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ANNUAL REPORT 2005

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GOODRICKE GROUP LTD

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BOARD OF DIRECTORS

P. A. Leggatt, M.B.E. – *Chairman*
K. S. David – *Managing Director*
B. N. Ghosh – *Wholetime Director*
A. K. Mathur
Dr. S. Kaul
K. Sinha
B. Bonnerjee
P. K. Sen

SR. GENERAL MANAGER & SECRETARY

D. P. Chakravarti

BANKERS

The Hongkong & Shanghai Banking Corporation Ltd.
Centurion Bank of Punjab Ltd.
HDFC Bank Ltd.
UTI Bank Ltd.
Canara Bank

AUDITORS

Lovelock & Lewes

REGISTRARS & SHARE TRANSFER AGENTS

C. B. Management Services Pvt. Ltd.
P-22 Bondel Road, Kolkata 700 019

REGISTERED OFFICE

"Camellia House", 14 Gurusaday Road, Kolkata 700 019

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GOODRICKE GROUP LTD

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Goodricke Group Limited will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata 700 046 on Saturday, the 8th April, 2006 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To consider and adopt the Profit & Loss Account of the Company for the year ended 31st December 2005, and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.

2. To declare a Dividend for the year ended 31st December, 2005.

3. To appoint a Director in place of Mr. K. Sinha who retires by rotation and being eligible offers himself for reappointment.

4. To appoint a Director in place of Mr. A. K. Mathur who retires by rotation and being eligible offers himself for reappointment.

5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "Resolved that Mr. Prodosh Kumar Sen, appointed as Additional Director effective 7th April 2005 and who holds office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice from a member u/s 257 of the Companies Act 1956 of his intention to propose Mr. Sen as candidate to the office of the Director, be and is hereby appointed a Director of the Company retiring by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

   "Resolved that pursuant to provisions of the Securities & Exchange Board of India (Delisting of Securities) Guidelines 2003, Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Listing Agreements and other applicable laws and subject to such conditions as may be prescribed, the consent of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from The Calcutta Stock Exchange Association Ltd. and The Gauhati Stock Exchange Ltd."

The Register of Members and Share Transfer books of the Company shall remain closed from Saturday, the 1st April to Saturday, the 8th April 2006, both days inclusive.

By Order of the Board

D. P. Chakravarti
Sr. General Manager & Secretary

Kolkata
28th February, 2006

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NOTES & INFORMATION TO SHAREHOLDERS

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.

2. Dividend that may be declared by the Company will be paid on and from 17th April, 2006 to those members whose names appear on the Company's Register of Members on the date of the Annual General Meeting or to their mandatees, subject, however, to the provisions of Section 206A of the Companies Act, 1956 (Act).

3. Members are requested to:

   (i) Quote their Registered Folio number in all correspondence with the Company or its Registrars.

   Notify the Company or its Registrars immediately of change, if any, in their registered address or of their mandatees. Intimation of change of address must state the Pin Code for proper delivery.

   (ii) Members who have not so far encashed their Dividend Warrants for the Accounting years ended 1998, 1999, 2000, 2001, 2002 and 2004 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.

   Shareholders are hereby informed that pursuant to the provisions of the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. Unpaid Dividend for the year ended 31st December 1997 has been deposited accordingly on 19th April, 2005. In accordance with Section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. Accordingly, the money lying in the unpaid Dividend Account for the year ended 31st December 1998, will fall due for deposit on 29th April, 2006.

4. Pursuant to Section 205A of the Act, all unclaimed/unpaid Dividends upto the Dividend for the period 31st December, 1994 have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unpaid/unclaimed Dividend should be made by an application in the prescribed form to the Registrar of Companies, West Bengal, at the address given below:

   Nizam Palace
   II M.S.O. Building
   234/4, Acharya Jagadish Chandra Bose Road
   Kolkata 700 020.

5. As per the provisions of the Act, facility for making nominations is available for shareholders in respect of Equity shares held by them. Nomination forms (Form 2B) can be obtained from the Registrars of the Company for physical shares. In respect of nomination for dematerialised shares, the concerned Depository Participant of the members should be approached.

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6. **Details of Directors**

Particulars	Directors retiring by rotation and seeking reappointment	
	Mr. K. Sinha	**Mr. A. K. Mathur**
Date of Birth	7th September 1947	2nd November 1947
Date of Appointment	1st January 2001	25th July 1990
Qualification	B. A. (Hons.) & M. A. from St. Stephen's College, Delhi University.	F.C.A. (Fellow, Institute of Chartered Accountants of England & Wales)
Experience	Retired as Head, Eastern India of Hongkong and Shanghai Banking Corporation Ltd. He has indepth experience in areas of Finance & Banking.	Executive Director (Finance), Camellia Plc., UK Indepth experience in the field of Finance & Accounts of a wide range of Companies in diverse lines of activities ranging from Tea & other plantations, banking, engineering, warehousing & transport, etc.
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	The Statesman Ltd. Organon India Ltd.	Stewart Holl (India) Ltd. Amgoorie India Ltd.
Chairman / Member of Committee of the Boards of Companies	Chairman, Audit Committee; Member, Investor Grievance & Share Transfer Committee and Member, Remuneration Committee of Goodricke Group Ltd.	Member, Audit Committee of Goodricke Group Ltd.

Particulars	Appointment as Director
	Mr. Prodosh Kumar Sen
Date of Birth	3rd July 1942
Date of Appointment	7th April 2005, as additional Director
Qualification	B. A. (Hons.) Economics, St. Stephen's College, Delhi University.
Experience	Retired as Chairman, J. Thomas & Co. (P) Ltd., the world's oldest and largest Tea broking house in the world. He was actively associated with Bengal Chamber of Commerce and Industry, Indo-American Chamber of Commerce and Confederation of Indian Industry (CII) - Eastern Region. He has participated in General Management and is a qualified Assessor for annual CII-EXIM Bank Award for Industry. He chairs / lectures at various courses / seminars for the Industry in India and abroad. Presently he is the Senior Advisor, Confederation of Indian Industry (CII) - Eastern Region.
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies)	Nil
Chairman / Member of Committee of the Boards of Companies	Member, Audit Committee of Goodricke Group Ltd.

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Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act 1956)

Item No. 6

At the Board Meeting held on 7th April 2005, Mr. Prodosh Kumar Sen was appointed as Additional Director to the Board of Directors effective the same date.

Mr. Sen, retired as the Chairman, J. Thomas & Co. (P) Ltd., the largest Tea Brokerage firm. At present he is the Senior Advisor, Confederation of Indian Industry (CII), Eastern Region. Mr. Sen has an in-depth experience in the Tea Industry, particularly in the area of quality and market in India and globally. He has also a wide experience in administration and general management.

The Directors commend acceptance of the resolution.

None of the Directors except Mr. P. K. Sen are concerned or interested in this appointment.

Item No. 7

Presently, the Company's equity shares are listed at the following Stock Exchanges in India:–

(i) The Bombay Stock Exchange Ltd. (BSE)
(ii) The Calcutta Stock Exchange Association Limited (CSE)
(iii) The Gauhati Stock Exchange Ltd. (GSE)

There has been Nil / nominal trading in the Company's Shares at CSE & GSE over the last few years and continued listing with associated costs and paperwork may not be judicious. The SEBI (Delisting of Securities) Guidelines 2003, permit delisting of securities and members' approval is being sought by a Special Resolution for enabling voluntary delisting of its Securities from the said two Stock Exchanges.

With the extensive networking of BSE, investors have access to online dealings in the Company's securities across the country. The SEBI Guideline also specifically mentions BSE under Clause 5.2 as having nation-wide trading terminals.

Trading in Equity Shares of the Company is permitted only in Dematerialised form w.e.f. 21st March, 2000 and about 86% of the public holding is dematerialised which makes it easier for trading.

Having regard to the above, the Company has proposed this resolution, which will enable it to delist its equity shares from CSE and GSE.

The proposed delisting of the Company's Securities from CSE and GSE, as and when it takes place, will not adversely affect the investors as Company's securities will continue to be listed on BSE. The delisting will take effect after all approvals are received. The exact date on which delisting will take effect will be suitably notified.

Your Directors commend the Resolution for approval of members.

None of the Directors of the Company are concerned or interested in the resolution.

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GOODRICKE GROUP LTD

DIRECTORS' REPORT

The Directors have pleasure in presenting their Thirtieth Annual Report and Accounts for the year ended 31st December, 2005.

FINANCIAL RESULTS	For the year ended 31st December	
	2005	2004
	(Rs. in millions)	
Gross Sales	2,100.55	1,936.68
PROFIT before Taxation	45.30	35.68
Less: Provision for Taxation (Net)	7.72	3.49
PROFIT AFTER TAX	37.58	32.19
Add: Profit brought forward from last year	13.48	—
	51.06	32.19
APPROPRIATIONS:		
Dividend	16.20	10.80
Tax on Dividend	2.38	1.41
Transfer to General Reserve	7.50	6.50
Balance carried forward	24.98	13.48

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TURNOVER

Gross turnover for the year was higher at Rs. 2,101 million, as compared to Rs. 1,937 million in 2004. Prices remained subdued throughout the year for all varieties of Tea, while Assam Orthodox saw a significant reduction.

OPERATIONS

Total manufactured crop was marginally higher at 17.71 million kgs. as compared to 17.23 million kgs last year, but for a crop loss of 1.3 million Kgs., due to the fourteen day all-Industry strike in the Dooars, it would have been a near record crop. A three year productivity linked Wage agreement for West Bengal Gardens was signed which will improve efficiency and reduce operating costs. A Wage agreement was also finalised for the two Assam Gardens. The weather conditions were generally favourable in all the Tea growing areas of the Company. All India Tea production for 2005 is estimated at 928 million kgs. an increase of 35 million kgs. approx. over 2004.

No breakthrough in price improvement occurred during the year. Prices continued to rule on the lower side and moved within a narrow band. The average auction price for North Indian Teas at the end of 2005 was Rs.63.58 which remained range bound throughout the year. This is well below the average price of Rs.80.22 achieved in 1998. Thus, in spite of a substantial increase in costs, recoveries are not commensurate. All the Company's Gardens in Darjeeling, Dooars and Assam produced premium Teas and attracted prices to place them in the top bracket in each of the three areas. The Assam Orthodox prices were one of the lowest, being Rs.20/- behind, throughout the year. Thus, the crop loss and subdued prices did not enable the Company to achieve any major breakthrough in profitability.

India's share in the global export market continues to decline because of India's high production cost compared to other Tea producing countries. The export of Tea from India at 188 m/kgs is lower by 10 m/kgs. approx. from the previous year. Thus, exports have seen a continuous decline over the last three

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