



GILLANDERS ARBUTHNOT
AND COMPANY LIMITED

77th

Annual Report

2010-2011



Kothari
Group
Imagine Inspire Deliver



Shri G. D. Kothari

Leading industrialist and visionary, laid the foundation stone of the 'Kothari Group' in the pre-independence era. Through his business acumen and astute leadership 'Kothari Group' blossomed into a conglomerate, which touches lives. The principles by which he live is our guidance and motivation.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. A. K. Kothari, *Chairman*
 Smt. P. D. Kothari, *Director*
 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. 1st April, 2011)*
 Mr. A. Mallick, *Executive Director & CEO (w.e.f. 1st April, 2011)*

JOINT PRESIDENT & CFO

Mr. P. K. Jain

COMPANY SECRETARY

Mr. D. Karmakar

AUDITORS

Singhi & Co., 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 : gillander@gillandersarbuthnot.com
 Website : www.gillandersarbuthnot.com

Audit Committee

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

Share Transfer and Shareholders' / Investors' Grievance Committee

Mr. S. Lahiri, *Chairman (upto 30th July, 2010)*
 Mr. H. M. Parekh, *Chairman (w.e.f 30th July, 2010)*
 Mr. A. K. Kothari, *Member*
 Smt. P. D. Kothari, *Member (w.e.f 30th July, 2010)*
 Mr. P. K. Khaitan, *Member*
 Mr. D. K. Sharda, *Member*

Remuneration Committee

Mr. H. P. Kanoria, *Chairman*
 Mr. A. K. Kothari, *Member*
 Smt. P. D. Kothari, *Member (w.e.f 30th July, 2010)*
 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.



Mr. A. K. Kothari
Chairman

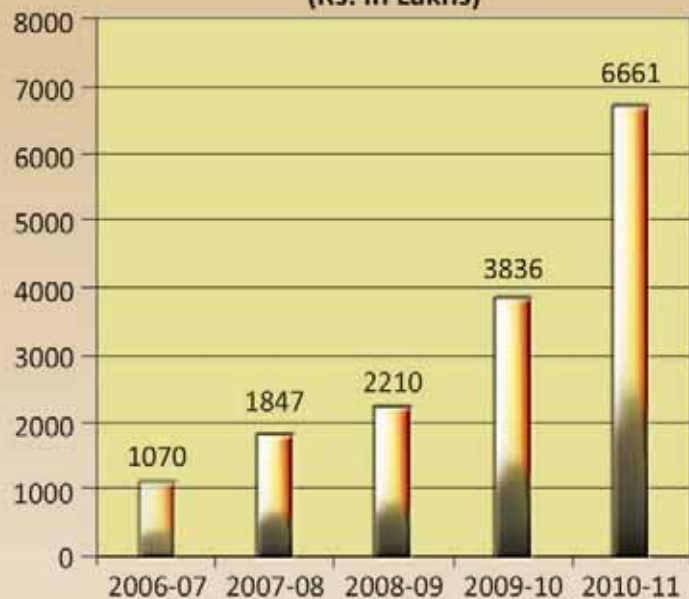
Mission

To be a good corporate citizen and to inspire and nurture the human spirit for a sustainable value based wealth creation, contributing in the socio economic progress of India in harmony with the environment.

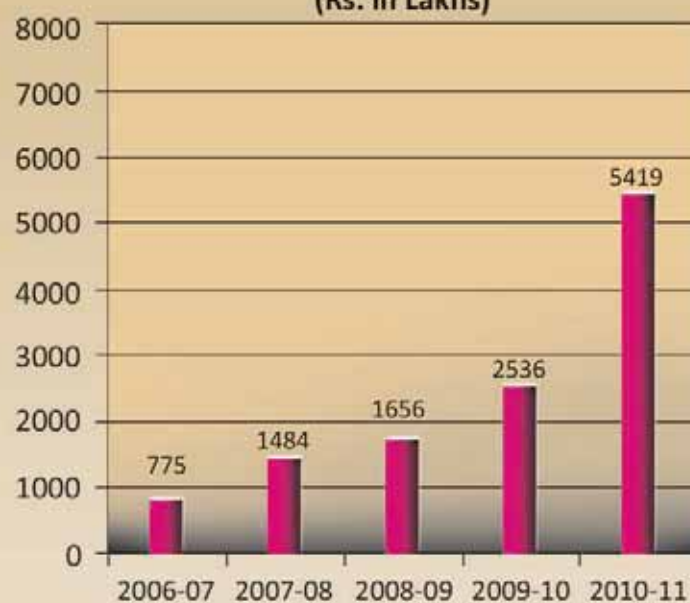
Vision

Innovative, Dynamic and Holistic Global Conglomerate with passion for delivering outstanding performance based on integrity, professionalism, accountability and evolving in a vertical growth trajectory while enriching everyone we touch and enhancing value for all the stakeholders.

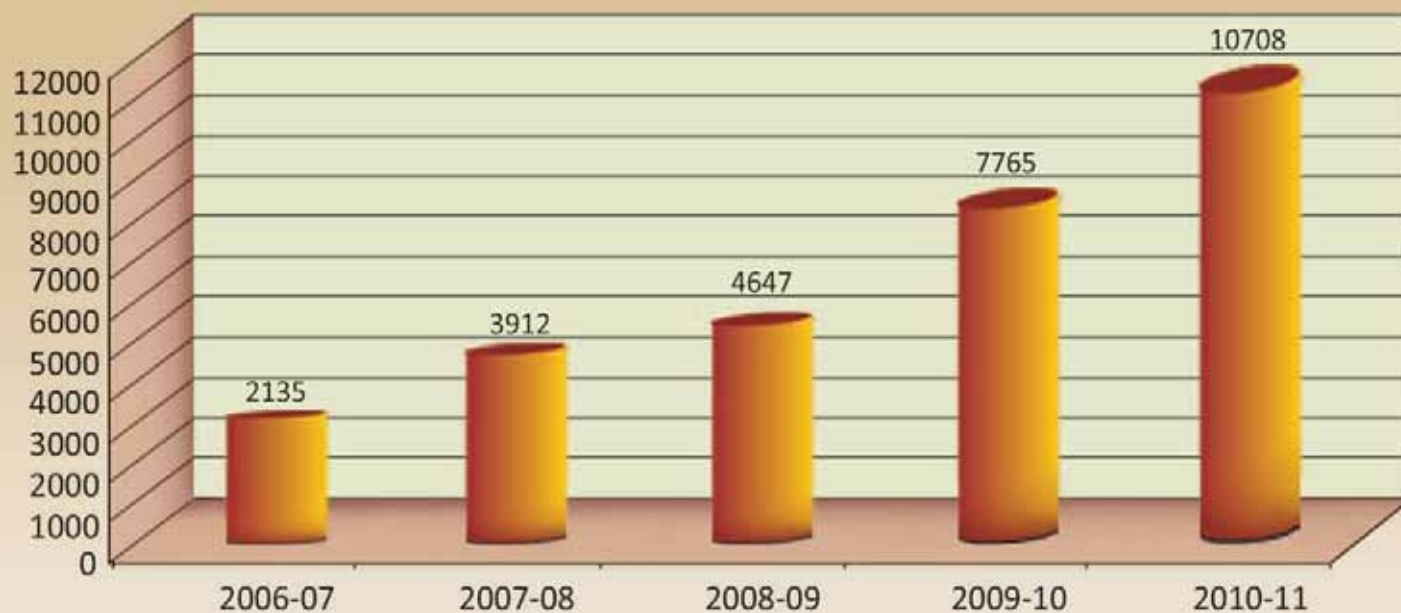
PROFIT BEFORE TAX
(Rs. in Lakhs)



PROFIT AFTER TAX
(Rs. in Lakhs)



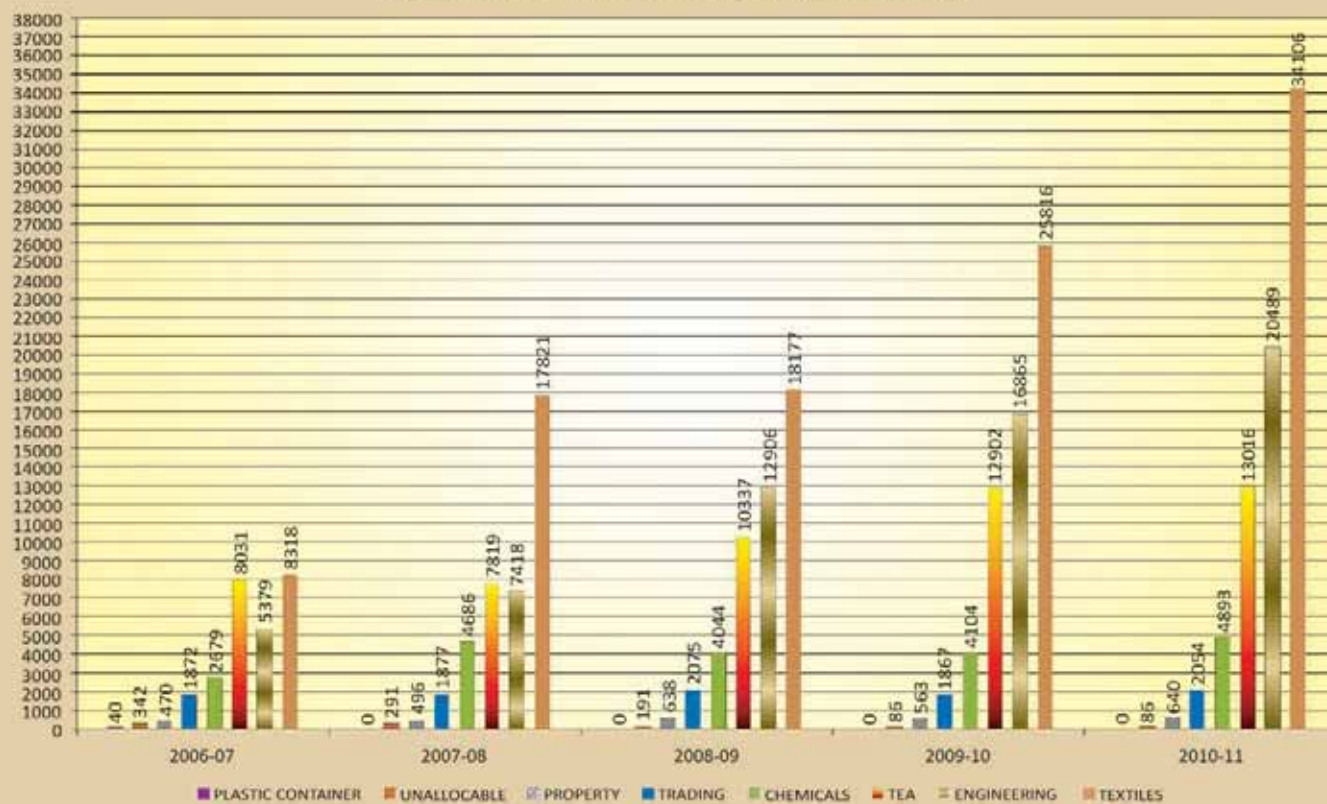
PROFIT BEFORE INTEREST, DEPRECIATION & TAXES
(Rs. in Lakhs)



SHAREHOLDER'S FUND (Rs. in Lakhs)



SEGMENTWISE REVENUE (Rs. in Lakhs)



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NOTICE

NOTICE is hereby given that the **SEVENTY SEVENTH** 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 **FRIDAY, the 12TH DAY OF AUGUST, 2011** 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, 2011 and Profit and Loss Account for the year ended on that date along with the Reports of Auditor and Directors thereon.
2. To approve payment of 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. S. Lahiri, 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. M. Parekh, 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) "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, be and they are hereby re-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 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."
 - (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 Engineering (MICCO) 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 unit of the Textile 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. 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 of Mr. D. K. Sharda as 'Managing Director' of the Company for a period of one year with effect from April 01, 2011 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."

8. 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 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, 2011 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."

By Order of the Board

For GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Place : Kolkata
Date : May 30, 2011.

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) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 7 & 8 of the Notice set out above, is annexed hereto.

4) The Register of Members and Share Transfer Books of the Company will remain closed from August 03, 2011 to August 12, 2011 (both days inclusive) for the purpose of payment of dividend, if approved by the Members.

5) The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after August 12, 2011 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 August 02, 2011 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 August 02, 2011.

6) Pursuant to the provisions of the Companies Act, 1956, all unclaimed dividends till the financial year 2002-2003 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 their dividend warrant(s) relating to the financial year 2003-2004 to 2009-2010 are therefore, advised to approach the Company for the payment thereof.

7) 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 2011-2012.

8) 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.

9) 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.

10) 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.

11) In terms with Circular no. MRD/DoP/Cir-05/2009 dated 20th May, 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.

12) The Ministry of Corporate Affairs has taken a 'Green Initiative in 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. Therefore, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail ids with the RTA. Separate letters and e-mails on the above matter will be / have been already sent to all the members of the Company by the RTA.

13) 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.

14) 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. and 1.00 P.M. till August 11, 2011 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**

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, 2011 re-appointed Mr. D. K. Sharda, as 'Managing Director' of the Company for a period of one year with effect from April 01, 2011. The previous term of Mr. D. K. Sharda, as Managing Director expired on March 31, 2011.

The re-appointment 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, 2011 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. 1,80,000/- 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 of the Company, 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 as Managing Director of the Company.

None of the Directors, except Mr. D. K. Sharda, 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, 2011 re-appointed 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, 2011. The previous term of Mr. A. Mallick, as an Executive Director & CEO expired on March 31, 2011.

The re-appointment of Mr. A. Mallick, as an Executive Director & CEO 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.