3.85)	(3.76)
Income Tax(Paid)/Refund	(1.12)	...
<b>Cash flow before Extraordinary Items</b>	<b>4483.69</b>	<b>5898.02</b>
<i>Extraordinary Income</i>	...	409.90
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>4483.69</b>	<b>6307.92</b>
<b>[B] CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of Fixed Assets(Including Capital WIP and Pre-operative Expenditure	(856.62)	(579.81)
Loans	183.81	(145.91)
<i>Sale of Fixed Assets</i>	...	0.27
Subsidy credited to Profit and Loss Account	12.89	67.93
<i>Capital Advance</i>	...	135.98
Received from other Investment	736.85	1016.00
Increase in Long Term Investment	(1334.92)	(1542.17)
<b>NET CASH FROM INVESTMENT ACTIVITIES [B]</b>	<b>(1257.99)</b>	<b>(1047.71)</b>

(Contd.)



**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Profit from borrowings	(2252.50)	(1920.35)
Interest paid	(954.08)	(2200.97)
<i>Advance against equity</i>	...	(547.00)
<i>Proceeds from equity</i>	...	446.20
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>	<b>(3206.58)</b>	<b>(4222.12)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENT [A+B+C]</b>	<b>19.12</b>	<b>1038.09</b>
<b>CASH AND CASH EQUIVALENT Opening Balance as on 1st April, 2011</b>	<b>3926.86</b>	<b>2888.77</b>
<b>CASH AND CASH EQUIVALENT Closing Balance as on 1st April, 2012</b>	<b>3945.98</b>	<b>3926.86</b>

[1] Cash Flow Statement has been prepared by following method mentioned in AS-3

[2] Break-up of cash and Cash Equivalent :

Cash in hand	19.84	43.14
<i>Postage and stamps in hand</i>	...	0.03
Cheques in hand	11.89	23.04
Remittance in transit	2.52	2.99
Balance with scheduled banks :		
On current account	622.14	1107.77
Fixed Deposit with Banks maturing within 3 months	3289.59	2749.89
	<b>3945.98</b>	<b>3926.86</b>

D. BANDYOPADHYAY,  
Financial Controller & Company Secretary.  
KOLKATA – 17th August, 2012.

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

In terms of our attached Report of even date.

For GUPTA & CO.,  
Chartered Accountants,  
Firm Registration No. 301028E  
(CA ARNAB DEB )  
Partner,  
Membership No. 62018

Kolkata – 17th August, 2012.


**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 1.1 – SHARE CAPITAL</b>		
<b>Authorised :</b>		
Equity Shares		
37,50,00,000 (Previous year 37,50,00,000) of ₹2/- each	7500.00	7500.00
<b>Issued, Subscribed and Fully Paid-up :</b>		
Equity Shares		
32,61,38,478 (Previous year 31,86,38,478) of ₹2/- each [Out of above 600000 shares issued as Bonus Shares by Capitalisation of General Reserve, 2135344 shares issued pursuant to a contract without payment being received in cash and 1157600 shares issued to Govt. of India in the name of President of India pursuant to Transformer & Switchgear Ltd. and Brentford Electric India Ltd. against compensatio money paid by them]	6522.77	6372.77
	<u>6522.77</u>	<u>6372.77</u>

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Authorised :</b>		
37,50,00,000 (Previous year 37,50,00,000) Equity Shares of ₹2/- each	7500.00	7500.00
<b>Issued, Subscribed and Paid-up :</b>		
32,61,38,478 (Previous year 31,86,38,478) Equity Shares of ₹2/- each	6522.77	6372.77

**The details of Shareholder holding more than 5% shares as at 31st March set out below :**

Nature of the Shareholders	31st March, 2012		31st March, 2011	
	No. of shares	%age	No. of shares	%age
President of India	30,42,89,706	93.30	29,67,89,706	93.14

**The reconciliation of the number of shares outstanding as at 31st March :**

	31st March, 2012		31st March, 2011	
	No. of Shares	Value	No. of Shares	Value
Equity shares at the beginning of the year	31,86,38,478	6372.77	29,63,28,478	5926.57
Issued during the year	75,00,000	150.00	2,23,10,000	446.20
Equity shares at the end of the year	32,61,38,478	6522.77	31,86,38,478	6372.77




**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 1.2 – RESERVE AND SURPLUS</b>		
<b>Capital Reserve :</b>		
<b>General :</b>		
Balance as per Last Account	402.55	402.55
<b>Preference Share Capital Redemption Reserve :</b>		
<b>General :</b>		
Balance as per Last Account	84.69	84.69
Less: Transfer to Profit & Loss Account	84.69	...
	...	84.69
<b>Revaluation Reserve :</b>		
<b>General :</b>		
Balance as per Last Account	10332.52	10332.52
<b>Other Reserves :</b>		
<b>Special :</b>		
<b>Central/State Subsidy for Capital Assets :</b>		
Balance as per Last Account	11.40	11.40
<b>Tea Board Subsidy for Capital Assets :</b>		
Balance as per Last Account	101.43	110.69
Add: During the Year	23.09	1.18
	124.52	111.87
Less: Transfer to Profit and Loss Account	12.51	10.44
	112.01	101.43
State Housing Subsidy	4.06	4.06
<b>Balance of Profit &amp; Loss Account as per Last Account</b>	309.53	(-) 5395.44
Less : Adjustment for difference in net assets of PYL	188.53	188.53
	121.00	(-) 5583.97
Add: Transfer from Preference Share Capital Redemption Reserve	84.69	...
	205.69	(-) 5583.97
Add: Profit During the Year	2565.61	5704.97
	2771.30	121.00
	13633.84	11057.65
<b>Note 2 – SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		
State Bank of India	150.00	150.00
Government of India	...	150.00
	150.00	300.00


**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 3.1 – LONG TERM BORROWINGS</b>		
<b>Secured Loans :</b>		
Bonds :		
9.1% Secured Redeemable Non-Convertible 10 Years Bond (To be redeemed on 22nd February in the years 2015, 2016 and 2017 in three equal instalment)	2000.00	2000.00
9% Secured Redeemable Non-Convertible 12 Years Bond (Secured by creation of 2nd charge on Mortgage of Banarhat and Karballa Tea Estates)	...	500.00
	2000.00	2500.00
Term Loans from Scheduled Banks [Refer Note No.10.15] (The above loans comprising State Bank of India (SBI) ₹716.00 lakh, Bank of Baroda (BOB) ₹2884.18 lakh, Allahabad Bank ₹279.47 lakh, United Bank of India (UBI) ₹151.48 lakh, Union Bank of India ₹41.43 lakh, United Bank of India (HPCL) 101.55 lakh, out of the above loans from SBI and BOB are secured by whole of the Company's present and future stock of raw materials, Work in Progress, Finished goods and manufactured goods and articles, stores, components and spares, other movable properties wherever situated, 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 and loans from Allahabad Bank, UBI and Union Bank of India are secured by hypothecation of the whole of crops, book debts and all other movable assets both present and future and by equitable mortgage of all immovable properties of the designated Tea Estates, in case of UBI (HPCL) loan is secured by hypothecation of plant and machinery and other fixed assets both present and future and guaranteed by AYCL)	4174.11	4869.18
Other Loans (Secured by a charge on certain movable and immovable Assets of Banarhat, Hoolungooree and Khowang Tea Estate ranking subsequent to the charge in favour of Bank on these assets for ₹39.10 lakh for Tea Board Special purpose Tea Fund Loan and ₹581.70 lakh from West Bengal Govt. Sales Tax loan to be secured by residuary charge of certain immovable properties ranking next only to charges in favour of the Bank)	620.80	587.41
	6794.91	7956.59
<b>Unsecured Loans :</b>		
West Bengal Industrial Development Corporation Ltd.	89.92	179.56
Government of India	68.00	996.40
	157.92	1175.96
	6952.83	9132.55


**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 3.2 – OTHER LONG TERM LIABILITIES</b>		
Security deposit from Related Parties	28.80	148.80
Others (Security Deposit, Earnest Money Deposit)	66.02	69.79
	<u>94.82</u>	<u>218.59</u>
<b>Note 3.3 – LONG TERM PROVIIONS</b>		
Provision for Employee Benefit (Gratuity)	512.70	394.80
Provision for Tax (Income Tax, Wealth Tax, FBT)	310.83	403.81
Provision for Contingencies	11.23	11.23
Others (Provision for Employee Benefit, Capital WIP)	318.80	287.40
	<u>1153.56</u>	<u>1097.24</u>
<b>Note 4.1 – SHORT TERM BORROWINGS</b>		
Secures :		
From Banks	2605.89	941.19
(Comprising of Union Bank of India ₹6.37 lakh, Allahabad Bank ₹1211.51 lakh, State Bank of India ₹241.00 lakh, Bank of Baroda ₹1147.01 lakh secured by hypothecation of inventories, book debts and certain movable and immovable properties)		
	<u>2605.89</u>	<u>941.19</u>
<b>Note 4.2 – TRADE PAYABLE</b>		
For Goods and Services	6172.69	5418.81
	<u>6172.69</u>	<u>5418.81</u>
<b>Note 4.3 – OTHER CURRENT LIABILITIES</b>		
<b>Current Maturity on Long Term debt :</b>		
Government of India	4250.00	3419.60
Others	561.37	747.11
(Comprising of Bank of Baroda ₹106.82 lakh, Allahabad Bank ₹135.00 lakh, United Bank of India ₹75.00 lakh, Union Bank of India ₹41.43 lakh and WBIDC ₹179.24 lakh)		
	<u>4811.37</u>	<u>4166.71</u>
<b>Interst accrued but not due on borrowings :</b>		
Government of India	258.18	536.81
Others	19.40	30.04
	<u>277.58</u>	<u>566.85</u>
<b>Interst accrued and due on borrowings :</b>		
Government of India	2364.69	1487.13
Others	796.31	714.75
(Comprising of W.B. Housing Loan ₹0.68 lakh, State Bank of India ₹706.50 lakh and Bank of Baroda ₹87.34 lakh)		
	<u>3161.00</u>	<u>2201.88</u>
Advance and Deposit received from Customers	655.65	431.92
Related Parties	211.39	194.78
Others Paybale (Employee's dues, other contactual obligation)	4139.16	5524.92
	<u>13256.15</u>	<u>13087.06</u>
<b>Note 4.4 – SHORT TERM PROVISIONS</b>		
Others (Stock Obsolescene, Contingencies, Food Stuff)	700.59	418.08
	<u>700.59</u>	<u>418.08</u>

ANDREW YULE & CO. LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Note 5 – FIXED ASSETS

[₹ in lakh]

Description of Assets	GROSS BLOCK			DEPRECIATION			IMPAIRMENT OF ASSETS		NET BLOCK			
	Cost/Book Value as at 31st March, 2011	Additions/ Adjustments during the year	Less: Sales/ Adjustments during the year	Cost/Book Value as at 31st March, 2012	Upto 31st March, 2011	For the year	Less: On Sales/ Adjustments during the year	Upto 31st March, 2012	Upto 31st March, 2011	During the year	As at 31st March, 2011	As at 31st March, 2012
Tangible Assets												
Land (including cost of development and leasehold land Rs.15.10 lakhs)	323.38	...	...	323.38	0.71	1.50	...	2.21	...	...	321.17	322.67
Estates[Leasehold(including garden development expenses)]	12469.46	4.15	19.50	12454.11	255.47	5.78	0.01	261.24	...	...	12192.87	12213.99
Buildings	3025.23	195.59	0.41	3220.41	1262.07	58.54	1.65	1318.96	5.78	...	1895.67	1757.38
Roads and Culverts	53.75	11.21	...	64.96	16.71	1.10	...	17.81	...	...	47.15	37.04
Plant and Machinery	5335.47	398.17	34.34	5699.30	3240.68	262.99	(-) 1.58	3505.25	96.41	...	2097.64	1998.38
Drawings, Designs and Tracings etc.	74.99	...	...	74.99	40.91	...	0.01	40.90	34.09	...	...	(-) 0.01
Electrical Installations	892.72	74.28	...	967.00	461.03	35.73	(-) 0.01	496.77	...	...	470.23	431.69
Water Installations	499.03	47.20	0.24	545.99	253.32	20.83	0.22	273.93	...	...	272.06	245.71
Furniture and Fixture	382.36	7.63	69.19	320.80	295.03	11.99	46.76	260.26	0.01	...	60.53	87.32
Office Equipments	...	17.94	...	17.94	...	1.49	(-) 11.17	12.66	...	...	5.28	...
Vehicles	681.20	163.79	16.05	828.94	376.99	57.41	15.10	419.30	...	...	409.64	304.21
TOTAL	23737.59	919.96	139.73	24517.82	6202.92	457.36	50.99	6609.29	136.29	...	17772.24	17398.38
Intangible Assets												
Computer Software	35.07	6.31	...	41.38	20.34	6.99	(-) 0.11	27.44	...	...	13.94	14.73
TOTAL	23772.66	926.27	139.73	24559.20	6223.26	464.35	50.88	6636.73	136.29	...	17786.18	17413.11
Capital Work-in-Progress	366.43	237.54	218.77	385.20	...	...	...	...	52.53	...	332.67	313.90
TOTAL	24139.09	1163.81	358.50	24944.40	6223.26	464.35	50.88	6636.73	188.82	...	18118.85	17727.01
PREVIOUS YEAR'S TOTAL	23717.10	716.06	294.07	24139.09	5916.01	465.07	157.82	6223.26	188.82	...	17727.01	...


**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	No. of Shares/ Units	Face Value per Share/ Unit	Book Value	
			As at 31.3.12	As at 31.3.11
<b>Note 5.1 – NON-CURRENT INVESTMENTS</b>				
<b>1. [A] In Associates – Non-Trade Investments :</b>				
<b>Equity Shares (Fully Paid) :</b>				
<b>Quoted :</b>				
Tide Water Oil Co. (India) Ltd.	2,28,390	10	141.07	141.07
Add/Less: Group Share of Profit as on 31st March, 2012			6429.32	5092.26
			<u>6570.39</u>	<u>5233.33</u>
<b>Unquoted :</b>				
New Beerbhoom Coal Co. Ltd.	1,05,355	10	12.27	12.27
Add/Less: Group Share of Profit upto 31st March, 2012			(-) 2.98	(-) 2.72
			<u>9.29</u>	<u>9.55</u>
Katras Jherriah Coal Co. Ltd.	60,260	10	6.95	6.95
Add/Less: Group Share of Profit upto 31st March, 2012			(-) 3.98	(-) 2.10
			<u>2.97</u>	<u>4.85</u>
<b>[B] In Other Companies – Non-Trade Investments :</b>				
<b>Equity Shares (Fully Paid) :</b>				
<b>Quoted :</b>				
Yule Financing & Leasing Co. Ltd.	3,00,000	10	27.88	27.88
DPSC Ltd.	34,500	1	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
<i>Gloster Jute Mills Ltd.</i>	416	10	...	...
Exide Industries Ltd.	2,12,714	1	4.22	4.22
The Gillapukri Tea and Industries Ltd.	26	10	...	...
<b>Unquoted :</b>				
* 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
6% Cumulative Redeemable Preference Shares–WEBFIL Ltd.	20,44,000	10	204.40	204.40
Woodlands Multispeciality Hospital Ltd.	23,450	10	0.69	0.69
<b>Bonds (Fully Paid) :</b>				
<b>Unquoted :</b>				
**WEBFIL Ltd. Zero Rate Unsecured Redeemable Bond	305	100000	305.00	305.00
<b>2. Units (Fully Paid) :</b>				
<b>Quoted :</b>				
<b>Unit Trust of India</b>				
Balance Fund	1,63,261 (1,55,400)	10	32.94	30.75
			<u>7177.71</u>	<u>5840.60</u>
Less: Provision for diminution in value for long term investments			5.21	5.21
			<u>7172.50</u>	<u>5835.39</u>
Market value of quoted investments			17379.04	14987.04



**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 5.2 – LONG TERM LOANS AND ADVANCES</b>		
Capital Advance	22.38	6.78
Security Deposit	140.61	260.13
Advance Income Tax and other Tax	928.39	972.80
Loans and Advances to related parties	502.05	500.00
Other Loans and Advances	260.56	417.98
	<u>1853.99</u>	<u>2157.69</u>
<b>Classification :</b>		
Unsecured – Considered Good	1853.99	2157.69
– Considered doubtful	1809.14	1865.76
	3663.13	4023.45
Less: Provisions for Doubtful Advance	1809.14	1865.76
	<u>1853.99</u>	<u>2157.69</u>
<b>Note 5.3 – OTHER NON-CURRENT ASSETS</b>		
Others (Plan Assets for superannuation Fund & Retention Money)	528.70	361.31
	<u>528.70</u>	<u>361.31</u>
<b>Note 6.1 – CURRENT INVESTMENT</b>		
<b>Quoted :</b>		
Unit Trust of India		
Balance Fund	1.55	2.19
	<u>1.55</u>	<u>2.19</u>
<b>Note 6.2 – INVENTORIES</b>		
Raw Materials, components & Packing Material	1127.14	1124.59
Work in Progress	853.53	1012.50
Finished Goods	364.80	710.80
Stores and Spare Parts	1024.57	823.02
Loose Tools	9.26	9.13
Food Stuff	11.38	25.71
Scrap	13.65	25.05
	<u>3404.33</u>	<u>3730.80</u>
<b>Note 6.3 – TRADE RECEIVABLES [</b>		
<b>Trade Receivale [Unsecured] :</b>		
<b>Debts outstanding over six months :</b>		
Considered Good	1108.89	495.06
Considered Doubtful	4273.24	4230.54
	5382.13	4725.60
Less: Provision for Doubtful Debts	4273.24	4230.54
	<u>1108.89</u>	<u>495.06</u>
<b>Other Debts :</b>		
Considered Good	6700.89	4185.17
	<u>7809.78</u>	<u>4680.23</u>


**NOTES TO CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

[₹ in lakh]

	As at 31st March, 2012	As at 31st March, 2011
<b>Note 6.4 – CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents :</b>		
Balance with Bank	622.14	1107.77
Cheques in Hand	11.89	23.04
Cash in Hand	19.84	43.14
<i>Postage and Stamps in Hand</i>	...	0.03
Remittance in Transit	2.52	2.99
Deposit with Bank maturing within 3 months	<u>3289.59</u>	<u>2749.89</u>
	3945.98	3926.86
<b>Other Bank Balances :</b>		
Deposit with Bank maturing after 3 months	4220.55	4211.83
Margin money with Bank	<u>2095.25</u>	<u>2776.77</u>
	6315.80	6988.60
<i>Unclaimed Preference Share Redemption Account</i>	...	0.80
	<u>10261.78</u>	<u>10916.26</u>
<b>Note 6.5 – SHORT TERM LOANS AND ADVANCES</b>		
Loans and Advances to related parties	278.60	353.33
Balance with Customs & Central Excise	86.03	111.93
Deposits	29.01	259.09
Advance recoverable in cash or in kind	<u>1651.07</u>	<u>2099.90</u>
	<u>2044.71</u>	<u>2824.25</u>
<b>Classification :</b>		
Secured – Considered Good	13.73	19.09
Unsecured – Considered Good	2030.98	2805.16
– Considered Doubtful	0.28	...
	2031.26	2805.16
Less: Provision for Doubtful Debts	0.28	...
	<u>2030.98</u>	<u>2805.16</u>
	<u>2044.71</u>	<u>2824.25</u>
<b>Note 6.6 – OTHER CURRENT ASSETS</b>		
Others (Interest accrued on deposits)	423.41	169.06
	<u>423.41</u>	<u>169.06</u>


**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

[₹ in lakh]

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>INCOME</b>		
<b>Note 7.1– REVENURE FROM OPERATIONS</b>		
Sale of Products	29548.51	25330.52
Sale of Service	427.22	458.66
Other Operational Income	<u>1970.79</u>	<u>1320.94</u>
	31946.52	27110.12
Less: Trade and Other Discount	<u>212.46</u>	<u>229.81</u>
	31734.06	26880.31
Less: Excise Duty	<u>1126.23</u>	<u>734.35</u>
	<u><u>30607.83</u></u>	<u><u>26145.96</u></u>
<b>Note 7.2 – OTHER INCOME</b>		
Interest Income	842.72	750.24
Dividend Income on Long Term Investment	141.29	118.46
Net gain on sale of current investments	7.10	12.05
Other non-operating Income (Tea Board Subsidy, Exchange Gains, Items relating to Previous year, Provision no longer required W/B)	<u>183.78</u>	<u>2792.06</u>
	<u><u>1174.89</u></u>	<u><u>3672.81</u></u>
<b>Note 8.1 – COST OF MATERIAL CONSUMED</b>		
<b>Opening Stock as at 1st April 2011 :</b>		
Raw Materials,Components and Packing Material	1124.59	924.24
Stores and Spare Parts	823.02	571.45
Loose Tools	<u>9.13</u>	<u>8.06</u>
	1956.74	1503.75
<i>Less : Book value of Stocks sold/adjusted/written off</i>	<u>...</u>	<u>...</u>
	1956.74	1503.75
<b>Purchase during the year :</b>		
Raw Materials,Components and Packing Material	10404.62	7992.38
Stores and Spare Parts	1912.22	1689.53
Loose Tools	<u>6.97</u>	<u>6.32</u>
	<u>12323.81</u>	<u>9688.23</u>
	14280.55	11191.98
<b>Less : Closing Stock as at 31st March 2012 :</b>		
Raw Materials,Components and Packing Material	1127.13	1124.59
Stores and Spare Parts	1024.57	823.02
Loose Tools	<u>9.26</u>	<u>9.13</u>
	<u>2160.96</u>	<u>1956.74</u>
	12119.59	9235.24
Less : Raw Materials and Stores used on various jobs	<u>378.02</u>	<u>328.38</u>
	<u><u>11741.57</u></u>	<u><u>8906.86</u></u>




**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

[₹ in lakh]

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Note 8.2 – CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>Inventories (at close) :</b>		
Finished Goods	364.80	710.80
Work-in-Progress	853.53	1012.50
Scrap	13.65	25.05
	1231.98	1748.35
<b>Inventories (at commencement) :</b>		
Finished Goods	710.80	543.22
Work-in-Progress	1012.50	1034.09
Scrap	25.05	18.89
	1748.35	1596.20
	516.37	(-) 152.15
<i>Add : Excise duty on Acc/decc on Finsished Goods</i>	...	2.84
	516.37	(-) 149.31
<b>Note 8.3 – EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	8338.20	7941.14
Contribution of Provident and Other Fund	1163.49	1090.71
Staff Welfare Expenses	993.98	919.77
	10495.67	9953.62
Less : Incurred on Capital Jobs, Repair Jobs, etc.	222.69	197.66
	10272.98	9753.96
<b>Note 8.4 – FINANCE COST</b>		
Interest Expenses	1619.31	1708.49
Other Borrowing Costs	63.24	68.51
	1682.55	1777.00
<b>Note 8.5 – DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Assets	455.99	456.99
Amortisation of Intangible Assets	8.35	8.08
	464.34	465.07


**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

[₹ in lakh]

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Note 8.6 – OTHER EXPENSES</b>		
Power and Fuel	1674.70	1698.61
Tea Cultivation and manufacturing Expenses	409.56	299.45
Research and Development Expenses	6.57	...
Directors' Salaries and Fees	33.05	31.99
Rent (Net)	36.15	30.35
Rates and Taxes	41.06	40.20
<b>Repairs and Maintenance :</b>		
Building	247.02	212.50
Plant & Machinery	303.57	275.60
Others	69.41	42.39
	620.00	530.49
Travelling Expenses and Upkeep of Vehicles	561.50	481.01
Insurance	36.85	32.08
Broker's Commission	173.07	188.13
<b>Selling Expenses :</b>		
Selling Agent's Commission	59.06	31.85
Others	563.12	467.58
	622.18	499.43
Miscellaneous Expenses	897.51	771.13
Sub-Contractors charges	245.10	180.87
Delivery/Forwarding charges	53.91	27.65
Common Expenses (HO)	...	30.44
Bank Charges	9.00	24.69
Excise Duty	16.06	7.81
Assam Entry tax	3.30	4.72
Assam Cess on Green Leaf	97.91	...
West Bengal Primary and Rural Education Cess	17.84	...
Tea Cess	49.99	32.74
Education Cess	1.01	0.97
Net loss on Foreign Currency	0.86	2.35
<b>Auditor's Remuneration :</b>		
As Auditor	2.33	2.33
For Taxation Matter	0.83	0.60
For other Services	0.88	1.48
For Reimbursement Expenses	0.29	0.15
	4.33	4.56
Item relating to previous year [Refer to Note No.10.23]	141.47	144.15
Loss on sale/write off of stores	...	2.72
Loss on sale/write off of Fixed Assets	...	19.48
Liquidated Damages and Penalty etc.	208.17	114.77
Rectification/Replacement	57.32	54.26
<b>Provision for :</b>		
Doubtful Debts	46.22	55.54
Doubtful Loans, Advances and Deposits	24.57	...
Food Stuff	...	1.10
Stock/Stores Obsolescence	26.93	...
	97.72	56.64
	6116.19	5311.69
Less: Amount transferred to Capital Jobs etc.	3.02	3.05
	6113.17	5308.64


**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

[₹ in lakh]

**Note 10**
**10.01 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] 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.

**10.02 Ownership Interest in Subsidiaries and Associates :**

- [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, 2012
Hooghly Printing Co. Ltd.	India	100
Yule Engineering Co. Ltd.	India	100
Yule Electrical Co. Ltd.	India	100

The financial statements of the Subsidiaries are 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, 2012	Ownership interest as at 31st March, 2011
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 ₹137.03 lakh 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, 2012 (Note No.5.1) as per AS-23.

**10.03 Estimated amount of contracts remaining to be executed on Capital Account ₹70.64 lakh (net of advances) (₹342.01 lakh) and Other Commitments ₹ Nil (₹ Nil) not provided for.**

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 ₹243.00 lakh (₹358.00 lakh) where Group Companies Share is ₹63.71 lakh (₹94.00 lakh).

**10.04 Contingent liabilities not provided for in respect of :**

- [a] Claims against the Company not acknowledged as debts :

- [i] Accrued interest of ₹555.96 lakh upto 31st March,2007 being the difference between ₹2728.96 lakh, the interest including penal interest due upto 31st March,2007 as per books of DHI and the interest waived amounting to ₹2173.00 lakh. The proposal for waiver of ₹555.96 lakh based on the principle of sanction by BIFR is under consideration of the GOI.

- [ii] Others ₹68.77 lakhs (₹416.98 lakh)

(Contd.)



**Note 10 – (Contd.)**

- [b] Guarantees and Indemnities given to various Institutions and Authorities in connection with Company's operations amounting to ₹1932.23 lakh (₹1909.23 lakh).
- [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).
  - \*In respect of 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 ₹4231.24 lakh (₹6699.98 lakh). The demand under the WBST, CST, AGST and OST 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 including penalty amounting to ₹183.27 lakh (₹50.53 lakh) excluding interest not admitted, against which appeals have been preferred by the Company.
- [f] Disputed Excise/Customs Duty claims ₹551.81 lakh (₹538.95 lakh) excluding interest against which appeal have been preferred by the Company.
- [g] Unexpired Letter of Credit opened by the Company's Bankers – ₹1392.80 lakh (₹828.18 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 ₹5471.00 lakh (₹3831.00 lakh) Group Company's share of liability ₹1433.97 lakh (₹1004.00 lakh).
- [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 lakh (₹1.78 lakh). 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).

**10.05 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] ₹150.00 lakh appearing in the Accounts as Share Pending Allotment represents 20% of funded interest upto cut off date i.e. 31st March, 2006 amounting to ₹748.00 lakh which was sanctioned by State Bank of India (SBI) as per terms of Sanctioned Rehabilitation Scheme dated 30th October, 2007 for conversion into Equity. Allotment of 7500000 Shares at Face Value of ₹2/- each aggregating to ₹150.00 lakh will be made on receipt of Sanction Letter from SBI and approval of the same by Company's Competent Authority.
- [b] In terms of the aforesaid order 46% of unsecured creditors amounting to ₹113.93 lakh (₹110.21 lakh) except sub-judice matters has been written back during the year.

**10.06 [a] Employee Benefits**

The Company's contribution to Defined Contribution Plans aggregated to ₹824.36 lakhs (₹813.21 lakhs) for the year ended 31st March, 2012, which has been recognised under the line item Contribution to Provident and Other Funds on Note No.8.3 above.

	2011-12	2010-11
Contribution to Provident Fund	815.41	805.01
Contribution to Employees State Insurance Fund	8.95	8.20

(Contd.)



**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

[b] 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.

	2011-12					2010-11				
	Gratuity	Leave en-cashment	Pension	Super-annuation	Medical	Gratuity	Leave en-cashment	Pension	Super-annuation	Medical
Defined benefit plans/ Long term compensated absences. As per actuarial valuation as on 31st March, 2012										
[I] Change in present value of Defined Benefit Obligations during the year ended 31st March, 2012										
[1] Present value of DBO at beginning of period	3607.37	607.42	1.87	234.95	7.68	3593.36	662.47	2.58	230.28	7.83
[2] Current Service cost	182.22	36.14	...	16.40	0.00	179.36	35.16	...	8.71	0.00
[3] Interest cost	287.04	46.95	0.14	18.36	0.61	276.88	50.63	0.20	18.34	0.62
[4] Curtailment cost/(credit)	...	...	...	...	...	...	...	...	...	...
[5] Settlement cost/(credit)	...	...	...	...	...	...	...	...	...	...
[6] Plan amendments	...	...	...	...	...	...	...	...	...	...
[7] Acquisitions	...	...	...	...	...	...	...	...	...	...
[8] Actuarial (Gains)/Losses	281.15	218.09	(0.20)	148.89	0.38	40.92	(42.02)	(0.53)	(6.46)	(0.53)
[9] Benefits paid	(342.80)	(91.10)	(0.31)	(30.16)	(0.22)	(483.15)	(98.22)	(0.38)	(15.92)	(0.24)
[10] Present Value of DBO at the end of period	4014.98	817.50	1.50	388.44	8.45	3607.37	607.42	1.87	234.95	7.68
[II] Change in Fair value of Assets during the year ended 31st March, 2012										
[1] Plan assets at beginning of period	3212.58	14.30	...	546.85	...	3226.41	11.54	...	548.68	...
[2] Actuarial Gain/(Loss)	93.16	...	...	182.07	...	(162.60)	...	...	(43.84)	...
[3] Actual return on plan assets	266.16	1.48	...	62.71	...	262.59	1.28	...	57.93	...
[4] Actual company contribution	277.40	94.80	0.31	...	0.22	369.34	100.30	0.38	...	0.24
[5] Benefits paid	(342.80)	(91.10)	(0.31)	(30.16)	(0.22)	(483.15)	(98.82)	(0.38)	(15.92)	(0.24)
[6] Plan assets at the end of the period	3506.50	19.48	...	761.47	...	3212.58	14.30	...	546.85	...
[III] Net assets/(liability) recognised in Balance Sheet as at 31st March, 2012										
[1] Present value of Defined Benefit Obligation	4014.98	817.50	1.50	388.44	8.45	3607.36	607.42	1.87	234.95	7.68
[2] Fair value of plan assets	3506.50	19.48	...	761.47	...	3212.58	14.30	...	546.85	...
[3] Funded status[Surplus/(Deficit)]	(508.48)	(798.03)	(1.50)	373.03	(8.45)	(394.78)	(593.12)	(1.87)	311.90	(7.68)
[4] Unrecognised past service cost	...	...	...	...	...	...	...	...	...	...
[5] Net assets/(liability) recognised in Balance Sheet	(508.48)	(798.03)	(1.50)	373.03	(8.45)	(394.78)	(593.12)	(1.87)	311.90	(7.68)
[IV] Components of employer Expenses recognised in Profit & Loss Account for the year ended 31st March, 2012										
[1] Current Service Cost	182.22	36.14	...	16.40	...	179.35	35.16	...	8.71	...
[2] Interest Cost	287.03	46.95	0.14	18.36	0.61	276.88	50.63	0.20	18.34	0.62
[3] Expected return on plan assets	(266.15)	(1.48)	...	(62.71)	...	(262.59)	(1.28)	...	(15.22)	...
[4] Curtailment cost/(credit)	...	...	...	...	...	...	...	...	...	...
[5] Settlement cost/(credit)	...	...	...	...	...	...	...	...	...	...
[6] Past Service Cost	...	...	...	...	...	...	...	...	...	...
[7] Actuarial Losses/(Gains)	187.99	218.09	0.20	(33.18)	0.38	203.52	(42.02)	(0.53)	(5.33)	(0.53)
[8] Total expenses recognized in the statement of Profit & Loss Account under the head Salaries & Wages	391.09	299.70	(0.06)	(61.13)	0.99	397.17	42.49	(0.33)	6.50	0.09
[V] Actuarial Assumptions										
[1] Discount Rate	8.38%	8.38%	8.75%	8.75%	8.00%	8.38%	8.38%	8.35%	8.35%	8.00%
[2] Expected return on plan assets	8.35%	NA	NA	NA	NA	8.35%	NA	NA	NA	NA
[3] Salary escalation	5.00%	4.50%	NA	5.00%	NA	5.00%	4.50%	NA	5.00%	NA
[4] Expected Average remaining working lives of employees (years)	18.45	11.38	NA	4.26	NA	18.44	10.22	NA	2.85	NA
[5] Method of valuation	Projected Unit Credit (PUC) Actuarial Method									

(Contd.)

**Note 10 – (Contd.)**

- 10.07 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, 2012 is ₹178.38 lakh (₹138.35 lakh) has been taken into account.
- 10.08 Provision for Liquidated damages amounting to ₹1888.14 lakh (₹1749.96 lakh) has been set off against Trade Receivables.
- 10.09 [i] Diminution in the value of long term investment amounting to ₹27.88 lakh in Yule Financing & Leasing Co. Ltd. (YFLC) is in the opinion of the Management not of a permanent nature and accordingly no provision has been made in the Accounts.
- [ii] Diminution in the value of Long Term Investments in Equity Shares of WEBFIL Ltd. is not of a permanent nature. The possible loss, if any, is not ascertainable at this stage and accordingly no provision has been made in the Accounts.
- [iii] In Tide Water Oil Co. (India) Ltd. diminution in value of long term investments amounting to ₹60.09 lakh (₹60.09 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 ₹15.75 lakh (₹15.75 lakh).
- 10.10 Confirmation for balances of Trade Receivables, Deposits and Advances to the parties, Trade Payables, 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.
- 10.11 In computing Deferred Tax Liability of the Company for the Financial Year 2011-12, 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. The balance of Deferred Tax Liability net of Deferred Tax Assets as on 31st March, 2012 stood at ₹376.46 lakh (₹360.25 lakh).
- 10.12 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.
- 10.13 Consequent to acquisition of leasehold land by Govt. of Assam measuring about 9.07 hectares from Rajgarh Tea Estate for which compensation amounting to ₹280.37 lakh (net of charges) received by the Company consisting of ₹19.50 lakh for leasehold land and ₹260.87 lakh for loss of revenue arising out of tea bushes. The Company considered the loss of revenue as "Exceptional Item" in the Statement of Profit and Loss Account.
- 10.14 Proposal for conversion of Government of India Non-plan loan amounting to ₹4152.00 lakh into Equity and waiver of interest accrued thereon as on 31st March, 2012 amounting to ₹2622.00 lakh is under consideration of Govt. of India. However, out of aforesaid non-plan loan of ₹4152.00 lakh appearing as "Other Current Liabilities", four yearly instalment of ₹830.40 lakh each has fallen due consecutively since 2008-09 aggregating ₹3321.60 lakh. Final instalment of ₹830.40 lakh will fall due in 2012-13. The rate of interest is 14.50% p.a. and penalty of 2.75% in case of default.

(Contd.)


**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

10.15 In terms of the sanction letter/debt covenants received by the Company from the lending Banks and Financial Institutions, repayment schedule of term loan and applicable rate of interest are as set out below (other than what is stated in Note No.10.16).

From Consortium Bank	₹2990.96 Lacs to be repaid in 28 equal quarterly installments of ₹106.82 lakh each commencing from 25th March, 2013.	9.25% p.a. with monthly rest.
From Bankers of Tea Division	Repayment of ₹723.81 lakh to be repaid in 2012-13 (₹251.43 Lakh), in 2013-14 (₹251.43 lakh), in 2014-15 (₹210.00 lakh) & in 2015-16 (₹10.95 lakh).	9.75% p.a. with monthly rest for Allahabad Bank. 10.75% p.a. for other Banks.
Term Loan from United Bank of India for Hooghly Printing Co. Ltd.	Repayment of thirty quarterly instalments of ₹5.97 lakh each and one instalment ₹6.03 lakh commencing from 2009-10.	Base Rate plus 5.5%
From Central Financial Institution	₹29.44 lakh to be repaid in 16 equal half-yearly installments of ₹1.84 lakh each starting from 2014-15 for 8 years upto 2022-23.	9.50% p.a.
	₹9.60 lakh to be repaid in 16 equal half-yearly installments of ₹0.60 lakh each starting from 2013-14 for 8 years upto 2021-22.	
From Government of India for Plan Loan	₹166.00 lakh to be repaid in 2012-13 (₹98.00 lakh) & in 2013-14 (₹68.00 lakh).	14.50% p.a. Penalty of 2.75% in case of default.

10.16 In view of downturn in the business of one of its Units, Company approached Consortium Bank for extension of the period of repayment of Short Term Borrowing due for the period from January, 2012 to March, 2012, amounting to ₹353.79 lakh. Accordingly, the said amount could not be settled as on the Balance Sheet date.

10.17 [a] In case of Katras Jherriah Coal Co. Ltd., only those claims in relation to cooking/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 "Trade Payables". 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 ₹1,78,572 as shown in the Balance Sheet are after adjustments of ₹62,98,861 being payments made by the Commissioners of Payments, Dhanbad and Calcutta upto 31st March, 2012 against admitted claims of the Company's bankers and other creditors, and ₹42,96,359 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.

10.18 In Tide Water Oil Co. (India) Ltd. ₹348.00 lakh 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 lakh and the corresponding provision as may be required is not ascertainable at this stage. The Group interest in the same amount is ₹91.25 lakh (₹91.25 lakh).

(Contd.)

**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

10.19 Consolidated Segment Reporting :

The Group's segment information as at and for the year ended 31st March, 2012 are as below :-

	2011-12		
	External Sales	Inter Segment Sales	Total
<b>1. Segment Revenue</b>			
Electrical	8591.43	5.79	8597.22
	[6441.45]	[...]	[6441.45]
Tea	15005.24	1.97	15007.21
	[14577.89]	[1.70]	[14579.59]
Engineering	3041.33	28.71	3070.04
	[2190.18]	[27.34]	[2217.52]
Printing	1568.25	10.95	1579.20
	[1105.13]	[20.73]	[1125.86]
<i>Yule Engineering</i>	...	...	...
	[28.80]	[...]	[28.80]
Segment Total	28206.25	47.42	28253.67
	[24364.18]	[29.04]	[24393.22]
IUT Sale of Capital Goods			3.57
			[2.18]
Eliminations			47.42
			[29.04]
Consolidated Total			28209.82
			[24366.36]
<b>2. Segment Results</b>			
Electrical			(-) 303.68
			[(-)173.97]
Tea			1608.70
			[2176.97]
Engineering			259.51
			[596.28]
Printing			72.11
			[66.33]
Yule Engineering			(-) 0.36
			[2.40]
Yule Electrical			(-) 0.20
			[(-)0.09]
Segment Total			1636.08
			[2667.92]
Unallocated Corporate Expenses (Net of Unallocated Income)			(-) 252.21
			[(-)1915.48]
Profit before Interest and Taxation			1888.29
			[4583.40]
Interest etc. paid			1619.31
			[1711.25]
Interest/Dividend Income			983.63
			[880.75]
Profit from ordinary activity			1252.61
			[3752.90]
<i>Extra ordinary Income (Net)</i>			...
			[409.90]
Net Profit			1252.61
			[4162.80]
Provision for Taxation (Net of written back)			21.92
			[...]
<b>3. Profit after taxation before share of results of Associates</b>			1230.69
			[4162.80]
Share of Profit of Associates			1365.34
			[1542.17]
<b>4. Profit after taxation</b>			2605.92
			[5704.97]

(Contd.)




**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

Other Information	Segment Assets	Segment Liabilities
Electrical	10377.60 [9193.02]	13730.73 [5861.90]
Tea	21776.06 [20979.82]	9859.57 [4508.77]
Engineering	3509.88 [2959.53]	4377.40 [1923.49]
Printing	880.77 [957.75]	516.92 [392.75]
Yule Engineering	16.63 [17.90]	12.52 [13.08]
Yule Electrical	8.70 [...]	4.36 [0.06]
Segment Total	36569.64 [34108.03]	28501.50 [12700.05]
Unallocated Corporate Assets/Liabilities	15150.02 [13506.54]	2888.26 [1318.84]
Total	51719.66 [47614.57]	31389.76 [14018.89]

	Capital Expenditure	Depreciation including Impairment	Non-Cash Expenditure Other than Depreciation
Electrical	104.83 [45.27]	63.94 [61.46]	71.54 [...]
Tea	702.87 [349.24]	340.04 [342.13]	24.12 [...]
Engineering	63.65 [35.84]	15.34 [12.87]	... [...]
Printing	1.79 [19.75]	38.03 [41.96]	0.42 [...]
Segment Total	873.14 [450.10]	457.35 [458.42]	95.66 [...]

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.)

**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

10.20 Particulars relating to discontinued operations.

[a] Description of discontinued operations

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

[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, 2012 :

Sl. No.	Discontinued operations	Fixed Assets	Current Assets	Current liabilities and provisions
01.	PEW	...	...	170.70
02.	Agency	...	...	1.28
03.	Project	0.09	40.00	35.32
	Total	0.09	40.00	207.30

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

10.21 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. Swaminathan	–	Director (Planning)
[d] Amitava Dhar	–	Director (Finance) (w.e.f. 20.12.2011)
[e] Sunil Munshi	–	Executive Director, Tea Division
[f] Sri Prakash Kar	–	Director (Finance) (from 01.04.2011 to 19.04.2011)

(Contd.)


**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

[iii] Disclosure of transactions between the Group and related parties and the status of outstanding balance as on 31st March, 2012.

	Associates	Key Management Personnel and Relatives
Purchase of goods	3.78	...
	[28.99]	[...]
Purchase of services	19.14	...
	[4.54]	[...]
Sale of goods	212.02	...
	[458.09]	[...]
Sale of services	400.22	...
	[400.22]	[...]
Interest income	30.00	...
	[30.08]	[...]
Dividend Income	137.03	...
	[114.19]	[...]
Rent / Hire charges received	140.00	...
	[139.67]	[...]
Reimbursement of contractual employment	4.32	...
	[...]	[...]
Miscellaneous Receipt	2.64	0.02
	[2.40]	[0.02]
<i>Remuneration to Directors</i>	...	43.82
	[...]	[37.20]
<i>Remuneration to Others</i>	...	10.12
	[...]	[7.87]
Royalty Receipt	252.87	...
	[225.00]	[...]
Sales Promotion Expenses	10.77	...
	[...]	[...]
Advances adjusted	57.79	...
	[...]	[...]
<b><u>Balances as on 31st March, 2012</u></b>		
Trade Receivable	150.95	...
	[157.15]	[...]
Trade Payable	11.81	...
	[7.54]	[...]
Long Term Loans and Advances	502.05	...
	[500.00]	[...]
Short Term Loans and Advances	278.60	...
	[353.33]	[...]
Other Long Term Liability	28.80	...
	[148.80]	[...]
Other Current Liability	213.22	...
	[140.00]	[...]

(Contd.)

OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)

[₹ in lakh]

Note 10 – (Contd.)

10.22 Earning per share

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
[a] Number of Equity Share :-		
At the beginning of the year	31,86,38,478	29,63,28,478
At the end of the year	32,61,38,478	31,86,38,478
Weighted average number of Equity Shares outstanding during the year	32,34,13,068	30,32,12,725
Face value of each Equity Share	₹2.00	₹2.00
[b] Profit after Tax before extra ordinary income available for Equity Shareholders	2565.61	5295.07
[c] Profit after Tax after extra ordinary income available for Equity Shareholders	2565.61	5704.97
[d] Basic earnings per Share before extra ordinary income	₹0.79	₹1.75
[e] Basic earnings per Share after extra ordinary income	₹0.79	₹1.88

Note: There was no change in basic structure of Paid-up Share Capital during the year. Hence diluted earning per share is not applicable also refer Note No.10.03(a).

10.23 Details of Expenses under Item relating to previous year are as under :-

Particulars	2011-12	2010-11
Interest on Green Leaf Cess	3.25	2.47
Interest (Others)	36.56	...
Insurance	0.31	3.58
Travelling expenses	2.49	0.03
Excise Duty	...	2.45
Legal expenses	0.03	...
Bonus	7.19	0.02
Land Rent	0.36	7.71
Central sales tax/West Bengal sales tax	...	15.14
Provident Fund/E.P.F./Inspection Charge	4.80	5.09
Works Contract Tax	1.16	...
Miscellaneous expenses	13.18	11.86
Arrear salary of Executive/Asstt./Staff	3.99	9.94
Stores	9.27	33.32
Food Stuff	2.66	0.48
Warehouse	2.06	0.37
Repair	4.89	20.07
Gas	11.03	2.50
CENVAT/Service tax	0.01	...
Air and Water Pollution Charges	14.44	...
Power and Fuel	...	1.60
One Time Settlement	14.28	...
Packing material	3.33	4.84
Freight	0.17	1.19
Settlement Money	5.29	...
Cultivation expenses	0.72	21.49
Total	141.47	144.15

(Contd.)

**OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012 – (Contd.)**

[₹ in lakh]

**Note 10 – (Contd.)**

- 10.24 [a] In New Beerbhoom Coal Co. Ltd. diminution in value of long term investment amounting to ₹1.42 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 ₹0.46 lakhs (₹0.49 lakhs).
- [b] In Katras Jherriah Coal Co. Ltd. diminution in value of long term investment amounting to ₹4.73 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 ₹1.52 lakh (₹0.81 lakh).
- [c] 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).
- [d] 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).
- [e] 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).
- 10.25 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 Subsidiary where depreciation has been provided under "Written Down Value Method". The total cost of the Assets of Hooghly Printing Co. Ltd. is ₹636.54 lakh (Gross Block) wherein depreciation has been provided on "Written Down Value Method".
- 10.26 Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, previous year figures have also been reclassified to conform to this year's classification and also have been regrouped, recast and rearranged wherever necessary to make it comparable with the current year figures. The adoption of Revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.
- 10.27 Pending transfer of Assets and Liabilities of Engineering and Electrical Divisions to two 100% subsidiaries incorporated in the name of Yule Engineering Ltd. and Yule Electrical Ltd. as per Sanctioned Rehabilitation Scheme (SRS) all transactions for the year ended 31st March, 2012 relating to aforesaid Divisions entered into by the Company in the name of Andrew Yule & Co. Ltd. (AYCL) have been accounted for in the Books of Accounts of AYCL.
- 10.28 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.



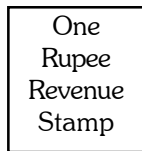
**ANDREW YULE & CO. LTD.**

**P R O X Y**

I/We, ..... of  
.....  
being a Member/Members of Andrew Yule & Co. Ltd. hereby appoint .....  
..... of .....  
..... or failing him.....  
..... of .....  
..... as my/our proxy in my/our absence to attend and vote for me/us, and  
on my/our behalf, at the Annual General Meeting of the Company to be held on Friday the 21st day of  
September, 2012 at 11.00 a.m. and at any adjournment thereof.

As WITNESS my/our hand/hand(s) this..... day of..... 2012.

Signed by the said.....



Note: The Proxy must be deposited at the Registered Office of the Company at 8, Dr. Rajendra Prasad Sarani, Kolkata – 700 001 not less than 48 hours before the time for holding the Meeting.

..... ✂ ..... ✂ ..... ✂

**THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER  
AT THE ENTRANCE OF THE MEETING HALL**

**ANDREW YULE & COMPANY LIMITED**

Name of the attending Member.....  
(in Block Letters)

Member's Folio Number.....  
Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member

No. of Shares held.....

I hereby record my presence at the Annual General Meeting at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata– 700 001 on Friday, the 21st September, 2012 at 11.00 a.m.

.....  
\* Member/s/Proxy's Signature

\* To be signed at the time of handing over this slip. . . .

# सार्वजनिक प्रबंधन के क्षेत्र में विशिष्टता एवं उत्कृष्ट योगदान के लिए

31 जनवरी 2012, प्लेनरी सभागार, विज्ञान भवन, नई दिल्ली

## For Excellence and Outstanding Contribution to the Public Sector Management

31st January 2012, Plenary Hall, Vigyan Bhawan, New Delhi



MoU Excellence Award for 2009-10 is being awarded by the Hon'ble Prime Minister of India, Dr. Manmohan Singh to the Chairman & Managing Director of Andrew Yule & Co. Ltd., Mr. Kallol Datta, on 31.01.2012 at Vigyan Bhawan, New Delhi.



ANDREW YULE & CO. LTD.

YULE HOUSE, 8, Dr. Rajendra Prasad Sarani, Kolkata-700 001

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