



**GILLANDERS ARBUTHNOT
& COMPANY LIMITED.**



REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2000



BOARD OF DIRECTORS

G. D. Kothari

Chairman

S. Sen

S. C. Gladstone

A. K. Kothari

S. N. Bangur

S. Shah

R. L. Kanoria

S. S. Rathore

Executive Director

S. N. Singhanian

Managing Director

GENERAL MANAGER & SECRETARY

S. Balakrishnan

BANKERS

State Bank of India

Centurion Bank Ltd.

Hongkong Bank

Punjab National Bank

Standard Chartered Bank

SOLICITORS

Khaitan & Co.

AUDITORS

Price Waterhouse

REGISTERED OFFICE

A-1, Gillander House,

Netaji Subhas Road,

Calcutta - 700 001

BRANCHES

New Delhi, Mumbai, Chennai,

Hyderabad, Coimbatore & Kochi



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NOTICE

NOTICE is hereby given that the Sixtysixth Annual General Meeting of the Members of the Company will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Calcutta - 700 001 on Thursday, the 31st August, 2000 at 3-00 P.M. to transact the following business :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2000, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To note payment of dividend.
3. To appoint a Director in place of Mr. S. C. Gladstone, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. K. Kothari, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office :
A-1, Gillander House,
Netaji Subhas Road,
Calcutta - 700 001

20th July, 2000

By Order of the Board
For GILLANDERS ARBUTHNOT & CO. LTD.

S. BALAKRISHNAN
General Manager & Secretary

- Notes :
- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on a poll on his behalf. Such proxy/proxies need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
 - 2) The Register of Members of the Company will remain closed on 30th August, 2000 and 31st August, 2000.
 - 3) The Board of Directors at their Meeting held on 13th March, 2000 had declared payment of Interim Dividend of Rs. 3/- per Ordinary Share for the year 1999-2000. At the Board Meeting held on 20th July, 2000 the Board of Directors have decided to treat the Interim Dividend as Final Dividend. Accordingly Members would be required to confirm the same. (Refer item No. 2 of the Notice).
 - 4) The Company has already transferred, all unclaimed dividends declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, West Bengal.
 - 5) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended with effect from 31st October, 1998, dividends for the financial year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of the said Section, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the Act. According to the provisions of the Act as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
 - 6) The Ordinary Shares of the Company are listed on the Calcutta Stock Exchange Association Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchange for the year 2000-2001.



GILLANDERS ARBUTHNOT & CO. LTD.

DIRECTORS' REPORT

The Directors have pleasure in presenting their Report and the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	1999-2000 (Rs. in lakhs)		1998-99 (Rs. in lakhs)	
Profit for the year	1101.24		1172.69	
Less : Provision for taxation				
Provision for current year	310.00		320.00	
Adjustment in respect of previous years	(7.64)	302.36	(9.40)	310.60
		<u>798.88</u>		<u>862.09</u>
Add : Profit brought forward	126.33		122.13	
Amount withdrawn from :				
Development Allowance Reserve	—		0.51	
Investment Allowance Reserve	1.20	1.20	—	0.51
		<u>926.41</u>		<u>984.73</u>
Less : Dividend on Ordinary Shares				
Interim	142.70		—	
Final	—	142.70	142.70	142.70
Tax on Dividend		15.70		15.70
Transfer to General Reserve		650.00		700.00
Balance Carried Forward		<u>118.01</u>		<u>126.33</u>

OPERATIONS :

The profit of Rs. 1101.24 lacs for the year ended 31st March, 2000 is lower compared to the profit of Rs. 1172.69 lacs for the previous year 1998-99 mainly on account of fall in profit from the Tea Division.

The Company produced 3357934 kgs of tea during the year under review as against 3632955 kgs in the previous year.

The workings of the Property and Marketing Divisions were satisfactory. Contributions from Kalamazoo and Plastic Container Divisions improved to some extent. The performance of Adequate Weighers Division continued to suffer for want of sufficient orders.

The production of tea achieved so far during the current year is more or less at par with the corresponding period of the previous year but the prices realised are substantially lower as in the case of tea industry as a whole. The market trend is not encouraging because of lower export demand as well as lower internal demand.



AUDITORS' REPORT

The observations in the Auditors' Report have been dealt with at appropriate places.

FIXED DEPOSIT

As at 31st March, 2000 Fixed Deposits with the Company amounting to Rs. 79,500/- in respect of 14 depositors have matured but have not been claimed by them.

DIVIDEND

An interim dividend @ Rs. 3.00 per Ordinary Share on the face value of Rs. 10/- was declared by the Board of Directors in March 2000 which has since been paid. No further dividend is recommended for the year ended 31st March, 2000.

DEMATERIALISATION

As per the recent communication dated 29th May, 2000 of The Securities Exchange Board of India trading in the Ordinary shares of the Company has to be compulsorily done in dematerialised form by all classes of investors with effect from 28th August, 2000. The Company has already entered into an agreement with National Securities Depository Ltd. for facilitating holding and trading in the Company's Ordinary Shares in dematerialised form and also proposes to enter into similar agreement with the Central Depository Services (India) Ltd. shortly.

SUBSIDIARY COMPANIES

The financial results of Subsidiary Companies for the year ended 31st March, 2000 were as follows:

	Profit before tax	Profit after tax
The Jutlibari Tea Co. Ltd.	123.23 Lakhs	92.44 Lakhs
The Tengpani Tea Co. Ltd.	155.97 Lakhs	113.24 Lakhs
Waldies Ltd.	107.78 Lakhs	67.94 Lakhs
Gillanders Investments & Services Ltd.	2.24 Lakhs	1.85 Lakhs

Particulars relating to the Subsidiary Companies, as required under Section 212 of the Companies Act, 1956 are annexed to the Balance Sheet of your Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure attached hereto and forming part of the Directors' Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is given in Annexure attached hereto and forming part of the Directors' Report.



GILLANDERS ARBUTHNOT & CO. LTD.

DIRECTORS

Mr. S. C. Gladstone and Mr. A. K. Kothari retire by rotation under Articles 109 and 110 of the Articles of Association of the Company and are eligible for re-appointment.

PERSONNEL

Your Directors wish to record their appreciation of the co-operation received from all employees.

AUDITORS

Messrs. Price Waterhouse retire, and being eligible, offer themselves for re-appointment.

For and on behalf of the Board

G. D. KOTHARI
Chairman

Calcutta, 20th July, 2000

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ANNEXURE - I TO DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

FORM A

(A) CONSERVATION OF ENERGY :

A. Power and Fuel Consumption :	2000	1999
1. Electricity		
(a) Purchased :		
Unit	2584870	2680469
Total Amount (Rs. '000)	11024	9942
Rate/Unit (Rs.)	4.26	3.71
(b) Own Generation :		
i) Through Diesel Generator		
Unit	557888	381020
Unit per Ltr. of Diesel Oil	2.51	1.99
Fuel Cost/Unit (Rs.)	4.47	5.19
ii) Through Steam Turbine/Generator	Nil	Nil
2. Coal (Grade B Coal used in the Drier)		
Quantity (M.T.)	1297	1373
Total Cost (Rs '000)	2833	3053
Avg. Rate (Rs/M.T.)	2185.00	2223.76
3. Furnace Oil		
Quantity (K.L.)	317	363
Total Cost (Rs. '000)	2893	2388
Avg. Rate (Rs.)	9.14	6.57
4. Others/Internal Generation		
i) Natural Gas		
Quantity (C.M.)	1051339	1067785
Total Cost (Rs. '000)	1535	1133
Rate/Unit (Rs.)	1.46	1.06
B. Consumption per Unit of Production :		
Products—Tea (Gross) ('000 kgs)	3253	3655
Electricity Unit		
(including own generation)	0.96	0.81
Coal (kgs)	1.03	0.99
Furnace Oil	0.31	0.32
Natural Gas (C.M.)	1.07	0.90

FORM B

(B) TECHNOLOGY ABSORPTION :

(a) Research & Development :

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future Plan of Action
4. Expenditure on R & D

The Company subscribes to Tea Research Association which is registered under Section 35 (i) (ii) of the Income Tax Act, 1961.

(b) Technology absorption, adaptation and innovation

Not applicable



GILLANDERS ARBUTHNOT & CO. LTD.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

- i) Activities relating to exports, development on new export markets for products and services and export plans

All possible efforts are being made to improve the quality of tea which is acceptable to overseas buyers. The Company has sold tea in Auction Centres where most of its Orthodox Tea is being bought mainly for exports.

ii) Total Foreign Exchange earned	:	Rs. 11,74,758
Total Foreign Exchange Used	:	Rs. 1,61,72,090

For and on behalf of the Board

G. D. KOTHARI
Chairman

Calcutta, 20th July, 2000

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ANNEXURE II TO DIRECTORS' REPORT

Statement pursuant to Provisions of Section 217 (2A) of the Companies Act, 1956
read with The Companies (Particulars of Employees) Rules 1975, as amended

Sl. No.	Name	Age (Years)	Designation/Nature of duties	Remuneration Rs.	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment held before joining the Company
1.	S. N. Singhania	67	Managing Director	14,55,065	B.A.	42	2.9.1970	Senior Executive Bengal Paper Mills Co. Ltd.

Notes : 1. Nature of Employment - Contractual.

2. Not related to any Director of the Company.

3. Remuneration includes Salary, Commission, Company's Contribution to Provident, Superannuation and Gratuity Funds and Value of Perquisites.

4. In arriving at the above information Voluntary Retirement Payments have been excluded.

Calcutta, 20th July, 2000.

For and on behalf of the Board
G. D. Kothari
Chairman



TEN YEAR FINANCIAL HIGHLIGHTS

Rs. '000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Share Capital	4,75,65	4,75,65	2,37,83	2,37,83	2,37,83	2,37,83	2,37,83	2,37,83	1,58,55	1,58,55
Reserves & Surplus	41,60,64	35,16,46	30,50,60	24,38,77	21,08,07	17,01,70	14,52,81	11,28,22	10,46,26	6,86,32
Net Worth (1)	46,36,29	39,92,11	32,88,43	26,76,60	23,45,90	19,39,53	16,90,64	13,66,05	12,04,81	8,41,81
Fixed Assets (Net)	23,15,62	21,54,11	21,56,04	21,24,03	20,32,72	9,18,07	7,13,54	6,96,12	6,80,09	6,58,64
Investments	10,82,26	1,66,23	2,75,11	2,73,28	2,73,28	3,58,08	3,14,42	2,60,36	1,85,54	1,85,29
Net Current Assets	12,80,15	17,00,89	8,78,31	11,54,61	8,75,26	8,37,08	7,55,26	5,28,67	4,83,38	1,87,17
Total Capital Employed	46,78,03	40,21,23	33,09,46	35,51,92	31,81,26	21,13,23	17,83,22	14,85,15	13,49,01	10,31,10
Sales	47,15,12	50,31,33	41,77,28	34,42,12	30,68,76	29,02,94	29,68,73	25,32,41	24,35,78	23,69,05
Profit Before Tax	11,01,24	11,72,69	10,01,78	4,60,47	6,43,62	4,82,72	8,10,45	4,19,89	7,32,17	3,99,97
Profit After Tax	7,98,88	8,62,09	7,31,33	4,09,18	4,77,72	3,20,24	4,13,94	2,08,81	4,07,51	2,04,73
Dividend Distributed	1,42,70	1,42,70	1,18,91	71,35	71,35	71,35	71,35	47,57	47,57	47,57
Retained earnings for the year	6,40,48**	7,03,69**	6,00,53**	3,30,70**	4,06,37	2,48,89	3,42,59	1,61,24	3,59,94	1,57,16
Equity Dividend %	30	30	50	30	30	30	30	20	30	30
Earnings per Equity Share Rs.	16.79	18.12	30.75	17.20	20.09	13.47	17.40	8.78	25.70	12.91
Net Worth per Equity Share Rs.	97.47	83.93	138.27	112.54	98.64	81.55	71.09	57.44	75.99	53.09
Bonus Shares Allotted		1:1						1:2		
<p>** Retained earning after deduction of provision for tax on proposed dividend.</p> <p>Note (1) – Figure for 1991 is after adjustment of deferred revenue expenditure</p>										