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**DIRECTORS**

B. M. KHAITAN - *Chairman*
DEEPAK KHAITAN - *Vice Chairman*
A. KHAITAN
T. R. SWAMINATHAN
R. S. JHAWAR
PADAM KUMAR KHAITAN
DR. R. SRINIVASAN
G. MOMEN
BHARAT BAJORIA
H. M. PAREKH

SECRETARY

H. U. SANGHAVI

AUDITORS

LOVELOCK & LEWES
Chartered Accountants

BANKERS

HDFC BANK LTD.
ICICI BANK LTD.
STANDARD CHARTERED BANK
UNITED BANK OF INDIA

SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR
KOLKATA - 700 001
TEL : 033-2243-5809; 033-2243-5029; 033-2248-2248
FAX : 033-2248-4787
E-mail : mdpl@cal.vsnl.net.in

REGISTERED OFFICE

FOUR MANGOE LANE
SURENDRA MOHAN GHOSH SARANI
KOLKATA - 700 001
TEL : 033-2243-5391, 033-2248-9434,
033-2248-9435, 033-2210-1221
FAX : 033-2248-8114, 033-2248-3683
E-mail : administrator@wmg.co.in



WILLIAMSON MAGOR GROUP

WILLIAMSON MAGOR & CO. LTD. PRINCIPAL ACTIVITIES –

NON-BANKING FINANCE & PROPERTY OWNERS

SUBSIDIARIES

WOODSIDE PARKS LIMITED

MAJERHAT ESTATES & DEVELOPERS LIMITED

OTHER GROUP COMPANIES

EVEREADY INDUSTRIES INDIA LIMITED

McLEOD RUSSEL INDIA LIMITED

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

KILBURN ENGINEERING LIMITED

McNALLY BHARAT ENGINEERING CO. LIMITED

WILLIAMSON FINANCIAL SERVICES LIMITED

BABCOCK BORSIG LIMITED

METALS CENTRE LIMITED

BORELLI TEA HOLDINGS LIMITED (U.K.)

PHU BEN TEA COMPANY LIMITED (VIETNAM)

RWENZORI TEA INVESTMENTS LIMITED

McLEOD RUSSEL UGANDA LIMITED



FIVE YEAR FINANCIAL SUMMARY

	2009-2010	2008-09	2007-08	2006-07	2005-06
Total Income	2,731.04	2,081.80	2,210.53	4,410.22	5,545.54
Expenses	3,062.78	2,558.39	2,294.75	1,218.02	1,632.53
Profit/(Loss) Before Taxation	(331.74)	(476.59)	(84.22)	3,192.20	3,913.01
Taxation - Current	—	—	—	130.00	—
- Earlier years (net of write back)	—	123.18	(24.08)	—	—
- Deferred	—	—	—	—	(8.39)
- Fringe Benefit Tax (net of write back)	1.79	(4.11)	(8.44)	6.50	7.43
Profit/(Loss) after Taxation	(329.95)	(357.52)	(116.74)	3,055.70	3,913.97
Transfer to Statutory Reserve	—	—	—	611.14	782.80
Retained Profits/(Loss)	(329.95)	(357.52)	(116.74)	2,444.56	3,131.17
Funds Employed	32,162.48	35,982.36	33,534.95	29,444.48	20,892.58
Employment of Funds					
Net Block of Fixed Assets	6,891.38	7,039.36	7,142.87	7,258.31	7,400.59
Investments	20,590.25	20,624.93	19,277.63	15,786.24	13,139.32
Net Current Assets	4,680.85	8,318.07	7,114.45	6,399.93	352.67



REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2010

The Directors have pleasure in presenting the Annual Report with the Audited Accounts of your Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in Thousands)

	2009-2010	2008-2009
Profit before Depreciation and Interest	18,72,46	15,93,24
Less : a) Depreciation	21,59	22,65
b) Interest	21,82,61	20,47,18
Profit/(Loss) before Taxation	(3,31,74)	(4,76,59)
Provision for Taxation :		
a) Current Tax	—	—
b) Earlier years (net off write back)	—	1,23,18
c) Fringe Benefit Tax (net off write back)	1,79	(4,11)
Profit/(Loss) after Taxation	(3,29,95)	(3,57,52)
Loss brought forward from previous years	(24,92,94)	(21,35,42)
Balance carried forward to Balance Sheet	(28,22,89)	(24,92,94)

OPERATIONS

The Company during the year under review earned interest income of Rs.9.23 crore, dividend on trade investments of Rs.3.50 crore and profit on sale of long term investments of Rs.2.33 crore.

The total income of your Company was Rs.27.31 crore as against Rs.20.82 crore earned in the previous year. The company has suffered a loss of Rs.3.30 crore during the year under review as against a loss of Rs.3.58 crore in the previous year.

DIVIDEND

On account of the loss sustained by the Company your Directors regret their inability to recommend any dividend for the year under review.

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

D1 Williamson Magor Bio Fuel Ltd.(D1WML) was incorporated in July 2006 under a 50:50 Joint Venture Agreement between Williamson Magor & Co. Ltd., (WML) and D1 Oils Trading Ltd., U.K. to facilitate development of Jatropha Plantation under contract farming arrangements for production of bio diesel from Jatropha Oilseeds. Your Company presently holds 16.44% of equity capital in D1WML.

As a clean fuel, alternate to fossil fuel, the market for bio diesel has been increasing globally at a faster rate. The global production of bio diesel during the year 2008 at 11.1 Million MT registered a growth of 23% over previous year.

There has been an acute shortage of bio diesel feedstock and D1WML has developed about 132,000 hectares of plantation at different stages of maturity. The company has observed 2009-10 as the year of consolidation of plantation and estimates about 60% of the farms are duly maintained by the farmers to produce commercial crop.

The initial harvest of oilseed on young plantation carried out during 2009-10 is being used for extension and consolidation. D1WML expects sub-commercial harvest during 2010-11 for oil expelling and commercial harvest in 2011-12. The company has acquired



about 28 acres of land in Balipara Industrial Growth Centre, Assam for setting up a bio diesel processing unit.

SUBSIDIARY COMPANIES

The Annual Report and Accounts of Woodside Parks Limited and Majerhat Estates & Developers Limited, Subsidiaries of the Company, as on 31st March 2010 are annexed to this Report in accordance with the provisions of Section 212 of the Companies Act, 1956

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company, its two subsidiaries, its three Associate Companies namely Eveready Industries India Limited, Kilburn Engineering Limited and Babcock Borsig Limited and one Joint Venture Company namely D1WML prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India are attached.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

In terms of the above Rules, your Board is pleased to give particulars as required in an Annexure, which forms a part of the Directors' Report.

DIRECTORS

Since the last report there has been no change in the Board of Directors of the Company.

In accordance with Article 100 of the Articles of Association of the Company Messrs. A. Khaitan, Padam Kumar Khaitan and Dr. Raghavachari Srinivasan will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

MANAGER

The Board of Directors of the Company has reappointed Mr. D. Pal Choudhury as Manager as defined in Section 2(24) of the Companies Act, 1956 for a period of one year with effect from 1st April 2010 subject to the approval of the Members of the Company at its ensuing Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

As required in terms of the Listing Agreement with Stock Exchanges a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under :

- (i) that in the preparation of the Annual Accounts, applicable accounting standards have been followed;
- (ii) that the accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company ;
- (iii) that proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company ;
- (iv) that the Annual Accounts have been prepared on a going concern basis.



PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is not being furnished since there was no employee during the year who was in receipt of remuneration exceeding the prescribed limits.

AUDITORS

Messrs. Lovelock & Lewes, Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

Kolkata, 13th August, 2010

For and on behalf of the Board

A. KHAITAN – *Director*

R. S. JHAWAR – *Director*

ANNEXURE TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

After the year of economic recession all over the world, signs of recovery were seen in 2009-10. The impact of recession was not as much on the Indian Economy, as our economy was relatively protected by better monitoring and handling of credit policy and comparatively lower dependence on exports. On account of these factors as well as faster fiscal and monetary measures by the Government of India and the Reserve Bank of India, the revival of our economy has been faster than many in the West. While Indian GDP is poised for growth @ 8.5% this year, the main cause for concern for the present is the high rate of inflation which the Government and Reserve Bank of India are trying to mitigate through fiscal measures.

With the revival of the economy, the Government is considering withdrawal of stimulus packages in a phased manner. Despite increase in repo and reverse repo rates three times in the recent past by the Reserve Bank of India, the liquidity available in the system is still comfortable. While the commercial banks have increased their rates of interest on deposits, most of them are yet to do so in respect of lendings. Funds have started flowing in from the Foreign Investors into the Indian Equity Market. The expectation of a good economic growth coupled with a positive outlook of the FIIs have pushed stock indices up to a thirty month high level. With all these, the environment for the companies engaged in the financial sector is considered to be favourable.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The principal business of your company is investments and lending of funds. With the economic revival, most of the investee companies have started doing well and declaring higher dividends, which should boost income of your Company. Recovery of loans and interest is also expected to be easier.

The Company is a part of the Williamson Magor Group possessing good infrastructure and carries a good reputation in the Corporate World. High rate of inflation is a major cause of concern for the country, the industry as also for your Company. If inflation cannot be contained, there is a possibility of interest rates to go up and liquidity being sucked by Reserve Bank of India further through



fiscal measures. Such a scenario might pose threat to the companies engaged in the Financial Sector.

The Global Economy is still not fully out of the crisis. Any major negative news could again drag down the market. However, as most of the investments held by your Company are on long term basis, any temporary fall in the market is unlikely to have impact on your Company's operations.

OUTLOOK

The earnings of the Company in the current year are expected to improve on account of higher dividends being declared by some of the investee companies. Recovery of loans together with interest is also expected to be better in the current year. In view of these, your Directors are reasonably hopeful of improved performance in the current year, barring unforeseen circumstances.

INTERNAL CONTROL SYSTEMS

The Company maintains a system of Internal Control commensurate with its size. The Internal Auditors regularly review the operations. The Audit Committee reviews the adequacy of Internal Control System at regular intervals and provides guidance for improvement.

The Risk Management Committee formed by the Company pursuant to the Listing Agreement also has a policy by which it periodically reviews the various risks to which the Company is exposed to and ensures proper record maintenance and proper legal compliances for exercising effective Internal Control.

Moreover, the KYC Norms (i.e. Know Your Customers Norms) and the Fair Practices Code as per the RBI directives act as integral parts of the overall Internal Control System.

HUMAN RESOURCES

There is no material development on the Human Resources front. The Company maintains harmonious relationship with its employees.

CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market information contained in this Report has been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

Kolkata, 13th August 2010

For and on behalf of the Board
A. KHAITAN – *Director*
R. S. JHAWAR – *Director*



ANNEXURE TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

FORM A

CONSERVATION OF ENERGY

A) Power & Fuel Consumption	Nil
B) Consumption per unit of production	Nil

RESEARCH AND DEVELOPMENT

Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Nil

FOREIGN EXCHANGE EARNINGS & OUTGO

Total Foreign Exchange :

Earned	Nil
Outgo	Rs. 4.17 lakh

For and on behalf of the Board

A. KHAITAN – *Director*

R. S. JHAWAR – *Director*

Kolkata, 13th August 2010