

WILLIAMSON MAGOR & CO. LIMITED

Annual Report & Accounts 2015-2016



ESTD. 1868



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WILLIAMSON MAGOR GROUP

WILLIAMSON MAGOR & CO. LTD.

PRINCIPAL ACTIVITIES : NON-BANKING FINANCE & PROPERTY OWNERS

GROUP COMPANIES

EVEREADY INDUSTRIES INDIA LIMITED

McLEOD RUSSEL INDIA LIMITED

WOODSIDE PARKS LIMITED

MAJERHAT ESTATES & DEVELOPERS LIMITED

DI WILLIAMSON MAGOR BIO FUEL LIMITED

KILBURN ENGINEERING LIMITED

McNALLY BHARAT ENGINEERING CO. LIMITED

WILLIAMSON FINANCIAL SERVICES LIMITED

BABCOCK BORSIG LIMITED

DUFFLAGHUR INVESTMENTS LIMITED

BISHNAUTH INVESTMENTS LIMITED
(FORMERLY METALS CENTRE LIMITED)

UNITED MACHINE CO. LIMITED

ICHAMATI INVESTMENTS LIMITED

THE STANDARD BATTERIES LIMITED

BORELLI TEA HOLDINGS LIMITED (U.K.)

PHU BEN TEA COMPANY LIMITED (VIETNAM)

RWENZORI TEA INVESTMENTS LIMITED

McLEOD RUSSEL UGANDA LIMITED

McLEOD RUSSEL MIDDLE EAST DMCC (DUBAI)

McLEOD RUSSEL AFRICA LIMITED

GISOVU TEA COMPANY LIMITED

PFUNDA TEA COMPANY LIMITED

**DIRECTORS**

B. M. KHAITAN - *Chairman*
A. KHAITAN - *Vice Chairman*
AMRITANSHU KHAITAN
T.R. SWAMINATHAN
R.S. JHAWAR
DR. R. SRINIVASAN
G. MOMEN
BHARAT BAJORIA
H. M. PAREKH
SONALI SINGH

SECRETARY

H. U. SANGHAVI

MANAGER & CFO

TULADRI MALLICK

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 : mdplc@yahoo.com

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



FIVE YEAR FINANCIAL SUMMARY

(Rupees in Lakh)

	2015-16	2014-15	2013-14	2012-13	2011-12
Total Income	3,617.93	4,587.21	2748.99	3,854.10	5,731.35
Expenses	5,352.85	4,772.94	3383.68	3,331.51	4,830.59
Profit/(Loss) Before Taxation	(1734.92)	(185.73)	(634.69)	522.59	900.76
Taxation - Current	—	265.00	—	85.00	350.00
- Earlier Years (net of write back)	(149.69)	(31.51)	(210.23)	(3.56)	(34.14)
- Deferred	—	0.38	—	—	—
- Fringe Benefit Tax (net of write back)	—	—	—	—	—
Profit/(Loss) after Taxation	(1,585.23)	(419.60)	(844.92)	441.15	584.90
Transfer to Statutory Reserve	—	—	—	88.23	116.98
Retained Profits/(Loss)	(1585.23)	(419.60)	(844.92)	352.92	467.92
Funds Employed	49,791.49	32,112.19	28412.42	34,388.52	35,199.94
Employment of Funds					
Net Block of Fixed Assets	188.51	204.24	224.85	4,840.66	5,480.30
Investments	28,689.38	24,047.32	22,111.57	22,166.61	22,423.65
Net Current Assets	20,913.60	7860.63	6076.00	7,381.25	7,295.99



REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

The Directors present the Annual Report with the Audited Financial Statements of your Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Rs. in Thousands)

	2015-16	2014-15
Profit (Loss) before Depreciation and Finance Costs	267981	233748
Less: a) Depreciation	1132	1935
b) Finance Costs	440341	322662
Profit/(Loss) before Exceptional Items and Tax	(173492)	(18573)
Exceptional Item	-	72276
Profit/(Loss) before Tax	(173492)	(18573)
Tax Expense :		
Current Tax	-	26500
Earlier Period	4291	16
Provision written back for earlier years(net)	(19260)	(3167)
Deferred Tax	-	38
Profit/(Loss) for the year	(158523)	(41960)
Loss brought forward previous years	(321182)	(279222)
Balance carried forward to Balance Sheet	(479705)	(321182)

OPERATIONS

Your Company's results during the year under review have declined as compared to the earlier year. The revenue of the Company during the year has gone down from Rs. 35.83 crore to Rs. 34.67 crore which is primarily due to receipt of lesser dividend on long term investments as compared to the earlier year. The other income has also decreased to Rs. 1.51 crore from Rs. 2.82 crore as compared to the earlier year. Moreover there was no exceptional income during the year under review as against Rs.7.23 crore exceptional income earned in the earlier year. On account of all these factors mainly, the loss incurred by the Company has increased to Rs. 15.85 crore from Rs. 4.20 crore sustained in the earlier year.

DIVIDEND

On account of the accumulated loss, Your Directors regret their inability to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is attached as Annexure I and forms part of this Report.

REPORT ON CORPORATE GOVERNANCE

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and the Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are attached as Annexure II and Annexure III respectively and form part of this Report.

The disclosure as required pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 regarding element of remuneration package, details of fixed and performance linked incentives along with performance criteria and stock option has been given in MGT – 9 attached to this Report. Apart from the said disclosures, Mr. Tuladri Mallick, Manager has a service contract of 3 (three) years and a notice period of 3(three) months and there is no provision for any severance fees.



ASSOCIATES AND JOINT VENTURES

During the year under review, the Company continued to have five associate companies and one joint venture company as follows :-

- i) Woodside Parks Limited – Associate Company (till 10/03/2016)
- ii) Majerhat Estates & Developers Limited – Associate Company
- iii) Kilburn Engineering Limited – Associate Company
- iv) Eveready Industries India Limited - Associate Company
- v) Babcock Borsig Limited – Associate Company (till 28/03/2016)
- vi) D1 Williamson Magor Bio Fuel Limited - Joint Venture Company

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

D1 Williamson Magor Bio Fuel Limited (D1WML) was incorporated under a 50:50 joint venture agreement between the Company and D1 Oils Trading Ltd. UK to facilitate development of Jatropha Plantation under contract farming arrangements for production of bio diesel from Jatropha oilseeds. Your Company presently holds 15.70% of equity capital of D1WML.

D1WML has concentrated its efforts towards convergence of existing jatropha plantations in the state of Jharkhand having abandoned its plantation in North East of India due to excessive weed growth.

The gestation period of the plantation being longer than estimated time, has been the major deterrent factor towards commercial production. In addition, the unprecedented fall in the price of petroleum crude oil globally has resulted in less potential price of biodiesel, though it may be a temporary phenomena.

The company has, however, made appropriate provisions in the accounts based on the present situation.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

As required under Section 129(3) of the Companies Act, 2013, Consolidated Financial Statements of the Company, its five Associate Companies and one Joint Venture Company as mentioned above prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the Auditors' Report on the Consolidated Financial Statements are appended in the Annual Report.

A statement containing the salient features of the financial statements of the Company's aforesaid five Associate Companies and one Joint Venture Company pursuant to the first proviso to sub - section (3) of Section 129 of the Companies Act, 2013 prepared in Form AOC - 1 is attached to the financial statements of the Company for your information.

MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There are no material changes or commitments that have occurred between the end of the financial year and the date of this Report.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has in place a satisfactory internal control system to ensure proper recording of financial and operational information and to exercise proper and timely compliance of all regulatory and statutory compliances as applicable to the Company.

The Internal Audit of the various operations of the Company is periodically conducted by an outside agency which submits its report to the Audit Committee of the Board of Directors of the Company. The Audit Committee takes the same into consideration for the purpose of evaluation of Internal financial controls in the Company.

The existing Risk Management Committee of the Board of Directors of the Company monitors and reviews the risks associated with the Company's business operations and manages them effectively in accordance with the risk management system of the Company.

DIRECTORS

There has been no change in the Directorship of the Company since the last Report of the Board of Directors of the Company.

In accordance with Article 100 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013 ('the Act'), Mr. A. Khaitan will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.



Ms. Sonali Singh was appointed as an Independent Director of the Company at the Annual General Meeting of the Company held on 18th August 2015 pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Act for a consecutive period of five years with effect from 31.03.2015 and upto 30.03.2020.

All the Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in terms of section 149 of the Companies Act, 2013 and the Board is also of the opinion that all of them fulfill all the conditions specified in the Act making them eligible to continue to act as Independent Directors of the Company.

All the Directors and both the Key Managerial Personnel of the Company as mentioned hereunder have confirmed compliance with the Code of Conduct as applicable to them and there are no other employees in the senior category.

KEY MANAGERIAL PERSONNEL

Mr. Tuladri Mallick has been appointed as the Manager of the Company under the Companies Act, 2013 ('the Act') for a period of three years with effect from 1st May, 2014 and possessing the requisite qualification, has also been designated as Chief Financial Officer of the Company with effect from the said date towards compliance of the relevant provisions of the Act and the erstwhile Listing Agreement with the Stock Exchanges and the relevant regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. H U Sanghavi, Company Secretary and Compliance Officer of the Company also continues as the other Key Managerial Personnel of the Company towards compliance of the relevant provisions of the Act and the erstwhile Listing Agreement with the Stock Exchanges and the relevant regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3) of the Companies Act, 2013 ('the Act') your Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed with along with proper explanation relating to material departures, If any;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- (vi) there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

BOARD MEETINGS

During the year ended 31st March, 2016, four Board Meetings were held ie on 27th May, 2015, 3rd August, 2015, 4th November, 2015 and 25th January, 2016.

BOARD EVALUATION

The formal evaluation of the performance of the Independent Directors, Non – Independent Directors, Chairperson and the Board of Directors as a whole and all Board Committees was carried out by the Board at the end of the financial year ended 31st March, 2016 in accordance with the relevant provisions of Section 134 of the Act read with the Rule related thereto and Section 178 of the Act and Schedule IV to the Act and the same was found to be satisfactory.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company consists of Mr. T. R. Swaminathan, Dr. R Srinivasan, Mr. H. M. Parekh and Mr. G. Momen as its Members. Mr. H. U. Sanghavi, Company Secretary acts as the Secretary of the Audit Committee. The Statutory Auditors and the Manager as well as the Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meetings.

During the year ended 31st March, 2016 there were no instances where the Board of Directors of the Company had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism/whistle blower policy the details of which are available on the Company's website www.wmtea.com. The Company has also



provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS

The particulars required to be furnished in this regard are given in the terms of reference of the Nomination and Remuneration Committee as mentioned in the attached Report on Corporate Governance and also in the Remuneration Policy of the Company attached as Annexure IV to this Report.

AUDITORS AND AUDIT REPORT

Messrs. Lovelock & Lewes, Chartered Accountants, the Auditors of the Company have been appointed as Auditors of the Company in the Annual General Meeting of the Company held on 10th September, 2014 to hold office from the conclusion of the said Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2017 and their aforesaid appointment is subject to necessary ratification by the Members of the Company at their ensuing Annual General Meeting of the Company. There are no qualifications, reservations or adverse remarks made by the Auditors in their Report. Regarding the Auditors' comments in (i) (c) of Annexure B to their Report, explanation has been given in Note 11(a) to the Financial Statements which is self explanatory.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013 are not disclosed in this report because they form a part of the notes to the financial statements for the year ended 31st March, 2016 and are accordingly disclosed in such notes forming part of the financial statements of the Company for the said financial year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of contracts with the related parties is given in Form AOC-2 which is attached as Annexure V to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not formed any Corporate Social Responsibility Committee because the provisions of Section 135 of the Companies Act, 2013 relating to formation of such a Committee and the formulation of a Corporate Social Responsibility Policy do not apply to the Company.

SECRETARIAL AUDIT REPORT

A Secretarial Audit was conducted during the year by the Secretarial Auditor, M. K. B & Associates, Company Secretaries in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached herewith as Annexure VI and forms a part of this Report. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

EXTRACT OF ANNUAL RETURN

An extract of the annual return as provided under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is given in MGT - 9 which is attached as Annexure VII to this Report. .

PARTICULARS OF EMPLOYEES

The relevant particulars required to be furnished pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014 in this regard are attached as Annexure VIII to this Report.

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure IX to this Report.



GOING CONCERN STATUS

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern stand company's operations in future.

OTHER DISCLOSURE

In terms of requirements of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Rehabilitation) Act, 2013, the Company has associated itself with the Internal Complaints Committee formed by Mcleod Russel India Limited, one of the Companies forming part of Williamson Magor group with regard to dealing with sexual harassment at workplace.

Kolkata,
30th May, 2016

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

ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRIAL STRUCTURE AND DEVELOPMENTS

The year 2015 – 2016 was good for the Indian economy and the country is expected to report growth of GDP over 7.5%. The inflation also remained low and there was growth in many industries during the year with the Stock Markets not being very high as compared to the beginning of the year but nevertheless remaining stable more or less during the said year. India has derived considerable benefits from the falling crude prices in the global market in the major part of the year resulting in reduction in trade deficit. The country was also able to contain wholesale price inflation along with retail inflation. The Reserve Bank of India has during the year cut the policy rate twice at the rate of 25 basis points each time, making way for the commercial banks and the financial institutions to reduce lending rates. The Company is a beneficiary of this move. The industry is expecting further rate cuts in future.

Stable to bullish trend has been witnessed in the Stock Market during the major part of the year under review, primarily on account of the Country having a stable Government whose policy reforms have been benefitting various sectors of the economy. The prospects of the general Indian economy are looking good with the expectation of good flow of funds by the foreign investors coupled with investments from the domestic investors. In view of the above factors, the business atmosphere is becoming congenial for various industries including the financial and investment sector in which your Company is engaged.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Your Company being a Non-Banking Financial Company is primarily engaged in the business of making investments and giving loans to various bodies corporate. The major part of the loans and investments made by the Company are in the Group Companies. Some of the Companies where the Company holds sizeable shares declared reasonable dividend in the last year and they are expected to recommend dividend in this year too in view of the improvement in business scenario. The Company expects timely recovery of loans with interest thereon from its borrowers. Being a part of the Williamson Magor Group, the Company is in a position to derive benefits from the Group infrastructure and the reputation that the Group enjoys in the corporate world.

The Company has considerable investments in the shares of a few listed Companies. In a volatile market the Company is exposed to the risk of fluctuation in share prices. This however is not likely to affect the working of the Company as a major part of the said investments are held on a long term basis and temporary fluctuations of those shares in the stock market do not have much financial implication to the Company.

The Company being a Member of Credit Information Bureau (India) Limited ('CIBIL'), a credit information company pursuant to the Credit Information Companies (Regulation) Act, 2005 will be in a position to avail of the financial data of its Members who may be its lenders/borrowers (not being Group Companies). This will eventually minimize the Company's risk of operations.