



GILLANDERS ARBUTHNOT AND COMPANY LIMITED



76th ANNUAL REPORT 2009-10



OERLIKON SCHLAFHORST
AUTOCONER



SIMPLEX MACHINE
& SLIVER CAN



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. A. K. Kothari, Chairman
 Smt. P. D. Kothari, Additional Director (w.e.f. March 31, 2010)
 Mr. P. K. Khaitan, Director
 Mr. J. N. Godbole, Director
 Mr. H. P. Kanoria, Director
 Mr. S. Lahiri, Director
 Mr. H. M. Parekh, Director
 Mr. D. K. Sharda, Managing Director (w.e.f. April 01, 2010)
 Mr. A. Mallick, Executive Director & CEO (w.e.f. April 01, 2010)

JOINT PRESIDENT & CFO

Mr. P. K. Jain

COMPANY SECRETARY

Mr. D. Karmakar

AUDITOR

Price Waterhouse, Kolkata

SOLICITORS

Khaitan & Co., Kolkata

BANKERS

State Bank of India
 IDBI Bank Limited
 State Bank of Patiala
 United Bank of India
 Bank of India
 Vijaya Bank
 Allahabad Bank

REGISTERED OFFICE

C-4, Gillander House,
 Netaji Subhas Road, Kolkata - 700 001
 Phone : 033-2230-2331 (6 Lines)
 Fax : 033-2230 4185
 E-mail : gilander@cal3.vsnl.net.in
 Website : www.gillandersindia.com

Audit Committee

Mr. S. Lahiri, Chairman
 Mr. A. K. Kothari, Member
 Mr. J. N. Godbole, Member
 Mr. H. M. Parekh, Member

Shareholders' / Investors' Grievance Committee

Mr. S. Lahiri, Chairman
 Mr. A. K. Kothari, Member
 Mr. P. K. Khaitan, Member
 Mr. D. K. Sharda, Member

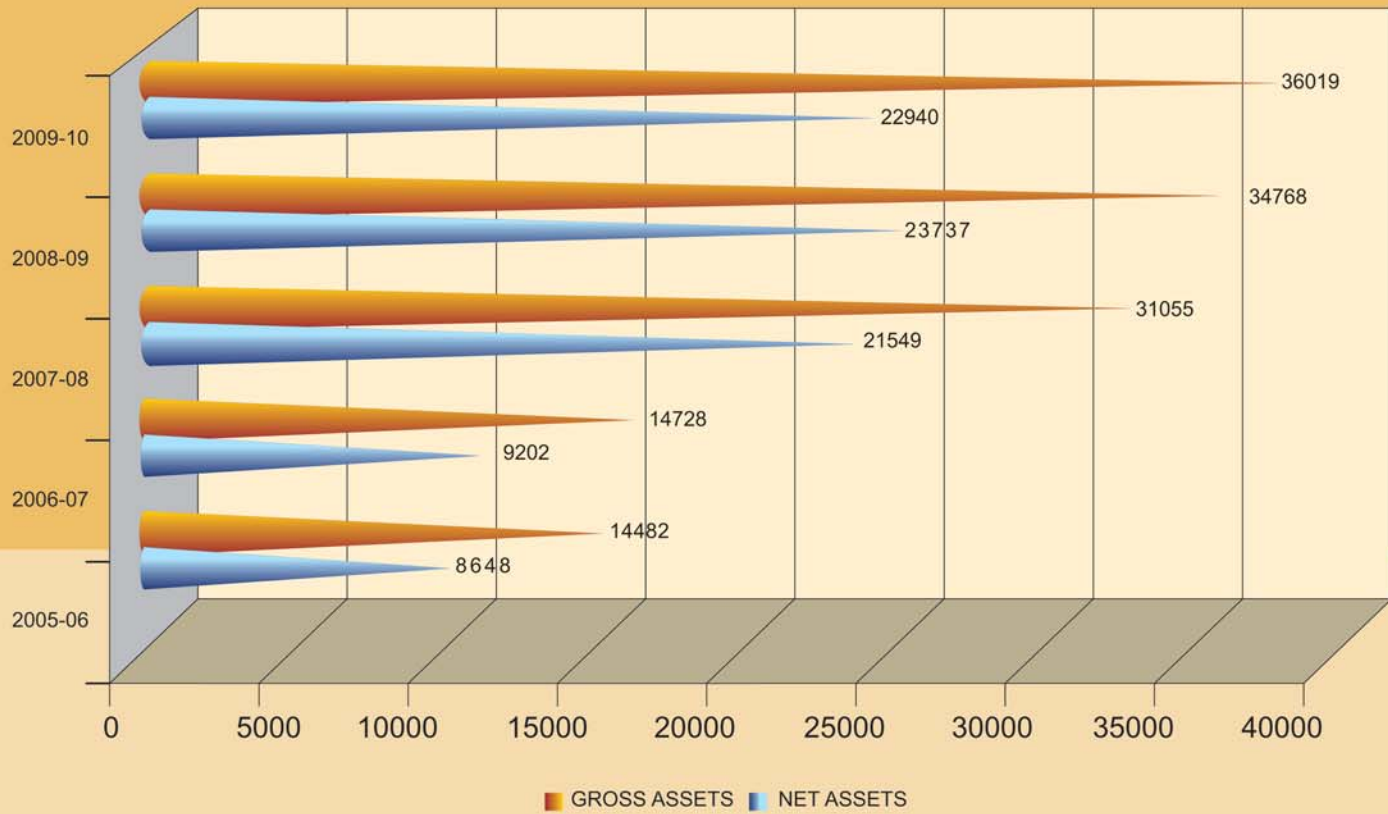
Remuneration Committee

Mr. H. P. Kanoria, Chairman
 Mr. A. K. Kothari, Member
 Mr. P. K. Khaitan, Member
 Mr. H. M. Parekh, Member

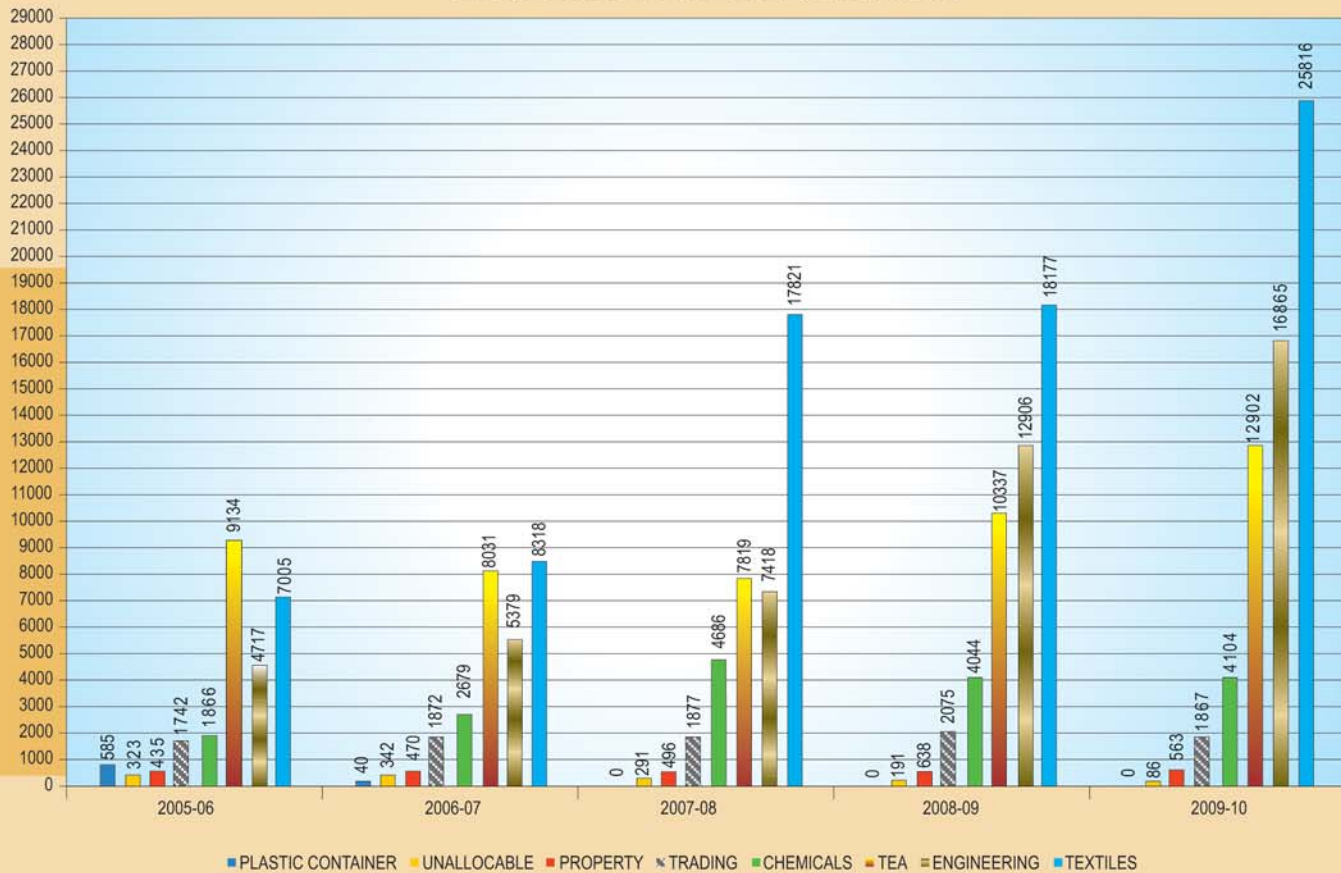
Branches/Offices

Ahmedabad, Amritsar, Bangalore, Chennai,
 Coimbatore, Delhi, Ernakulam, Hyderabad,
 Kundli, Ludhiana, Mumbai, Panipat, Salem,
 Solapur.

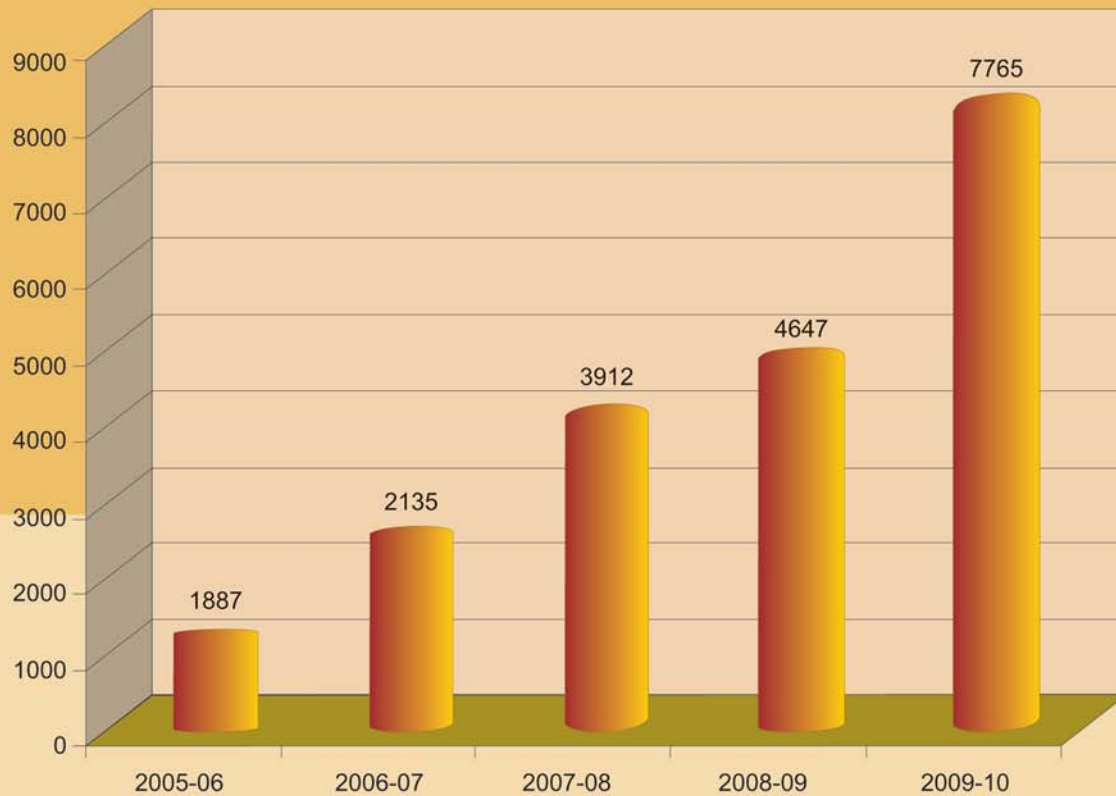
FIXED ASSETS (Rs. in Lakhs)



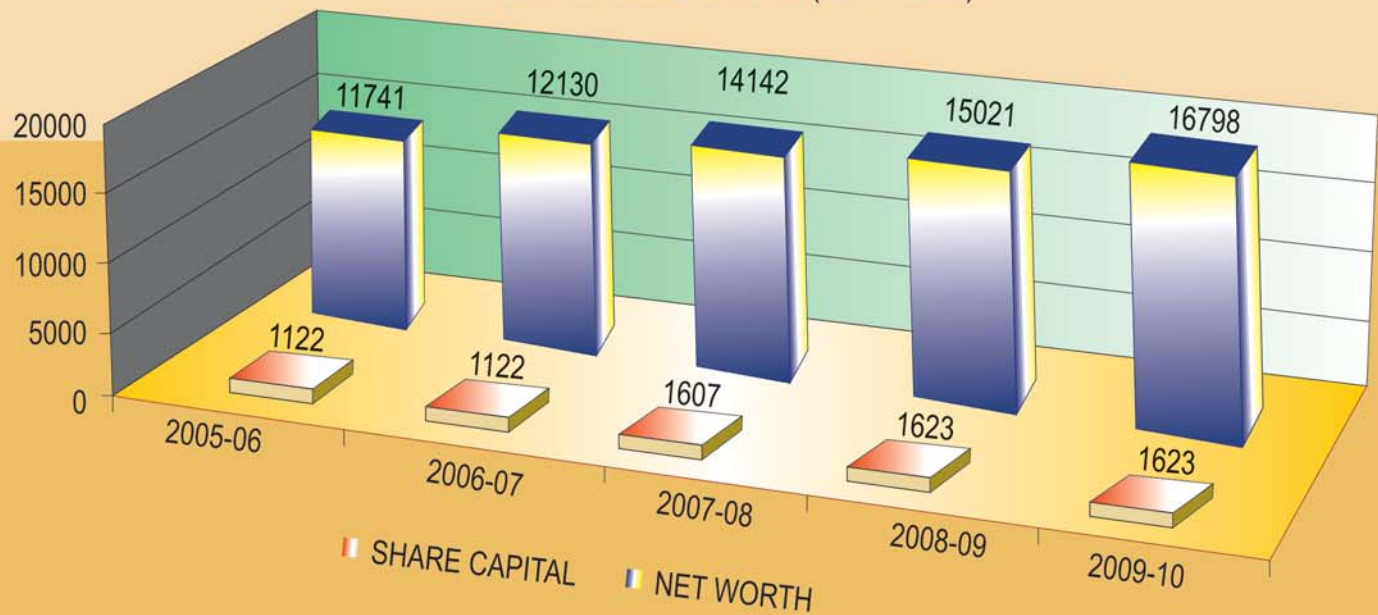
SEGMENTWISE REVENUE (Rs. in Lakhs)



PROFIT BEFORE INTEREST, DEPRECIATION & TAXES
(Rs. in Lakhs)



SHAREHOLDERS' FUND (Rs. in Lakhs)





BLAST FURNACE
- TATA STEEL



GAS HOLDER SAIL - ROURKELA



FERO CHROME PLANT
- SOUTH AFRICA



EXPORT AWARD RECEIVED FROM SAIL CHAIRMAN
FOR EXPORT PERFORMANCE IN YEAR 2007-08



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NOTICE

NOTICE is hereby given that the **SEVENTY SIXTH** Annual General Meeting of the Members of the Company will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce and Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001 on **TUESDAY, the 7TH DAY OF SEPTEMBER, 2010 at 11.30 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010 and Profit and Loss Account for the year ended on that date along with the Reports of Auditor and Directors thereon.
2. To declare Dividend on 8% Cumulative Redeemable Preference Shares of Rs.100/- each.
3. To declare dividend on Ordinary Shares.
4. To appoint a Director in place of Mr. P. K. Khaitan, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. H. P. Kanoria, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as **Ordinary Resolutions**:

- (a) Messrs. Price Waterhouse, Chartered Accountants, Kolkata, Statutory Auditor of the Company, who retires after the ensuing Annual General Meeting, have expressed their unwillingness to be re-appointed in writing. A Special Notice in terms of Section 190 of the Companies Act, 1956, has been received under Section 225(1) from a member, proposing the appointment of Messrs. Singhi & Co., Chartered Accountants, Kolkata, as Auditor of the Company. The Company hereby gives Notice of the said resolution to its members.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Singhi & Co., Chartered Accountants, Kolkata, (Firm Registration No. 302049E) being eligible, be appointed as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."

- (b) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Bagree & Co., Chartered Accountants, Kolkata, be and they are hereby re-appointed as Branch Auditor to audit the accounts in respect of Modern India Construction Co. (MICCO), Kolkata, a division of the Company, and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."

- (c) "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Dutta Ghosh & Associates, Chartered Accountants, Kolkata, be and they are hereby re-appointed as Branch Auditor to audit the accounts in respect of GIS Cotton Mill, Champdani, a division of the Company and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors plus reimbursement of out-of-pocket expenses actually incurred in the performance of their duties."

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s) the following Resolutions as Ordinary Resolutions:

7. Appointment of Smt. P. D. Kothari as Director

"RESOLVED THAT Smt. P. D. Kothari, who was appointed by the Board of Directors as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 (Act) and Article 92 of the Articles of Association of the Company and whose term of office as Director expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Act and who has consented to such appointment, be and is hereby appointed as Director of the Company, whose period of office will be liable to retire by rotation."

8. Re-appointment of Mr. D. K. Sharda as Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords consent to the re-appointment & promotion of Mr. D. K. Sharda as 'Managing Director' of the Company for a period of one year with effect from April 01, 2010 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this Notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder."

9. Re-appointment of Mr. A. Mallick as an Executive Director & CEO

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 the Company hereby approves and accords consent to the re-appointment & promotion of Mr. A. Mallick as an 'Executive Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2010 on such terms and conditions and payment of remuneration and other perquisites/benefits as are set out in the Explanatory Statement annexed to this Notice with an authority to the Board of Directors of the Company to vary and alter such terms and conditions including remuneration provided that the same are in accordance



with the provisions of the Companies Act, 1956 or any re-enactment thereof and/or any Rules/Regulations framed thereunder."

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution :

10. Payment of Commission to Non-Executive Directors

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any of the Companies Act, 1956 (the 'Act'), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members be and is hereby accorded to the payment of, in addition to the sitting fees paid for attending the meetings of the Board of Directors (The 'Board') or Committee(s) thereof and reimbursement of expenses, in accordance with the relevant provisions of the Articles of Association of the Company, commission to the Non-Executive Directors of the company, for a period of 5 (five) years commencing from the financial year ended March 31, 2010 at a rate not exceeding 1% (one percent) per annum of the net profits of the Company calculated in accordance with the relevant provisions of the Act, in each year, but subject to such ceiling, if any, per annum as the Board may from time to time fix in this behalf, such commission being divisible amongst the Directors in such proportion and in such manner as may be decided by the Board".

By Order of the Board

For GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Place : Kolkata
Date : July 02, 2010.

D. Karmakar
Company Secretary

Notes :

- 1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.**
- 2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 7 to 10 of the Notice set out above, is annexed hereto.
- 3) The Register of Members and Share transfer Books of the Company will remain closed from July 30, 2010 to August 05, 2010 (both days inclusive) for the purpose of payment of dividend, if approved by the Members.
- 4) The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after September 07, 2010 to those Members or their mandates whose names are registered on the Company's Register of Members:
 - a) As Beneficial Owners as at the end of business on July 29, 2010 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and
 - b) As members in the Register of Members of the Company after giving effect to all valid share transfers

in physical form, which are lodged with the Company or its Registrar & Share Transfer Agent (RTA) viz, Maheshwari Datamatics Pvt. Ltd., having their registered office at 6, Mangoe Lane (S. M. Ghosh Sarani), 2nd Floor, Kolkata – 700 001 on or before July 29, 2010.

- 5) Pursuant to the provisions of the Companies Act, 1956, all unclaimed dividends till the financial year 2001-2002 have already been transferred to the Investor Education and Protection Fund (IEPF) and all subsequent unpaid dividends will be transferred to the said Fund from time to time. Shareholders who have not yet encashed the dividend warrants relating to the financial year 2002-2003 to 2008-2009 are therefore, advised to approach the Company for the payment thereof.
- 6) The Ordinary Shares of the Company are listed on The Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges for the year 2010-2011.
- 7) Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, etc. to the Company's Registrar & Share Transfer Agent-

Maheshwari Datamatics Pvt. Ltd.
(Unit : Gillanders Arbuthnot and Company Limited)
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
2nd floor, Kolkata – 700001.

Members holding shares in dematerialized form are requested to furnish this information to their respective depository participants for updation of the records.

- 8) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 9) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for the nomination Form.
- 10) In terms with Circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the transferee of the physical shares to furnish copy of PAN Card to the Company or its RTA for registration of transfer of shares. Shareholders are requested to furnish copy of PAN Card at the time of transferring physical shares.
- 11) A brief resume of the Directors seeking re-appointment/ appointment at the Annual General Meeting along with details of their other Directorships and shareholding in the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are provided as an annexure to this notice.
- 12) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days of the Company, between 10.00 A.M. to 1.00 P.M. till



September 6, 2010 and will also be available for inspection at the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

Item No. 7

At their meeting held on March 31, 2010, the Board of Directors of the Company had co-opted Smt. P. D. Kothari as an Additional Director under the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company. Smt. P. D. Kothari will hold office only up to the date of this Annual General Meeting. Notice under Section 257 along with a deposit of Rs.500/- proposing the candidature of Smt. P. D. Kothari as Director has been received from a member of the Company. Smt. P. D. Kothari is not disqualified to be a Director of the Company.

Smt. P. D. Kothari is an industrialist having wide experience in the field of Textile, Engineering Industry, Pharmaceutical and Tea Plantations.

The Board considers that her association as a Director will be beneficial to and in the interest of the Company.

The Board of Directors recommends for your approval her appointment as Director of the Company, liable to retire by rotation.

None of the Directors, except Smt. P. D. Kothari and Mr. A. K. Kothari, being a relative of Smt. P. D. Kothari, is concerned or interested in this resolution.

Item No. 8

Subject to the approval of the Members of the Company in General Meeting, the Board of Directors of the Company at its Meeting held on March 31, 2010 re-appointed & promoted Mr. D. K. Sharda, from 'Joint Managing Director' to 'Managing Director' of the Company for a period of one year with effect from April 01, 2010. The previous term of Mr. D. K. Sharda, as Joint Managing Director expired on March 31, 2010.

The re-appointment and promotion of Mr. D. K. Sharda, as Managing Director of the Company and the remuneration being paid/ payable to him as fixed by the Board of Directors at their said meeting on the recommendation of the Remuneration Committee is in accordance with the conditions specified in Parts I and II of Schedule XIII of the Companies Act, 1956.

Subsequently, an Agreement dated April 01, 2010 was entered into between the Company and Mr. D. K. Sharda, Managing Director of the Company subject to the approval of the members of the Company. The terms and conditions of the said Agreement entered into by the Company with him are set out below:

1. DUTIES AND RESPONSIBILITIES :

Mr. D. K. Sharda, as the Managing Director of the Company shall, subject to the provisions of the Companies Act, 1956 and overall superintendence and control of the Board of Directors of the Company perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred on him by the Board of Directors of the Company.

2. REMUNERATION :

- I. SALARY: Rs. 1,50,000/- per month.
- II. PERQUISITES: Apart from Salary, Mr. D. K. Sharda will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

PART – A

- i) Housing: The Company shall provide rent free furnished accommodation with free electricity, which will be maintained by the Company. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession: The Managing Director shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel, anywhere in India.
- iii) Fees of Clubs: Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Mediclaim Insurance: Premium not exceeding Rs.15,000/- per annum.

PART – B

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay and allowances: Encashment of leave will be permitted.

PART – C

- i) Use of car for Company's business. Any use of car for private purposes will be valued as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

3. MINIMUM REMUNERATION:

In the event of absence or inadequacy of profits during the period of service of Mr. D. K. Sharda, as Managing Director, he shall be entitled to the same Salary and Perquisites as stated hereinbefore.

The remaining provisions of the Agreement sets out the mutual rights and obligations of the parties thereto and other administrative details.

The Board of Directors is of the opinion that the above remuneration being paid/ payable to Mr. D. K. Sharda, as Managing Director of the Company, is commensurate with his duties and responsibilities and is well within the limits specified in Part II of Schedule XIII of the Companies Act, 1956.

The Board considers that his association as Managing Director will be beneficial to and in the interest of the Company.

The Board of Directors recommends for your approval, his re-appointment and promotion as Managing Director of the Company.

None of the Directors, except Mr. D. K. Sharda is concerned or interested in this resolution.

Item No. 9

Subject to the approval of the Members of the Company in General Meeting, the Board of Directors of the Company at its Meeting held on March 31, 2010 re-appointed & promoted Mr. A. Mallick, from 'Executive Director' to 'Executive Director & Chief Executive Officer (CEO)' of the Company for a period of one year with effect from April 01, 2010. The previous term of Mr. A. Mallick, as an Executive Director expired on March 31, 2010.