

# **ANNUAL REPORT 2009**



# **GOODRICKE GROUP LIMITED**

**GOODRICKE GROUP LTD**

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## **BOARD OF DIRECTORS**

P. J. Field – *Chairman*

A. N. Singh – *Managing Director & C.E.O.*

A. K. Mathur

S. Kaul

K. Sinha

P. K. Sen

## **SR. GENERAL MANAGER & SECRETARY**

D. P. Chakravarti

## **CHIEF ACCOUNTANT & C.F.O.**

A. Sengupta

## **BANKERS**

The Hongkong & Shanghai Banking Corporation Ltd.

HDFC Bank Ltd.

Axis Bank Ltd.

## **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

**GOODRICKE GROUP LTD**

## NOTICE

NOTICE is hereby given that the Thirty-fourth 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 Tuesday, the 13th April, 2010 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 2009 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, 2009.
3. To appoint a Director in place of Dr. S. Kaul who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. P.K. Sen 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. Peter John Field, appointed as an Additional Director effective 1st May, 2009 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, be and is hereby appointed a Director of the Company retiring by rotation."

The Register of Members and Share Transfer books of the Company shall remain closed from Monday, the 5th April to Tuesday, the 13th April, 2010, both days inclusive.

By Order of the Board

Kolkata  
25th February, 2010

D. P. Chakravarti  
*Sr. General Manager & Secretary*



## 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 19th April, 2010 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 note the following:-
  - (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. Members holding shares in dematerialised form to advise respective depository participants about change of address. 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 31st December 2002, 2004, 2005, 2006, 2007 and 2008 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.**  
Members 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 2001 has been deposited accordingly. 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 2002, will fall due for deposit on 9th May, 2010.
  - (iii) The Reserve Bank of India has introduced National Electronic Clearing Service (NECS) in banking system to expedite electronic credit. NECS has wider coverage than ECS and has no limitations of location in India. NECS is operational for banks/bank branches leveraging on Core Banking System (CBS), which provide more than ten digit bank account number to its customers. In this process, bankers have changed the bank account numbers of customers replacing the old account numbers which were not NECS compatible. Further as per RBI instructions, with effect from 1.1.2010, for processing under NECS, CBS based account number is mandatory.  
Members to check up with their bankers and ensure submission of correct and current bank details so that electronic credit takes place without any difficulty.
4. Pursuant to Section 205A of the Act, all unclaimed/unpaid Dividends upto the Dividend for the period 31st December, 1995 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.

**GOODRICKE GROUP LTD**

**6. Details of Directors:-**

Particulars	Appointment	Directors retiring by rotation and seeking reappointment	
<b>Name</b>	<b>Mr. Peter John Field</b>	<b>Dr. Sudha Kaul</b>	<b>Mr. Prodosh Kumar Sen</b>
<b>Designation</b>	Non-Executive Chairman	Non-Executive Director	Non-Executive Director
<b>Date of Appointment</b>	1st May, 2009	1st September, 2000	7th April, 2005
<b>Date of Birth</b>	25th November, 1950	19th April, 1945	3rd July, 1942
<b>Qualification</b>	—	Ph.D. Awarded 'Padma Shri' by Government of India in 2010.	B.A. (Hons) Economics
<b>Experience</b>	Managing Director, Duncan Lawrie Ltd. based in United Kingdom. Indepth experience in the areas of finance and banking and Director of other Companies in diverse areas of activities ranging from plantations, engineering, warehousing & horticulture.	An eminent Administrator and Social worker. She has been associated with a number of National and International Institutions in the field of cerebral palsy and has a number of books and other publications to her credit.	Retired as Chairman, J.Thomas & Co. (P) Ltd., the world's oldest and largest Tea broking house. Presently he is the Senior Adviser, Confederation of Indian Industry (CII) - Eastern Region.
<b>Directorship of other Companies (Excluding foreign Companies and Private limited Companies).</b>	Stewart Holl (India) Ltd. Amgoorie India Ltd.	Trustee & Vice-Chairperson, Indian Institute of Cerebral Palsy (Formerly Spastics Society of Eastern India).	Nil
<b>Chairman/Member of Committee of the Boards of Companies</b>	Member, Remuneration Committee of Goodricke Group Ltd.	Chairman, Shareholders'/Investors' Grievance Committee and Member, Remuneration Committee of Goodricke Group Ltd.	Member, Audit Committee & Remuneration Committee of Goodricke Group Ltd.
<b>Shareholding in the Company (Nos.)</b>	Nil	Nil	Nil
<b>Inter-se relationship</b>	Not related to any Director on the Board, except fellow Directorship in some Companies.	Not related to any Director on the Board.	Not related to any Director on the Board.

**Explanatory Statement**

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

**Item No. 6**

**Mr. Peter John Field - Appointment**

At the Board Meeting held on 27th April, 2009, Mr. Peter John Field was appointed as an Additional Director to the Board of Directors effective 1st May, 2009 u/s 260 of the Companies Act, 1956. Mr. Field is the Managing Director of Duncan Lawrie Ltd., a private bank based in U.K. and has wide experience in the areas of finance and banking and is the Director of a number of global Companies having wide ranging operations in East Africa, U.K., Bangladesh and U.S.A. Mr. Field briefly worked in India with Grindlays Bank, Merchant Banking Division.

Other particulars are given under Note No. 6 of the Notice.

The Directors commend acceptance of the Resolution.

None of the Directors except Mr. P.J. Field are concerned or interested in this appointment.



## DIRECTORS' REPORT

The Directors have pleasure in presenting their Thirty-fourth Annual Report and Accounts for the year ended 31st December 2009.

### FINANCIAL RESULTS

### For the year ended 31st December

	2009	2008
	(Rs. in millions)	
GROSS SALES	<b>3,721.59</b>	2,940.50
PROFIT BEFORE TAXATION	<b>530.67</b>	235.19
Less: Provision for Taxation (Net)	<b>111.24</b>	59.32
PROFIT AFTER TAX	<b>419.43</b>	175.87
Add: Profit brought forward from last year	<b>32.91</b>	32.85
	<b>452.34</b>	208.72
APPROPRIATIONS:		
Dividend	<b>86.40</b>	64.80
Tax on Dividend	<b>14.69</b>	11.01
Transfer to General Reserve	<b>300.00</b>	100.00
Balance carried forward	<b>51.25</b>	32.91

### TURNOVER

The gross turnover for the year 2009 has been higher by over 26% at Rs. 3,722 million from Rs.2,941 million in the previous year. The increase in turnover was wholly due to firmer prices prevailing throughout the period under review.

### OPERATIONS

The total manufactured crop was lower by 7% at 19.96 million kgs. from 21.52 million kgs. in 2008. The decrease was essentially due to drought like conditions in the early part of the season in both Darjeeling & Dooars. Assam crop was also lower but to a lesser extent. The all India production in 2009 was marginally lower at 979 million kgs. against 981 million kgs. in the previous year resultant of adverse weather conditions in North Bengal.

Tea prices, which started firming up in 2008, continued to strengthen in 2009. This was due to demand/supply mismatch arising from global crop deficit contributed by Kenya and Sri Lanka and also increased domestic consumption. The average price realization from all the three tea growing areas of the Company was higher by Rs.33/- per kg. over previous year as against Industry average of Rs. 27/-.

All India exports did not witness any major quantum growth and were lower than that of the previous year at 192 million kgs. However, the unit realizations were much improved from weaker Rupee and higher global prices. The exports to Iraq only have been significantly higher with no major changes in the other directions of shipments. The Company's exports, except instant teas, have increased and the overall growth is over 10% with higher unit realizations covering Assam CTC & Orthodox and Darjeeling teas.

The Instant Tea Plant, the export oriented unit, ended the year with a positive margin. However, the global demand for Instant tea did not strengthen during the year due to the economic downturn worldwide. The sale to Domestic Tariff area witnessed growth and Iced tea powder was developed in-house for commercial marketing.

The Packet tea operations have also contributed to the overall profitability through its encouraging results. While there was no major increase in the quantum, there has been further strengthening of the market reach with improved distribution system and greater publicity. Some new brands and newly designed packets

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were launched during the year and have been well accepted by the market. Amongst the new launches, Iced tea of various flavours was introduced at select retail outlets.

The Company has been availing of the Tea Board's incentive schemes for quality upgradation and for replanting/rejuvenation of the tea bushes. These schemes are assisting the tea gardens for long term benefit. The electronic auctions at the tea centres in South India are operating successfully and the same are expected to commence at the North Indian auction centres in course of the year. These electronic auctions would ensure transparency and improved price discovery. In the early part of the year, one of the auction brokers failed to honour the prompt dues leading to temporary disruption in trade and non-recovery of receivables. To avoid repetition of such incidents, the payment settlement system at the auction centres has undergone major reforms and is now operational. The active role played by the Tea Board of India towards strengthening the system and procedures is greatly appreciated.

In compliance with the Corporate Governance disclosure, stipulated in Clause 49 of the Stock Exchange Listing Agreement, the Management Discussion and Analysis Report is given in Annexure - 'E' forming part of the report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed towards compliance and adherence to the Statement of Business Principles of Camellia Plc. as well as to the norms followed by global bodies like Rain Forest Alliance (RFA), Fair Trade Practices (FTP) and Ethical Tea Partnership (ETP). The Company has adopted specific policies towards meeting the above requirements under the following groups:-

- |                    |               |
|--------------------|---------------|
| ■ Health & Safety  | ■ Social      |
| ■ Waste Management | ■ Environment |

Some of the key activities covered under the above framework are:-

- Hospitals at all gardens with a Group Hospital in Dooars.
- Specialized surgery camps for cleft lip/ palate reconstruction and for correction of congenital talipes equinovarus.
- Line tracking of health status of every family at the gardens.
- Tracking of diseases in adjoining villages
- Functioning "Safety Committee" at all gardens.
- Camps for sterilization, eye surgery and child immunization.
- Primary schools at all gardens and transport arrangement to secondary schools.
- Garden level Mothers' Club for spreading awareness on health & hygiene.
- Waste management through segregation of waste, effluent treatment etc.
- Self help centres to teach weaving, tailoring and other vocational activities.
- Afforestation / vegetation on non-tea areas.
- Malaria prevention schemes for Garden and adjoining villages.
- Scholarship scheme for meritorious students at every garden.
- Adoption of School/College in the district.
- As part of the global effort towards limiting environmental pollution and reduce carbon footprint, the Company is installing dual fired boilers at its two factories which will be run on woody biomass replacing fossil fuel. This will cut down harmful emissions and also be eligible for carbon credits. There are plans to extend this for other factories also.
- The Goodricke School for Special Education at Siliguri, North Bengal, has widened its coverage in rendering specialized education to children with special needs. The second phase of the School's building is complete and will be operational within a few weeks time.





## **DIVIDEND**

The Board recommends a higher dividend of Rs. 4.00 per share (40%) [Previous year Rs. 3.00 per share (30%)]. Such dividend, on declaration, will be paid to those members recorded in the Registers of the Company at the close of business on the date of Annual General Meeting, subject, however to the provision of Section 206A of the Companies Act, 1956.

## **FINANCE AND ACCOUNTS**

The finances of the Company strengthened substantially during the year. This enabled the Company to accelerate the process of upgradation of the Company's tea factories and modernize essential utilities for greater energy efficiency and cost reduction. The strength of the financials is reflected in the nominal borrowings at the year end.

During the year, the tea factories at Kumargram, Leesh River, Chulsa and Sankos were upgraded. These have resulted in lower operating cost and improved quality leading to higher realizations. These, along with capital expenditures on plantations, labour welfare etc., were largely funded from internal resources. In the current year also the capital expenditure plans cover factory modernization and extension planting.

Cost Audit is being conducted by Messrs Shome & Banerjee, Cost Accountants, appointed with the approval of the Ministry of Corporate Affairs.

## **PROSPECTS**

The global mismatch in demand and supply is expected to continue in the current year at least till the arrival of the new crop. There is low carryover stock and the global shortage emanating from Kenya and Sri Lanka continues. The domestic consumption pattern is also showing a steady growth of approximately 2% per annum with greater preference for quality tea. All these are expected to have beneficial impact on the prices and on the tea Industry as a whole. The substantial capital expenditure on upgradation and modernization of the Company's tea factories has progressively reduced manufacturing cost with improved quality. Since your Company is a producer of quality teas only, the premium for such teas will be reflected in the price realizations.

## **CORPORATE GOVERNANCE & AUDIT COMMITTEE**

The Stock Exchange introduced Clause 49 in the Listing Agreement in 2001 with several changes from time to time thereafter. Your Company constituted the Audit Committee of the Board in 1997 well before it became a mandatory requirement. The Committee has carried out the roles as laid out in the terms of reference. The Audit Committee interacted with the statutory auditors, chief internal auditor, internal auditors and key operating personnel whenever required. It reviewed the financial and Corporate Governance Report for Board's consideration. The Code of Conduct of the Directors and senior management are being complied with and Risk Analysis undertaken on a continuous basis. In terms of Clause 49 of the Listing Agreement, disclosures under Corporate Governance are given in Annexure - 'F' of the report.

## **SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

With the dematerialization of shares, investor grievances were negligible and were dealt with promptly. The Committee in course of its meetings approved/reviewed regularly the physical transfers, the extent of dematerialization, investor grievances and regulatory disclosures.

## **REMUNERATION COMMITTEE**

The Remuneration Committee met twice during the year. The Committee had considered and recommended to the Board the annual increment and payment of commission to the Managing Director as laid down in the terms of appointment.

## **PERSONNEL**

In course of the year, there were political disturbances from time to time in the tea garden areas of Darjeeling

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and Dooars. However, due to cordial relations with the staff and workers, the garden activities were not affected. A special appreciation is well deserved by all employees at the gardens in such disturbed areas. Your Directors acknowledge the dedication and co-operation extended by all employees at the gardens and at other establishments of the Company.

The Company's commitment on extending several benefits to workers and their families, much more than that provided for under the statutes, has been largely responsible for maintaining uninterrupted workings at the gardens.

### **PARTICULARS IN TERMS OF SECTION 217 OF THE COMPANIES ACT, 1956**

The particulars of Conservation of Energy, Technology absorption and Foreign exchange in terms of Section 217(1)(e) are given in Annexures "A" and "B". The particulars of employees attracting the provisions of Section 217(2A) are given in Annexure "C". Directors' Responsibility Statement, in terms of Section 217(2AA), is given in Annexure 'D'. All the Annexures form part of the Report.

### **DIRECTORS**

Mr. P.A. Leggatt, Chairman of the Board of Directors, suddenly passed away peacefully on 28th November, 2009 at his London residence. Mr. Leggatt joined the Board on 1st April, 1988 and was appointed as Chairman on 25th July, 1990. Apart from discharging very ably the role of Chairman of the Board, he was the inspiration behind a number of activities covering establishment of the Goodricke School for Special Education for physically challenged children, Scholarship for meritorious children of tea garden workers, Charitable trusts and several community welfare schemes. Mr. Leggatt was also the key link between Indian planting fraternity and its counterpart in United Kingdom. The Board places on record its deep sense of acknowledgement to the invaluable services rendered by Mr. P.A. Leggatt in course of his tenure on the Board.

The Board of Directors has since appointed Mr. Peter John Field, a Director of the Company, as its Chairman. Mr. Field is a banker by profession and is the Managing Director of Duncan Lawrie Ltd. based in U.K. His other particulars are given under details of Directors circulated with the notice of the meeting.

Mr. Field was appointed as an additional Director effective 1st May, 2009 and the notice of the meeting contains a resolution for his appointment as a Director by the General Body.

Dr. Sudha Kaul, the Independent Director on the Board and Vice Chairperson of The Indian Institute of Cerebral Palsy, has been awarded "Padma Shri" by the Government of India this year.

Dr. S. Kaul and Mr. P.K. Sen retire by rotation and being eligible offer themselves for reappointment subject to the approval of the General Body. Your Board of Directors commends the reappointments.

### **AUDITORS**

The Auditors, Messrs Lovelock & Lewes, Chartered Accountants, retire and are eligible for reappointment.

On behalf of the Board

A. N. Singh  
*Managing Director*  
 S. Kaul  
 K. Sinha  
 P.K. Sen  
*Directors*

Kolkata  
 25th February, 2010.



## ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'A'

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2009.

### CONSERVATION OF ENERGY

#### I. Energy conservation measures undertaken:-

- a) Installation of capacitor banks on main panel boards of grid supply for improved Power Factor. Most gardens achieving power factor of 0.95 and above.
- b) Installation of capacitors on all motors (above 3 HP) in the factory processing areas and in irrigation pumps & water supply motors in the fields to improve motor efficiency and lowering current consumption (amps).
- c) Replacement of old electrical motors by new energy efficient motors in a phased manner.
- d) Regular monitoring of installed capacitors and replacing damaged capacitors wherever found.
- e) Complete replacement of incandescent lamps, halogen and sodium vapour lamps by energy saving lamps like CFLs and LEDs.
- f) Optimization of factory running hours and machinery usage to achieve a load factor greater than 45% to avail minimum tariff rates.
- g) Increase in throughput in the factories to reduce energy consumption.
- h) Steps initiated for phase-wise replacement of Genset operated irrigation sets and water supply units with electrically powered units to cut down on energy cost.
- i) Conversion of HSD powered DG sets to Gas powered DG sets in Assam gardens.
- j) Replacement of Coal fired heaters by Boilers to reduce carbon emission.
- k) Replace old inefficient tea driers and furnaces with more efficient high throughput equipment like VFBDs to reduce coal consumption and also to reduce factory running hours.

#### II. Additional investments and proposals:-

- a) Replacement of damaged/ malfunctioning capacitors.
- b) Replacement of all Boiler water heating systems in bungalows by Geysers / Solar heating panels.
- c) Replace old model Air Conditioners with new power efficient and star rated Air Conditioners.
- d) Replace old transport utilities with new fuel efficient vehicles.
- e) Provision of new generation D.G. sets to enhance captive power generation capacity and improve fuel conservation.
- f) Replacement of over/underrated transformers with optimum rated transformers for better power utilization.
- g) Phase-wise replacement of old machinery with modern & energy efficient machinery.

#### III. Impact of measures undertaken:-

In spite of increases in grid tariff and diesel rates, the Group's power cost has stayed within permissible limits. This has been achieved by regular monitoring of power related components.

### FORM 'A'

Form for disclosure of particulars with respect to Conservation of energy.

#### A. Power and Fuel Consumption

	Current Year	Previous Year
<b>1. Electricity*</b>		
(a) Purchased		
Units (Kwh)	<b>19,329,357</b>	20,226,313
Total Amount (Rs.'000)	<b>101,764</b>	98,637
Rate/Units (Rs.)	<b>5.26</b>	4.88

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## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2009.

	<b>Current Year</b>	Previous Year	
(b) Own Generation*			
i) Through Diesel Generator Unit/(Kwh)	<b>2,452,820</b>	2,213,311	
Unit Per ltr. of Diesel Oil	<b>2.57</b>	2.60	
Cost/Unit (Rs.)	<b>12.99</b>	13.06	
(ii) Through Steam Turbine/Generator	—	—	
<b>2. Coal*</b>			
Quantity (Tonnes)	<b>21,100</b>	24,547	
Total Cost (Rs.'000)	<b>94,920</b>	99,920	
Average Rate (Rs.)	<b>4,498</b>	4,071	
<b>3. Furnace Oil</b>			
Quantity (Ltrs.)	<b>19,872</b>	12,521	
Total Amount (Rs.'000)	<b>657</b>	427	
Average Rate (Rs.)	<b>33.07</b>	34.12	
<b>4. Others/Internal Generation</b>			
<b>B. Consumption per unit of production</b>	<b>Standards (If any)</b>	<b>Current Year</b>	Previous Year
Product – Tea	—	—	—
Unit – Qtls.	—	—	—
Electricity	—	<b>108.19</b>	103.36
Furnace Oil	—	<b>0.10</b>	0.06
Coal	—	<b>104.80</b>	113.07
Others	—	—	—

\*Note : 1. Power consumption in terms of units generated has shown a saving vis-à-vis previous year. This is due to introduction of energy efficient techniques and energy efficient appliances.

2. The overall coal consumption has shown a reduction due to introduction of better and fuel efficient driers (replacing the old conventional machines). Steam coal is used for the driers.

### FORM 'B'

Form for Disclosure of particulars with respect to absorption:

RESEARCH AND DEVELOPMENT (R & D)

#### 1. Specific area in which R&D carried out by the Company.

- i) Development of process technology for pesticide load reduction using microbial strains as supplementary biocide.
- ii) Nutrient mobilisation and fertilizer supplement through microbial inoculants.
- iii) Improvement of composting technique using a consortium of microbial strains through inoculation.
- iv) Establishment of model vermi composting unit to compare the quality of vermi compost and study the effect of vermi wash on nursery plants and young tea plants.
- v) Appointment of an experienced Manager to oversee R&D trials of various commercial products to assess efficacy in terms of nutritional aspect and pest control impact on tea.
- vi) Soil health reclamation in terms of population size enhancement of beneficial microbials.
- vii) Process for tea concentrate using enzymes.
- viii) Process for Hot Water Soluble (HWS) and Cold Water Soluble (CWS) Instant teas.
- ix) Process for extraction and processing of green leaf solids.
- x) Method for recovery of tea aroma.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2009.

### 2. Benefits derived as a result of the above R&D

- Commercial application of biocide products which is a fungal pathogen for pest suppression
- Reduction of chemical fertilizer application through use of biofertilizers.
- Large scale application of locally prepared compost for extension and rejuvenation planting.
- Creation of eco-friendly plantation area development.
- Application for registration of patents related to bioproduct development technology.
- Commercial application for readily soluble Instant tea in hot and cold water for convenience of end users/consumers.
- Patent obtained for HWS and CWS processes.
- Very encouraging results from vermi compost and vermi wash processing, application and efficacy.
- Elaborate trials being conducted by R&D personnel over Group gardens to assess various products.
- Encouraging feedback being received that will benefit the group agricultural operation.

### 3. Future plan of action

- a) Enhancement of bio pesticide application and study of integration of biocide with chemical pesticides which exhibit synergistic effect.
- b) Soil health improvement and enhancement of fertilizer efficiency.
- c) To liaise with Tea Research Association and RRL like National Laboratories in similar fields of organic farming system.
- d) Reduced dependence on external sources for manure for extension/rejuvenation planting.
- e) Cost effective processes for Instant teas retaining the distinctive flavours/colours of Black teas.
- f) Dairy project being planned in 2010 that will enable R&D facility to carry out trials on producing bio manure through cow dung and bio pesticide formulated through cow urine.

### 4. Expenditure on R&D (Rs. in millions)

- |   |   |      |
|---|---|------|
| a) Capital  | - | nil  |
| b) Recurring  | - | 2.67 |
| c) Total  | - | 2.67 |
| d) Total R&D expenditure as percentage of total turnover - 0.07 % |   |      |

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

Mass production of biofertilizers / biocides / bio-inoculants together with value addition in terms of soil health, reclamation, nutrient mobilization based on reduced chemical use.  
Independent process development and application capability.

### 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Lowering of chemical input into the soil as well environment thereby minimising pollution and rejuvenation of atmosphere for healthy produce. Retention of flavour and other characteristics of black teas of separate regions.

### 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

No technology was imported during the last 5 years.

On behalf of the Board  
A. N. Singh  
Managing Director  
S. Kaul  
K. Sinha  
P.K. Sen  
Directors

Kolkata  
25th February, 2010

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## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'B'

Particulars of Foreign Exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st December 2009.

The Company has established Export Agents in Europe. The Export Agents are engaged in promotion of the Company's teas in the foreign markets, both for teas in bulk and value added forms. With greater emphasis on marketing value added products like packet tea and Instant tea, joint efforts are required and the export Agents perform an important role in this regard.

During the year, the foreign exchange outgoing on expenses was to the extent of Rs. 34.95 million which includes capital goods import of Rs. Nil and spare parts of Rs. Nil. Dividend remittance in foreign exchange was Rs. 47.95 million. The foreign exchange earned was Rs. 286.18 million.

On behalf of the Board

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P.K. Sen  
*Directors*

Kolkata  
25th February, 2010

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'C'

Particulars of Employees in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, forming part of Directors' Report for the year ended 31st December 2009.

Name	Age	Designation and Nature of Duties	Remuneration (Rs.'000)	Qualification and Experience (Years)	Date of Commencement of Employment	Last Employment held	Designation
Singh, A.N.	56	Managing Director & C.E.O	12,066	M.Sc (35)	01.01.78	Duncan Brothers & Co. Ltd.	Tea Garden Assistant.

Notes: The above remuneration includes salary, allowance, contribution to Provident Fund, Superannuation & Gratuity Funds and perquisites.

On behalf of the Board

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P.K. Sen  
*Directors*

Kolkata  
25th February, 2010



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'D'

DIRECTORS' RESPONSIBILITY STATEMENT (DRS)

(As per section 217 (2AA) of the Companies Act, 1956)

The Directors hereby confirm :

- That in the preparation of the Annual Accounts for the year ended 31st December 2009, the applicable Accounting Standards have been followed and there are no material departures;
- That they have selected such accounting policies and applied them consistently and made judgements 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 ended 31st December 2009 and the Profit of the Company for the financial year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the Annual Accounts for the year ended 31st December 2009, on a going concern basis.

On behalf of the Board

A. N. Singh  
*Managing Director*  
 S. Kaul  
 K. Sinha  
 P.K. Sen  
*Directors*

Kolkata  
 25th February, 2010

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E'

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The previous year 2008 witnessed the initial steps in turning the Indian tea Industry towards the path of prosperity after seven long years of difficulties. 2009 accelerated this process and restored the past glory with improved financials. With global mismatch in demand and supply, tea prices across all varieties and tea areas, saw increases which helped the Industry in a significant way. However, adverse weather conditions, particularly in North Bengal, reduced the saleable crop.

### Crop

The Company's manufactured crop was lower at 19.96 million kgs. as compared to 21.52 million kgs. achieved in the previous year. This was the effect of drought like conditions in Dooars and Darjeeling gardens during the early part of the season. The recently modernized tea factories at Kumargram, Leesh River and Chulsa, along with the factories modernized in the previous year, enabled processing of improved quality of teas at lower cost. The all India crop in 2009 at 979 million kgs. has been marginally lower than that of 2008 at 981 million kgs. due to shortfall in North Bengal gardens. The deficit of North Bengal, approximately 10 million kgs., was adequately made up by gains in Assam. The ratio of Orthodox to total production declined in 2009 due to higher prices for CTC teas, notwithstanding the Tea Board Subsidy Scheme for Orthodox manufacture. The global production in 2009 was lower due to the drought like conditions in Kenya and Sri Lanka.

There is a noticeable change in the climatic conditions with erratic rainfall distribution and precipitation levels. These are possibly the result of global warming and would play an important role in tea cultivation in the coming years.

**GOODRICKE GROUP LTD**

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E' (Contd.)

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Market Scenario

The Company's gardens, spread over three distinct tea growing areas, continue to be a major advantage for in-house blending and servicing a wider customer base. Darjeeling teas with its distinct flavour, Assam Orthodox with its liquor and Dooars CTC are all produced by the Company. In 2009, due to the shortfall in global and domestic production, firmer prices were sustained throughout the year. The year started with lower carryover stock and this, coupled with the shortfall and rising domestic consumption, led to firmer prices throughout the year.

The North Indian average price in 2009 was Rs. 114.22/kg. as compared to Rs. 95.29/Kg. in 2008. This is the second year in succession in which prices have crossed the 1998 high of Rs.80.22/kg. Only in the year 2008, after nine long years, did the average cross the 1998 price during which period the Industry had to absorb major increases in cost of production. This had affected profitability and cash flow was under severe strain. The price increase has provided the much needed respite with funds for ploughing back into the field and factories. The movement of average auction prices over the last four years is given below:-

(Rs/Kg)

Auction Centres	2009	2008	2007	2006
Kolkata	123.05	105.12	82.38	79.76
Guwahati	110.42	91.71	69.63	68.09
Siliguri	104.66	85.27	65.92	64.90

While Dooars and Assam tea prices improved satisfactorily, Darjeeling prices were more subdued. Darjeeling tea suffers from lower productivity and consequent higher cost of production but the recoveries are not commensurate with its unique qualities.

The average prices at the global auction centres have shown a positive trend as follows:

(US\$/Kg)

Country	Average Auction Price	
	2009	2008
India (Kolkata)	2.54	2.37
Kenya (Mombasa)	2.71	2.30
Sri Lanka (Colombo)	3.17	2.84
Malawi (Limbe)	1.58	1.37
Bangladesh (Chittagong)	1.98	1.62

With improved quality of manufactured teas from the modernized factories, the Company's gardens have been attracting premium prices in the respective tea districts. A comparative chart is given below:-

(Rs/Kg)

Tea Areas	Company's Teas	Consolidated Auction Average
Darjeeling	243.90	204.58
Dooars	133.84	114.78
Assam	149.48	127.81





## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E' (Contd.)

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Exports of Black Tea

The all India exports reduced to 192 million kgs. from 203 million kgs. in the previous year. Thus, there was no breakthrough either in the quantum or direction of exports except increase in exports to Iraq. However, due to stronger dollar in the major part of the year and higher global prices, the per unit realizations were higher. The Company's exports were higher at 1.36 million kgs. with increases in Assam CTC/Orthodox and Darjeeling. The price realizations were higher in tune with the upsurge in global tea prices.

#### Packet Tea

The Company's quantum of Packet tea sales was at previous year's level at 5.74 million kgs. but with much higher profitability. The increase in MRP had to be effected due to higher procurement cost but this led to resistance in the market that affected the sales. The sourcing from own garden teas, improved blends, new packaging, new brands and greater market reach all contributed to the improved margins. All the packeting units of the Company performed well and are being made Hazard Analysis Critical Control Point (HACCP) compliant. The new initiatives in strengthening the distribution network will enable steady increase in quantum in the coming years.

#### Instant Tea

There was no improvement in the global market scenario for instant tea. Cost of production continues to be on the higher side as compared to other international suppliers. However, the quality of production has been appreciated by major global buyers particularly for the Hot Water Soluble and Cold Water Soluble teas for which the Company holds Patents both domestic and international. The year witnessed a turnaround with positive margin in its operation due to process improvement through in-house R&D with higher recovery. The in-house R&D has developed iced tea powder covering distinctive flavours and these have already been commercially launched.

#### Corporate Governance & Internal Control System

The Company is complying with the norms laid down in Clause 49 of the Stock Exchange Listing agreement on Corporate Governance. Some of the key mandatory compliances in place are :-

- The audit committee consists of only non-executive Directors, 2/3rd of whom are independent Directors, the Chairman being one. The Chairman has the requisite financial expertise. The other members are well versed in financial aspects of a tea producer.
- The Board of Directors meets the 1/3rd minimum criterion for independent non-Executive Directors. In fact it is now 50%.
- A Code of Conduct has been adopted by the Board. This has been accepted by all Directors and Senior Executives and posted on the Company's website. Declaration of compliance thereof from the C.E.O. has been incorporated in the Annual Report.
- The audit committee had met regularly throughout the year. It had interactions with the Chief internal auditor and external Auditors, reviewed the quarterly and annual financial statements and analyzed the adequacy of internal controls and carried out its role as per the terms of reference.

In respect of non-mandatory clauses, the Company has a Remuneration Committee of non-executive Directors in place. Although no formal whistle blower policy is in place, yet it is ensured that no employee, bringing up issues for the interest of the Company, are discriminated or victimized.


**GOODRICKE GROUP LTD**

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E' (Contd.)

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Risk Analysis

- The Risk Analysis Report was reviewed covering the entire operation at the gardens, rainfall, marketing, financial, regulatory, locational risk and others. Based on this analysis, necessary corrective actions were suggested by the Audit Committee. Risk Management procedures have also been laid down therein. These are being monitored from time to time to ensure that all identified risks are provided for adequately.
- The Company also complies with the Risk Management guidelines of Camellia Plc. as part of its global operation with specific country-wise risk analysis.

#### Human Resource Development

Tea production being labour intensive the human factor is a critical factor. The Company employs over 25,000 persons and the 2009 garden operations did not face any disruptions. The Company has adopted the policies on Health & Safety, Waste Management, Environment and Social as well as the Statement of Business Principles of its U.K. principal which were adhered to by all its establishments. New initiatives in corporate social responsibility, particularly in the areas of education and environment, were undertaken. Emphasis on afforestation has provided cleaner environment at the gardens. To ensure better team work and co-ordination amongst the Company's managerial personnel several group activities were organized in course of the year like football, golf, tennis, flower show and cultural programmes. During the year, several training courses were organized covering various aspects to strengthen the skills and knowledge level of all employees.

#### Financials

With the improved tea prices and better cash flow, the Company has accelerated the process of modernization/upgradation of the tea factories from its internal resources. The year ended with nominal borrowings and this will help in lower interest outflow for the current year. The subsidy schemes of the Tea Board of India for replantation/rejuvenation under Special Purpose Tea Fund and for Orthodox production has also helped during the year.

#### General

It is expected that the strengthening of the tea industry will continue to enable the industry to modernize further the tea factories and plantations.

On behalf of the Board

A. N. Singh

*Managing Director*

S. Kaul

K. Sinha

P.K. Sen

*Directors*

Kolkata  
25th February, 2010



## ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F'

### REPORT ON CORPORATE GOVERNANCE

**The Stock Exchange Listing Agreement in clause 49 has laid down a Code of Corporate Governance which the Company has complied with as follows:**

#### 1. Company's Philosophy on Code of Governance:

The Company's core business is the cultivation and production of tea and it is among the top three producers in India.

The Company strives to produce teas of premium quality, which are acceptable to the discerning world market. This particularly applies to production from the Darjeeling and Assam gardens.

Likewise, the Company endeavours to care for all its employees by providing medical, educational and welfare facilities way beyond the basic requirements.

The Company's overall philosophy is excellence in all spheres of its operations.

#### 2. Board of Directors — Composition:

The Board is headed by the Non-Executive Chairman, Mr. P.J. Field and comprises of persons with considerable professional experience in their respective fields. The Board consists of five Non-Executive Directors and three of them are Independent Directors. Thus, 50% of the Board consists of Non-Executive Independent Directors. Particulars as at 31st December 2009, are given below:

Director**	Category	OTHER COMPANIES*		
		Member of Board	Board Committees	
			Chairman	Member
Mr. P.J. Field	Chairman - Non-Executive	4	—	—
Mr. A.N.Singh	Managing Director & CEO	4	—	—
Mr. A.K.Mathur	Non-Executive	2	—	—
Dr. S.Kaul	Non-Executive - Independent	—	—	—
Mr. K.Sinha	Non-Executive - Independent	1	—	—
Mr. P.K.Sen	Non-Executive - Independent	—	—	—

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.

\*\* Late P.A. Leggatt was the non-Executive Chairman till his death on 28th November, 2009.


**GOODRICKE GROUP LTD**

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

#### Board Meetings & Annual General Meeting (AGM):

During the year under review, six Board Meetings were held, the dates being 6th March, 27th April, 30th July, 30th October, 20th November and 14th December, 2009.

The last AGM was held on 7th April 2009.

Details of attendance:

Director	No. of Board Meetings Attended	Whether attended last AGM
Late P.A.Leggatt*	—	Yes
Mr. A.N.Singh	6	Yes
Mr. P.J. Field	1	No
Mr. M.C.Perkins**	—	No
Mr. A.K.Mathur	2	No
Dr. S.Kaul	5	Yes
Mr. K.Sinha	6	Yes
Mr. P.K.Sen	6	Yes

\* Died on 28th November, 2009.

\*\* Resigned at the close of business on 30th April, 2009.

### 3. Audit Committee:

The Audit committee comprises of three non-executive Directors of whom the Chairman and one member are independent Directors. The Committee was first constituted in April 1997. The committee has been meeting at regular intervals. The Chairman of the Audit committee has in-depth knowledge in the areas of Finance and Accounts.

A brief description of the terms of reference of the Audit committee, which covers the areas mentioned under clause 49 of the Listing agreement and Section 292A of the Companies Act 1956, is as follows:

- To review with the management, statutory Auditors and internal Auditors on the adequacy of the internal control systems.
- To review the adequacy of the internal audit function, including the nature and scope of internal audit and approve the internal audit plan for the year.
- To review the internal audit reports, to discuss with the internal auditors and management about their findings and suggest corrective action wherever necessary.
- To recommend appointment and removal of statutory Auditors, fixation of audit fees and approval for payment for any other services.
- To consider the nature and scope of statutory audit and review significant audit observations, if any.
- To review the financial reporting process and disclosure of financial information.
- To review the quarterly, half yearly and annual financials before submission to the Board.
- To review the Company's financial and risk management policies.
- To analyse substantial defaults in respect of payments to stakeholders, if any.
- To investigate into any other matters covered by Section 292A of the Companies Act, 1956.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

During the year under review, five meetings of the Audit committee were held, the dates being 5th March, 27th April, 30th July, 30th October and 20th November, 2009.

The composition and attendance at the Audit committee meetings are as follows:

Name	No. of Audit Committee Meetings Attended
Mr. K. Sinha, Chairman	5
Mr. A.K. Mathur, Member	2
Mr. P.K. Sen, Member	5

The Senior General Manager & Company Secretary acts as the Secretary to the Committee. The Managing Director and Statutory Auditors are invited for the meetings. The Head of internal Audit also attends the meetings.

#### 4. Remuneration Committee:

The Committee is responsible for recommending to the Board the remuneration package of Managing Director including annual increment and commission, if any, after reviewing performance. The committee consists of:-

Mr. K.Sinha	Chairman
Mr. M.C. Perkins*	Member
Mr. P.J. Field**	Member
Dr. S.Kaul	Member
Mr. P.K.Sen	Member

\* Resigned with effect from close of business on 30th April, 2009.

\*\* Appointed with effect from 1st May, 2009

The Committee had met twice on 20th February and 20th November, 2009. At both the meetings all members were present.

The remuneration policy takes into account the Company's performance and that of the Managing Director.

Remuneration paid to Directors during the year 2009:

Rs. in '000

a.	Name	Salary	Commission	Value of Perquisites	Retiral Benefits	Total
	Mr. A.N.Singh*	3,000	4,200	4,056	810	12,066

Service contract\* : 1st January, 2009 to 31st December, 2011 as Managing Director & CEO.

Notice period : Six (6) months.

Severance Fees : Not applicable.

**GOODRICKE GROUP LTD**

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

Rs. in '000

b.	Non-Executive Directors	Board Fees	Committee Fees	Total
	Dr. S. Kaul	40	26	66
	Mr. K. Sinha	48	51	99
	Mr. P.K. Sen	48	25	73

There are no stock option plans of the Company.

#### 5. Shareholders' / Investors' Grievance Committee:

The Committee comprises of the following Directors:-

Dr. S. Kaul	Chairperson (Non-Executive)
Mr. K. Sinha	Member (Non-Executive)
Mr. A.N. Singh	Member, (Managing Director)

The Committee, which generally meets once a month, met thirteen times during the year.

a)	No. of complaints received from Stock Exchange/SEBI/ Shareholders	One
b)	No. of complaints not resolved/no action taken	NIL
c)	No. of pending complaints	NIL

Name and designation of Compliance Officer:

Mr. D.P. Chakravarti, Sr. General Manager & Company Secretary.

#### 6. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
7th April, 2007	Science City Auditorium, JBS Haldane Avenue, Kolkata - 700 046	10.00 AM
5th April, 2008	-do-	10.00 AM
7th April, 2009	-do-	10.00 AM

Three special resolutions were passed at the AGM held in 2007. One special Resolution was passed at the Annual General Meeting in 2009. The resolutions did not come under the purview of postal ballot in terms of Section 192A of the Companies Act 1956.

No special resolution is proposed to be conducted at the forthcoming Annual General Meeting. No resolution proposed through postal ballot.

No other General meetings were held in course of the last three years.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

#### 7. Other Disclosures:

A. Related party transactions:

Disclosures on materially significant related party transactions:

Details of related party transactions as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts.

The Company has not entered into any transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company.

B. No penalties/strictures have been imposed on the Company by Stock Exchange, SEBI or any regulatory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.

C. The revised Clause 49 of the Listing agreement consists of mandatory and non-mandatory requirements. The Company is compliant with the mandatory clauses.

In respect of the non-mandatory provisions, the Remuneration Committee has been in operation since 29th November, 2001. There is no audit qualification pertaining to the financial statements of the Company. The Board and the Audit Committee review adoption of other non-mandatory requirements and will have the same in place at an appropriate time. There is no formal whistle blower policy but no employee is denied access to the Audit Committee or to make any reference.

#### 8. Means of Communication:

a) No half-yearly report is sent to the shareholders directly.

b) Quarterly results and the Half-yearly results are published in newspapers such as Business Standard and Aajkal (Bengali). Such financials are covered by limited review by the statutory Auditors. The annual audited results are also published within three months of the close of the financial year.

c) Financial results are posted on the Company's website: **www.goodricke.com**. Also results are sent to the Stock exchange for incorporation in their Website. Company's e-mail address: **goodricke@goodricke.com**

In terms of clause 51 of the Listing Agreement, the Company is also making electronic filing of shareholding pattern, quarterly and annual financial results (EDIFAR filing).

d) Management Discussion and Analysis Report forms part of the Directors' Report.

e) No formal presentation has been made to Institutional investors or analysts during the year.

#### 9. Shareholder Information:

(a) **AGM date, time and venue:**

Tuesday, the 13th April 2010, at 10.00 AM.

Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046.

(b) **Financial calendar & Publication of Results:**

The financial year of the Company is January to December.

**GOODRICKE GROUP LTD**

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

Publications of Results will be as follows:

Period	Approval by the Board of Directors
1st quarter ending March 31, 2010	Last week of April 2010
2nd quarter and 1st half ending June 30, 2010	Last week of July 2010
3rd quarter ending September 30, 2010	Last week of October 2010
Final Audited results of December 31, 2010 including 4th quarter	February 2011
AGM for the year ending December 31, 2010	April 2011

**(c) Book closure and Dividend payment date:**

Monday, the 5th April 2010 to Tuesday, the 13th April 2010, both days inclusive.

Dividend payment date : On & from 19th April 2010.

**(d) Listing on Stock Exchanges:**

The Company's securities are listed at:

The Bombay Stock Exchange Ltd (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
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Note : 1) Listing fees, as prescribed, have been paid to the aforesaid Stock Exchange upto 31st March, 2010.

2) The securities of the Company have been de-listed from The Calcutta Stock Exchange Association Ltd. with effect from 10th August, 2007.

**Stock Code:**

Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd.	500166





## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

#### (e) Stock Price Data:

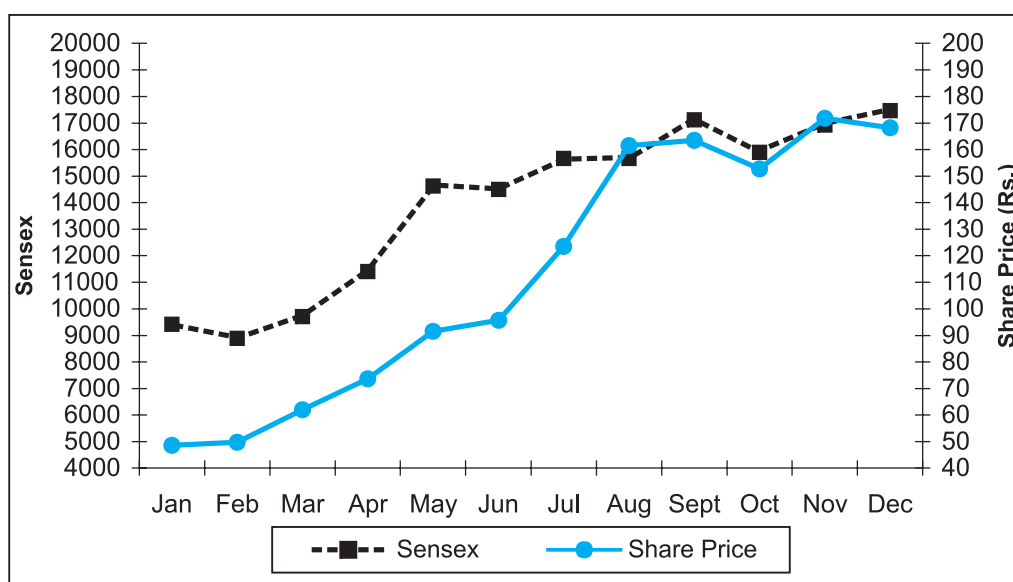
Year 2009

(Rs.)

Month	The Bombay Stock Exchange Ltd. (BSE)	
	High	Low
January	57.00	44.30
February	57.20	42.00
March	64.20	47.05
April	80.65	57.05
May	104.70	74.95
June	104.00	85.00
July	136.40	84.00
August	180.90	120.15
September	177.80	151.10
October	180.60	145.00
November	175.50	138.00
December	195.80	164.05

#### (f) Stock Performance:

Company's Share Price in relation to BSE SENSEX:  
(January to December 2009)



**GOODRICKE GROUP LTD**

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

**(g) Share Transfer System:**

The Company's shares are compulsorily traded in the demat form with effect from 21st March 2000 for all categories of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

**Code No. allotted by NSDL/CDSL :**

(ISIN) INE 300A01016.

**(h)** In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, as amended, the Company has formulated an Internal Code in terms of the above regulations.

**(i) Dematerialisation of Shares:**

As on 31st December 2009, 23.26% of total holdings has been dematerialised.

**(j) (i) Distribution of shareholding as on 31st December 2009**

Group of Shares	No. of Shareholders	%	No. of Shares held	% to Total Shares
1 to 500	12,259	93.89	1,401,447	6.49
501 to 1000	405	3.10	309,432	1.43
1001 to 2000	181	1.39	264,120	1.22
2001 to 3000	64	0.49	162,933	0.76
3001 to 4000	26	0.20	91,557	0.42
4001 to 5000	27	0.20	129,535	0.60
5001 to 10000	55	0.42	408,416	1.89
10001 & higher	40	0.31	18,832,560	87.19
<b>Total</b>	<b>13,057</b>	<b>100.00</b>	<b>21,600,000</b>	<b>100.00</b>

**(ii) Shareholding pattern as at 31st December 2009**

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Foreign Companies	2	15,984,000	74.00
Non-Resident Individuals	84	48,835	0.23
Foreign Institutional Investors/ Foreign Banks	2	20,050	0.09
Banks & Insurance Companies	13	18,289	0.09
Mutual Funds	11	39,551	0.18
Resident individuals	12,556	3,627,125	16.79
Other Bodies Corporate & Trust	331	1,832,747	8.48
Clearing Members	58	29,403	0.14
<b>Total</b>	<b>13,057</b>	<b>21,600,000</b>	<b>100.00</b>



**(k) Outstanding GDR/Warrants and Convertible Bonds, Conversion dates and likely impact on Equity:**

Not Applicable.

**(l) Plant Locations:**

The Company owns seventeen Tea Gardens each having its own processing factory, one Instant Tea Plant and a Tea Blending Unit.

**DOOARS (NORTH BENGAL) – IN JALPAIGURI DISTRICT**

Aibheel  
Chalouni  
Chulsa  
Danguajhar  
Gandrapara  
Hope  
Jiti  
Kumargram  
Lakhipara  
Leesh River  
Meenglas  
Sankos

**ASSAM – IN DARRANG DISTRICT**

Nonaipara  
Orangajuli

**DARJEELING DISTRICT**

Badamtam  
Barnesbeg  
Thurbo

**Note:** Particulars of area under Tea, Crop & others given later in the Report.

**INSTANT TEA PLANT – IN JALPAIGURI DISTRICT**

At Aibheel, Dooars

**DIAMONDPORE TEA BLENDING UNIT – IN JALPAIGURI DISTRICT**

At Aibheel, Dooars

**(m) Address for correspondence:**

**(Registrars & Share Transfer Agents & Depository Registrar)**

C.B. Management Services Pvt. Ltd.  
P-22, Bondel Road, Kolkata - 700 019  
Tel: 4011 6700/715/724/729  
E-Mail: rta@cbmsl.com

Note: In case of continuing difficulty, the Compliance Officer at the Registered Office to be intimated at **email: investor@goodricke.com**

Kolkata  
25th February, 2009

On behalf of the Board  
A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P.K. Sen  
*Directors*

**GOODRICKE GROUP LTD**

## CEO AND CFO CERTIFICATION

We, A.N. Singh, Managing Director & C.E.O. and A. Sengupta, Chief Accountant & C.F.O. certify that:-

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st December, 2009 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st December, 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata  
25th February, 2010

A.N. Singh  
Managing Director & CEO

A. Sengupta  
Chief Accountant & CFO

### **Declaration regarding compliance with the Company's Code of Conduct.**

The Board of Directors of Goodricke Group Limited has adopted two separate Code of Conducts; one to be followed by all members of the Board and the other for Senior Management personnel of the Company in compliance with the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Both these Codes are available on the Company's website [www.goodricke.com](http://www.goodricke.com).

This is to confirm that the Company has received from each member of the Board and Senior Management personnel a Declaration of Compliance with the Code of Conduct as applicable.

Kolkata  
25th February, 2010

**A. N. Singh**  
Managing Director & CEO



## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To**  
**The Members of**  
**Goodricke Group Limited**  
**"Camellia House"**  
**14, Gurusaday Road**  
**Kolkata - 700 019**

We have examined the compliance of conditions of Corporate Governance by Goodricke Group Limited (the Company) for the year ended on 31st December 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kolkata  
25th February, 2010

Partha Mitra  
*Partner*  
Membership No. 50553  
For and on behalf of  
Lovelock & Lewes  
*Chartered Accountants*

**GOODRICKE GROUP LTD**

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF GOODRICKE GROUP LIMITED**

1. We have audited the attached Balance Sheet of Goodricke Group Limited, as at 31st December, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31st December, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st December, 2009;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Kolkata  
25th February, 2010

Partha Mitra  
*Partner*  
Membership No. 50553  
For and on behalf of  
LOVELOCK & LEWES  
*Chartered Accountants*



## ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Goodricke Group Limited on the financial statements for the year ended 31st December, 2009]

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. (a) The inventory (excluding stocks with certain third parties) have been physically verified by the management during the year. In respect of inventory lying with the above mentioned third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The company has taken unsecured loans, from two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 2 crores and Rs. Nil respectively.
- (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- (d) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system. The company does not sell services.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant

**GOODRICKE GROUP LTD**

to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities except there has been a delay in few cases and in two cases the amount is lying for more than six months from the date they became payable viz. electricity duty of Rs. 2,131/- and Tax deducted at source on service charge of Rs. 8,524/- respectively.
- (b) According to the information and explanations given to us and the records of the company examined by us, particulars of dues of income tax as at 31st December, 2009 which have not been deposited on account of any dispute are given in attached Appendix 1.
10. The company has no accumulated losses as at 31st December, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank. There are no dues to any financial institution or debenture holders as at the balance sheet date.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures and hence no securities have been created.
20. The company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Kolkata  
25th February, 2010

Partha Mitra  
*Partner*  
Membership No. 50553  
For and on behalf of  
LOVELOCK & LEWES  
*Chartered Accountants*





## Appendix - 1

### Statement of Disputed Dues as at 31st December 2009

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Central Income Tax	1,051,656	1996-97	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	4,318,753	2001-02	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	3,162,478	2002-03	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	2,995,905	2006-07	The Commissioner of Income Tax (Appeals), Kolkata
The Bengal Agricultural Income Tax Act, 1944	Bengal Agricultural Income Tax	5,533,624	1984-85	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	10,874,512	1989-90	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	13,333,356	1990-91	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	5,202,053	2001-02	Agricultural Income Tax Officer- West Bengal

**GOODRICKE GROUP LTD**

## BALANCE SHEET as at 31st December 2009

	Schedule	2009 Rs.	2008 Rs.
<b>1. SOURCES OF FUNDS</b>			
<b>(1) Shareholders' Funds</b>			
(a) Capital	1	216,000,000	216,000,000
(b) Reserves & Surplus	2	<b>893,011,943</b>	574,669,894
		<u>1,109,011,943</u>	<u>790,669,894</u>
<b>(2) Loan Funds</b>			
Secured Loans	3	<b>92,555,313</b>	298,098,986
<b>(3) Deferred Taxation Liability (net)</b>			
	4	<b>8,352,296</b>	29,511,865
<b>Total</b>		<u><b>1,209,919,552</b></u>	<u>1,118,280,745</u>
<b>2. APPLICATION OF FUNDS</b>			
<b>(1) Fixed Assets</b>			
(a) Gross Block	5	<b>1,651,721,349</b>	1,497,658,051
(b) Less: Depreciation		<b>1,007,751,399</b>	948,134,464
(c) Net Block		<b>643,969,950</b>	549,523,587
(d) Capital Work in Progress		<b>42,173,968</b>	6,632,916
		<u>686,143,918</u>	<u>556,156,503</u>
<b>(2) Investments</b>			
	6	<b>17,517</b>	17,517
<b>(3) Current Assets, Loans &amp; Advances</b>			
(a) Inventories	7	<b>629,789,617</b>	613,074,701
(b) Sundry Debtors	8	<b>420,372,455</b>	341,124,161
(c) Cash & Bank Balances	9	<b>111,542,369</b>	44,543,611
(d) Interest accrued on Deposits		<b>1,036,063</b>	252,556
(e) Loans & Advances	10	<b>217,137,713</b>	271,290,085
		<u>1,379,878,217</u>	<u>1,270,285,114</u>
Less: Current Liabilities & Provisions			
(a) Liabilities	11	<b>755,036,420</b>	632,365,629
(b) Provisions	12	<b>101,083,680</b>	75,812,760
		<u>856,120,100</u>	<u>708,178,389</u>
Net Current Assets		<u><b>523,758,117</b></u>	<u>562,106,725</u>
<b>Total</b>		<u><b>1,209,919,552</b></u>	<u>1,118,280,745</u>
Notes on Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date

On behalf of the Board

Partha Mitra  
*Partner*  
Membership No. 50553  
For and on behalf of  
Kolkata  
25th February, 2010  
LOVELOCK & LEWES  
*Chartered Accountants*

D.P. Chakravarti  
*Sr. General Manager & Secretary*

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

## PROFIT & LOSS ACCOUNT for the year ended 31st December 2009



	Schedule	2009 Rs.	2008 Rs.
<b>INCOME</b>			
Sales		3,721,589,639	2,940,501,290
Less: Excise Duty		<u>3,864,914</u>	<u>2,221,882</u>
		<b>3,717,724,725</b>	2,938,279,408
Other Income	13	<u>131,942,332</u>	51,036,545
		<b>3,849,667,057</b>	<u>2,989,315,953</u>
<b>EXPENDITURE</b>			
(Accretion) / Decretion to Stock	14	<b>(31,865,271)</b>	(80,108,613)
Tea Purchase		<b>680,428,205</b>	471,143,457
Raw Material Consumed	15	<b>325,163,515</b>	233,388,025
Expenses	16	<b>2,230,467,130</b>	2,020,450,048
Depreciation		<b>73,454,189</b>	63,680,645
Interest		<b>41,353,129</b>	45,570,289
(On fixed loan Rs.8,210,219/-; 2008: Rs. 7,581,364/-)			
		<u><b>3,319,000,897</b></u>	<u>2,754,123,851</u>
<b>PROFIT BEFORE TAXATION</b>		<b>530,666,160</b>	235,192,102
Provision for Taxation	17	<u>111,240,431</u>	59,318,828
<b>PROFIT AFTER TAXATION</b>		<b>419,425,729</b>	175,873,274
Add: Profit brought forward from last Account		<u>32,905,221</u>	32,844,707
		<b>452,330,950</b>	208,717,981
<b>APPROPRIATIONS</b>			
Proposed Dividend		<b>86,400,000</b>	64,800,000
Tax on Dividend (for current year)		<b>14,683,680</b>	11,012,760
Transfer to General Reserve		<u>300,000,000</u>	100,000,000
Balance Carried Forward		<u>51,247,270</u>	32,905,221
Earnings Per Share (Basic & Diluted)		<b>19.42</b>	8.14
Notes on Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account  
This is the Profit & Loss Account referred to in our report of even date

On behalf of the Board

Partha Mitra  
*Partner*  
Membership No. 50553  
For and on behalf of  
LOVELOCK & LEWES  
*Chartered Accountants*

Kolkata  
25th February, 2010

D.P. Chakravarti  
*Sr. General Manager & Secretary*

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

**GOODRICKE GROUP LTD**

**Schedules forming part of the Balance Sheet  
as at 31st December 2009**

	2009		2008	
	Rs.	Rs.	Rs.	Rs.
<b>(1) SHARE CAPITAL</b>				
<b>Authorised:</b>				
22,000,000 Equity Shares of Rs. 10/- each		<u>220,000,000</u>		<u>220,000,000</u>
<b>Issued &amp; Subscribed:</b>				
21,600,000 Equity Shares of Rs. 10/- each, fully paid		<u>216,000,000</u>		<u>216,000,000</u>
<b>Of the above:</b>				
1. 2,220,000 Equity Shares of Rs. 10/- each fully paid were issued for consideration other than in cash, pursuant to a scheme of Arrangement for Amalgamation.				
2. 18,600,000 Equity Shares of Rs. 10/- each were issued as fully paid Bonus Shares by way of Capitalisation of General Reserve.				
3. 5,594,400 & 10,389,600 Equity Shares of Rs. 10/- each are held by Western Dooars Investments Limited and Assam Dooars Investments Limited respectively, the subsidiaries of Camellia Plc, the ultimate holding Company.				
<b>(2) RESERVES AND SURPLUS</b>				
<b>Capital Reserves:</b>				
As per last Account (including Rs. 3,883,676/- representing pre-acquisition profit)		<b>13,558,263</b>		13,558,263
<b>Other Reserves:</b>				
<b>Transferred from pre-merger Reserves</b>				
Development Rebate Reserve	991,762		991,762	
Development Allowance Reserve	978,599		978,599	
Investment Allowance (Utilised) Reserve	<u>895,961</u>	<u>2,866,322</u>	<u>895,961</u>	2,866,322
<b>General Reserve:</b>				
As per Last Account	525,340,088		425,340,088	
Add : Transfer from Profit and Loss Account	<u>300,000,000</u>	<u>825,340,088</u>	<u>100,000,000</u>	525,340,088
Profit and Loss Account		<u>51,247,270</u>		<u>32,905,221</u>
		<u><b>893,011,943</b></u>		<u>574,669,894</u>



## Schedules forming part of the Balance Sheet as at 31st December 2009 (Contd.)

	2009 Rs.	2008 Rs.
<b>(3) SECURED LOANS</b>		
From Banks		
Working Capital facilities (Secured by equitable mortgage by deposit of title deeds of the Company's Tea estates and immovable properties thereon and hypothecation of tea crop of Tea estates, book debts, other receivables, stores, equipment and movable plant & machineries both present and future.)	—	233,900,110
Term Loan from HDFC Bank Limited (Secured by equitable mortgage by deposit of title deeds of the Company's Tea estates and immovable properties thereon ranking pari passu with the charge created for working capital facilities.)	<b>37,500,000</b>	62,500,000
Term Loan from HSBC Ltd. (Secured by equitable mortgage on entire stocks and book debts including standing crops, stocks of tea and sale proceeds and movable plant and machinery situated anywhere in India and movable and immovable properties of the company's tea estates.)	<b>4,609,423</b>	
Term Loan from Axis Bank Ltd. (Secured by hypothecation charge on entire movable plant & machinery and other movable fixed assets of the company ranking pari passu with other consortium banks.)	<b>50,000,000</b>	
Term Loan from HDFC Bank Limited (Secured by equitable mortgage by deposit of title deeds of the Company's tea estates and immovable properties thereon ranking pari passu with the charge created for working capital facilities and hypothecation of tea crop of the Tea estates, book debts, other receivables, stores, equipment and movable plant & machineries both present and future.)	—	1,666,663
Interest Accrued & Due	<b>445,890</b>	32,213
	<b>92,555,313</b>	298,098,986
<b>(4) DEFERRED TAXATION</b>		
Deferred Tax Liabilities	<b>36,744,340</b>	39,175,996
Deferred Tax Assets	<b>(28,392,044)</b>	(9,664,131)
	<b>8,352,296</b>	29,511,865

### Schedules forming part of the Balance Sheet as at 31st December 2009 (Contd.)

#### (5) Fixed Assets

Particulars of Assets	COST		DEPRECIATION		NET BLOCK		
	As at 1.1.2009 Rs.	Additions Rs.	Disposals/ Adjustments (Note iii) Rs.	As at 1.1.2009 Rs.	For the year Rs.	As at 31.12.2009 Rs.	As at 31.12.2009 Rs.
<b>TANGIBLE:-</b>							
ESTATE & DEVELOPMENT	66,998,311	346,329	—	—	—	67,344,640	66,998,311
BRIDGES & ROADS	8,992,825	486,625	—	4,641,019	235,588	4,602,843	4,351,806
BUILDINGS	514,946,833	82,037,119	—	268,691,169	21,457,408	306,835,375	246,255,664
PLANT & MACHINERY	699,548,728	68,218,936	10,876,792	529,361,030	37,513,353	200,590,433	170,187,698
WATER SUPPLY & TUBE WELL	37,601,779	103,227	—	25,188,918	1,047,033	11,469,055	12,412,861
FURNITURE & FIXTURE	44,286,087	3,047,399	130,087	31,443,059	2,398,674	13,488,678	12,843,028
EQUIPMENT	28,611,860	1,041,817	43,000	26,049,212	1,113,009	2,485,580	2,562,648
MOTOR VEHICLES	82,220,802	11,180,045	3,514,833	58,717,499	6,992,263	27,275,426	23,503,303
<b>INTANGIBLE</b>							
(OTHER THAN SELF GENERATED)							
COMPUTER SOFTWARE	14,450,826	2,166,513	—	4,042,558	2,696,861	9,877,920	10,408,268
<b>TOTAL</b>	1,497,658,051	168,628,010	14,564,712	948,134,464	73,454,189	643,969,950	549,523,587
PREVIOUS YEAR	1,384,587,734	122,632,463	9,562,146	892,043,375	63,680,645	549,523,587	549,523,587

NOTE: (i) Buildings include land which cannot be segregated.

(ii) Estate and Development include certain leasehold lands value of which are not ascertainable. Renewal of lease agreements of certain estates are pending.

(iii) Additions to Plant & Machinery during the year is net of capital subsidy of Rs.8,490,393 /-; ( 2008 : Rs. 2,399,834/-)



## Schedules forming part of the Balance Sheet as at 31st December 2009 (Contd.)

	2009 Rs.	2008 Rs.
<b>(6) INVESTMENTS (Long Term)</b>		
<b>Trade - Fully paid</b>		
<b>(A) Quoted</b>		
1,107 Equity Shares of Rs. 10/- each in Duncan Industries Limited	<b>664,340</b>	664,340
<b>(B) Unquoted</b>		
20,000 Equity Shares of Rs. 10/- each in ABC Tea Workers' Welfare Services	<b>200,000</b>	200,000
	<b>864,340</b>	864,340
Less: Provision	<b>846,823</b>	846,823
	<b>17,517</b>	17,517
<b>Quoted Investments</b>		
Book Value	<b>7,074</b>	7,074
Market Value	<b>12,553</b>	7,074
# The market value of the investment is not readily available hence not considered in the computation of market value.		
Unquoted Investments	<b>—</b>	—
Book value	<b>10,443</b>	10,443
<b>(7) INVENTORIES</b>		
Stores & Spare Parts	<b>106,101,294</b>	121,945,885
Raw Materials	<b>2,549,234</b>	1,854,998
Finished Goods - Tea ( including Goods in Transit )	<b>521,139,089</b>	489,273,818
	<b>629,789,617</b>	613,074,701
<b>(8) SUNDRY DEBTORS - Unsecured</b>		
Debts outstanding for a period exceeding six months		
Considered Good	<b>6,641,483</b>	13,016,976
Considered Doubtful	<b>7,170,100</b>	55,748,026
	<b>13,811,583</b>	68,765,002
Other Debts -		
Considered Good	<b>413,730,972</b>	328,107,185
Considered Doubtful	<b>—</b>	964,320
	<b>413,730,972</b>	329,071,505
Less: Provision for Doubtful debts	<b>7,170,100</b>	56,712,346
	<b>420,372,455</b>	341,124,161
<b>(9) CASH AND BANK BALANCES</b>		
Cash, Cheques in hand (including cheques in hand Rs.3,197,565/-; 2008: Rs.14,225,397/-)	<b>9,484,257</b>	17,836,748
Remittance in Transit	<b>—</b>	550,780
With Scheduled Banks on		
Current Account	<b>77,788,262</b>	25,142,873
Deposit Account	<b>22,892,219</b>	32,857
Dividend Account	<b>1,377,631</b>	980,353
	<b>111,542,369</b>	44,543,611

**GOODRICKE GROUP LTD**

**Schedules forming part of the Balance Sheet  
as at 31st December 2009 (Contd.)**

	Rs.	2009 Rs.	Rs.	2008 Rs.
<b>(10) LOANS AND ADVANCES</b>				
(Unsecured - considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received*		<b>120,849,109</b>		175,213,731
Considered Doubtful	<b>3,764,408</b>		3,204,898	
Less: Provision	<b>3,764,408</b>	—	3,204,898	—
Deposit With				
NABARD	<b>44,319,700</b>		15,021,100	
Others	<b>12,454,434</b>	<b>56,774,134</b>	12,657,838	27,678,938
Balance with Customs and Excise Authorities		<b>439,245</b>		362,029
Advance payment of Taxes net of Provision of Rs. 1,118,888,020/-; ( 2008: Rs. 986,488,019/-)		<b>39,075,225</b>		68,035,387
		<b>217,137,713</b>		271,290,085
* Note: i) Includes due by: the Directors of the Company (including Rs.130,200/-; (2008: Rs. 253,800/-) made before appointment as Director.)		<b>130,200</b>		269,395
ii) Maximum amount due at any time during the year by the Directors of the company (including Rs.253,800/-; (2008: Rs. 968,621/-) made before appointment as Director.		<b>253,800</b>		994,470
<b>(11) LIABILITIES</b>				
Sundry Creditors		<b>331,006,788</b>		244,706,771
Unclaimed Dividend*		<b>1,377,631</b>		980,353
Other Liabilities		<b>422,334,098</b>		385,964,164
Interest Accrued but not due on Loans		<b>317,903</b>		714,341
		<b>755,036,420</b>		632,365,629
*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st December 2009.				
<b>(12) PROVISIONS</b>				
Proposed Dividend		<b>86,400,000</b>		64,800,000
Tax on Dividend		<b>14,683,680</b>		11,012,760
		<b>101,083,680</b>		75,812,760





## Schedules forming part of the Profit & Loss Account for the year ended 31st December 2009 (Contd.)

	2009 Rs.	2008 Rs.
<b>(13) OTHER INCOME</b>		
Interest on Nabard & Other Deposits (Gross)	<b>1,492,565</b>	542,428
(Tax Deducted at Source Rs.125,663/-; 2008: Rs.105,280/-)		
Interest on Overdue Bills (Gross)	<b>1,528,950</b>	602,531
(Tax Deducted at Source Rs.186,661/-; 2008: Rs. 70,040/-)		
Interest on Income Tax	<b>17,842,223</b>	—
Replanting & Other Subsidies	<b>14,529,949</b>	7,662,124
Profit on Sale/Discard of Fixed Assets (Net)	<b>5,516,397</b>	687,884
Liabilities no longer required written back	<b>3,777,837</b>	15,860,018
Provision for doubtful debts & advances no longer required written back	<b>52,895,219</b>	—
Miscellaneous Receipts	<b>30,074,987</b>	25,620,560
Gain in Foreign Exchange	<b>4,284,205</b>	—
Provisions for Long Term Trade Investments no Longer required written back	—	2,000,000
Less : Long Term Trade Investments written off	—	1,939,000
	<b><u>131,942,332</u></b>	<u>51,036,545</u>
 <b>(14) (ACCRETION) / DECRETION TO STOCK</b>		
Opening Stock of Tea	<b>489,273,818</b>	409,165,205
Less : Closing Stock of Tea	<b>521,139,089</b>	489,273,818
	<b><u>(31,865,271)</u></b>	<u>(80,108,613)</u>
 <b>(15) RAW MATERIAL CONSUMED</b>		
Opening Stock	<b>1,854,998</b>	421,482
Add : Purchase	<b>325,857,751</b>	234,821,541
	<b><u>327,712,749</u></b>	<u>235,243,023</u>
Less : Closing Stock	<b>2,549,234</b>	1,854,998
	<b><u>325,163,515</u></b>	<u>233,388,025</u>

**GOODRICKE GROUP LTD**

**Schedules forming part of the Profit & Loss Account  
for the year ended 31st December 2009 (Contd.)**

	<b>2009</b>	<b>2008</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>(16) EXPENSES</b>		
Salaries, Wages, Bonus etc.	<b>878,443,584</b>	838,980,484
Contribution to Provident, Gratuity and other funds	<b>137,538,207</b>	135,471,352
Directors' Fees	<b>238,000</b>	263,000
Workmen and Staff Welfare Expenses	<b>139,276,745</b>	139,873,967
Consumption of Stores and Spare Parts	<b>288,491,351</b>	276,120,316
Power and Fuel	<b>245,970,966</b>	250,306,379
Excise Duty and Cess	<b>5,916,266</b>	6,428,409
Insurance	<b>5,782,888</b>	5,223,436
Rent	<b>8,669,382</b>	8,807,311
Rates and Taxes	<b>8,961,095</b>	5,994,515
Repairs to Buildings	<b>18,180,194</b>	14,557,896
Repairs to Machinery	<b>29,294,060</b>	29,848,358
Advertisement	<b>15,912,543</b>	12,681,019
Freight, Sales, Warehouse Charges etc. (Refer Note 13 of schedule 18)	<b>253,755,794</b>	177,089,318
Provision for diminution in the value of investments	—	60,572
Miscellaneous Expenses	<b>137,228,352</b>	111,552,703
Debts / Loans and advances Written Off	<b>52,895,219</b>	—
Loss in exchange	—	5,038,784
Provision for Bad debts	<b>3,912,484</b>	2,152,229
	<b><u>2,230,467,130</u></b>	<b><u>2,020,450,048</u></b>
 <b>(17) PROVISION FOR TAXATION</b>		
Current Tax	<b>131,000,000</b>	55,400,000
(Including provision for earlier years Rs.- Nil /-; 2008: Rs. - 10,400,000/-)		
Fringe Benefit Tax	<b>1,400,000</b>	5,000,000
Deferred Tax	<b>(21,159,569)</b>	(1,081,172)
	<b><u>111,240,431</u></b>	<b><u>59,318,828</u></b>

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009**



**1. SIGNIFICANT ACCOUNTING POLICIES**

**a) CONVENTION**

The financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently, are set out below. Financial Statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 of India.

**b) BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with the historical cost convention.

**c) FIXED ASSETS**

**I) TANGIBLE**

- i) Fixed assets are stated at cost of acquisition together with any incidental expenses of acquisition.
- ii) Depreciation on fixed assets other than Estate and Development has been provided on Written Down value method in accordance with Schedule XIV of the Companies Act, 1956. Estate & Development is not depreciated.
- iii) All expenditure incurred for extension of new areas of cultivation are capitalised. However, cost of upkeep and maintenance and cost of replanting in existing areas are charged to revenue.
- iv) Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets.
- v) Profit or Loss on disposal of Fixed Assets is recognised in the Profit and Loss Account.

**II) INTANGIBLE**

- i) Cost of software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expenses incurred on upgradation / enhancements is charged off as revenue expenditure unless they bring similar significant additional benefits.
- ii) Capitalised software costs is amortised on a straight line basis over a period of five years.

**III) IMPAIRMENT OF FIXED ASSETS**

An impairment loss is recognised where applicable, when the carrying value of the fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

**d) INVESTMENTS**

Long Term Investments are stated at cost and where applicable, provision is made in case of permanent diminution in value of investments.

**GOODRICKE GROUP LTD**

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

**e) INVENTORIES**

Inventories are valued at lower of cost (net of input VAT) and net realisable value. Cost is determined on weighted average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks where necessary.

**f) RESEARCH AND DEVELOPMENT**

Research and Development Expenditure of revenue nature is charged to the Profit and Loss Account and capital expenditure is treated as fixed assets.

**g) RETIREMENT BENEFITS**

(i) The Company operates defined contribution schemes like Provident Fund and defined Contribution Pension Schemes.

The Company makes regular contribution to provident funds which are fully funded and administered by Trustees/Government and are independent of Company's finance. Contributions are recognized in Profit & Loss Account on an accrual basis. The Company operates a non contributory defined contribution pension scheme for certain employees. The Company contributes 15% of the employees' current salary to the above contribution fund which is recognised in the Profit & Loss Account.

(ii) Defined Benefit Plans like Gratuity and Pension Schemes are also maintained by the company. The Company contributes to gratuity fund and such contribution is determined by the actuary at the end of the year. The Company also operates a non contributory defined benefit pension scheme for certain employees. The Company contributes to the said defined benefit Pension Fund on the basis of actuarial valuation at the end of each year. Both the pension funds and gratuity fund are administered by the Trustees and is independent of the Company's finance.

(iii) For Schemes where recognized funds have been set up annual contributions, determined as payable in the actuarial valuation report, are contributed. Actuarial gains & losses are recognized in the Profit & Loss Account. The Company recognizes in the Profit & Loss Account gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

(iv) Post retirement medical benefits are provided by the Company for certain category of employees. Liability is determined through independent year end actuarial valuation and is recognized in the Profit & Loss Account.

(v) Provision is made for retirement leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Profit and Loss Account.

(vi) Expatriate retired employees pension paid is accounted for in the Profit and Loss Account.

**h) SALES**

Sales represent the invoiced value of goods supplied less Sales Tax / Value Added Tax.

**i) INCOME FROM INVESTMENTS**

Income from investments is included together with the related tax credit in the Profit and Loss Account.

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**



**j) REPLANTING AND OTHER SUBSIDIES**

Replanting and other subsidies of revenue nature are recognised as income in the Profit and Loss Account.

**k) FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Profit and Loss Account.

Premium or discount on forward contracts are amortised over the life of the contract. Foreign exchange forward contracts are marked to market at the balance sheet date and the exchange loss if any, is recognised in the Profit & Loss Account.

**l) DEFERRED TAXATION**

Provision for deferred taxation is made using the liability method, at the current rates of taxation, on all timing differences to the extent that it is probable that a liability or asset will crystallise.

**m) BORROWING COSTS**

Borrowing cost attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged to Profit and Loss Account.

**n) LEASES**

Lease Payments under the Operating Lease are recognised as an expense in the Profit & Loss Account, on a straight line basis over the lease term.

2. Contingent liabilities not provided for in respect of:

	<b>2009</b>	2008
	<b>Rs.</b>	Rs.
a) Income Tax matters under appeal (without considering concomitant liability in respect of Agricultural Income Tax)	<b>68,989,838</b>	39,863,556
b) Bills discounted / Factoring	—	19,329,894
c) Disputed Duties, etc.	<b>2,556,480</b>	1,177,618

3. Estimated amount of contracts to be executed on Capital Account and not provided for Rs.41,220,442 /- (2008 - Rs. 47,103,546/- ) including Rs. Nil (2008 - Rs. 4,526,297/-) for Computer Software.

**GOODRICKE GROUP LTD**

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

4. Consequent upon the vesting of the Indian undertakings on 1st January, 1978 of the eight Sterling Companies under the scheme of amalgamation, the title in respect of certain tea estates acquired under such scheme, are to be transferred in the name of the company. The company has been legally advised that the notification issued by the Government of West Bengal in 1994 for payment of salami does not apply to the company.
5. Provision for taxation has been made as per the Income Tax Act, 1961 and the rules framed thereunder with reference to the profit for the year ended 31st December, 2009 which extends over two assessment years, Assessment Year 2009-2010 and Assessment Year 2010-2011. The ultimate tax liability for the Assessment Year 2010-2011 will be determined on the total income for the period from 1st April, 2009 to 31st March, 2010.
6. a) Research & Development expenses charged to revenue Rs. 2,657,200/- (2008 - Rs. 2,551,395/-).
- b) The Company has taken various premises under operating lease having tenure of 11 months/3 years. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to Rs.1,670,412/- (2008- Rs.1,995,307/-) This includes a lease arrangement with an escalation clause of 7% p.a. at the end of each year.

	<b>2009</b>	2008
	<b>Rs.</b>	Rs.
c) Miscellaneous expenses include:		
Payments to Auditors (as Auditor) :-		
Audit Fees	<b>800,000</b>	800,000
Tax Audit Fees	<b>200,000</b>	200,000
Other Fees	<b>1,300,000</b>	1,300,000
Reimbursement of Expenses	<b>327,485</b>	465,573
	<b>2,627,485</b>	2,765,573

7. Directors' Remuneration

	<b>2009</b>	2008
	<b>Rs.</b>	Rs.
Salaries	<b>3,000,000</b>	3,300,000
Commission	<b>4,200,000</b>	4,400,000
Gratuity, Pensions etc. (*)	<b>450,000</b>	6,701,000
Other benefits	<b>4,416,112</b>	4,405,746
Directors' Fees	<b>238,000</b>	263,000
	<b>12,304,112</b>	19,069,746

- (\*) This includes Rs. NIL (2008 - Rs. 6,206,000/-) on account of consideration in connection with retirement of one of the directors from office.

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**



Computation of Profit in accordance with Section 198/349 of the Companies Act, 1956

	<b>2009</b>	2008
	<b>Rs.</b>	Rs.
Profit before taxation as per Profit & Loss Account	<b>530,666,160</b>	235,192,102
Add:		
Directors Remuneration	<b>12,304,112</b>	19,069,746
Provision for Bad Debt	<b>3,912,484</b>	2,152,229
Provision for Diminution in the value of Investments	—	60,572
Capital Subsidy Received	—	2,399,834
Depreciation	<b>73,454,189</b>	63,680,645
Long Term Trade Investments written off	—	1,939,000
Wealth Tax	<b>500,000</b>	500,000
	<b><u>620,836,945</u></b>	<u>324,994,128</u>
Less:		
Capital Profit on sale of Fixed Assets	<b>1,900,324</b>	197,295
Depreciation under Section 350 of the Companies Act, 1956	<b>70,757,328</b>	62,432,384
Amortisation of Intangibles	<b>2,696,861</b>	1,248,261
Bad Debts written off	<b>52,895,219</b>	—
Provision for Long Term Trade Investments no Longer required written back	—	2,000,000
	<b><u>492,587,213</u></b>	<u>259,116,188</u>
Profit for the purpose of Director's Commission	<b>4,200,000</b>	4,400,000
Commission to Managing Director	<b><u>4,200,000</u></b>	<u>4,400,000</u>

8. Deferred Taxation

The major components of the Deferred Tax Assets/Liabilities based on the tax effect of the timing differences, as at 31st December, 2009 are as under:-

	<b>2009</b>	2008
	<b>Rs.</b>	Rs.
Deferred Tax Liability		
Depreciation	<b>36,744,340</b>	39,175,996
	<b><u>36,744,340</u></b>	<u>39,175,996</u>
Deferred Tax Assets		
Expenditure u/s 43B of the Income Tax Act, 1961	<b>2,464,885</b>	1,914,977
Employee Benefits	<b>25,927,159</b>	7,749,154
	<b><u>28,392,044</u></b>	<u>9,664,131</u>
Deferred Tax Liability (Net)	<b><u>8,352,296</u></b>	<u>29,511,865</u>

**GOODRICKE GROUP LTD**

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

9. a) Licensed and installed capacity and actual production:

	Licensed capacity	Installed capacity	Actual production 2009 Kgs.	2008 Kgs.
i) Tea	Not applicable	Not ascertainable	<b>19,956,618*</b>	21,522,179*
ii) Instant tea	6 Lacs Kgs. p.a.	6 Lacs Kgs. p.a.	<b>187,025</b>	275,911

\* Represents saleable production i.e. excluding trade samples, statutory free issue to the workers, etc. 391,390 Kgs. (2008 - 187,051 Kgs.) and 400 Kgs. (2008 - Nil Kgs.) of made tea valued at Rs. 99,748/- (2008 - Rs. Nil ) used as raw material for the production of Instant Tea.

	2009		2008	
	Kg.	Rs.	Kg.	Rs.
b) Raw Materials Consumed				
i) Green Leaf Plucked**	<b>71,337,116</b>	<b>Not Ascertainable</b>	81,192,364	Not Ascertainable
ii) Green Leaf Purchased	<b>18,787,044</b>	<b>292,952,636</b>	15,677,614	205,736,017
iii) Tea including Tea Waste	<b>684,528</b>	<b>32,210,879</b>	1,041,662	27,652,008

\*\* Being raw materials harvested in the Company's own estates as agricultural produce involving integrated activities of nursery, cultivation, growth etc. and utilised in the manufacture of tea and their values at the intermediate stage could not be ascertained.

Green Leaf used as raw materials for the production of Instant Tea - 276,183 Kgs. (2008 - 464,885 Kgs.)

c) Purchases and Sales of Tea:

	2009		2008	
	Kg.	Rs.	Kg.	Rs.
i) Purchases				
Tea	<b>5,732,788</b>	<b>680,428,205</b>	4,918,510	471,143,457
ii) Sales				
Tea including Packet Tea***	<b>26,166,895</b>	<b>3,629,369,278</b>	25,991,148	2,839,858,328
Instant Tea	<b>196,425</b>	<b>92,220,361</b>	274,740	100,642,962

\*\*\* Including samples, etc. but does not include blend gain, free tea on account sales promotion, etc. - 206,003 Kgs. (2008 - 33,676 Kgs.)

d) Opening and closing stock in trade:

	2009		2008	
	Kg.	Rs.	Kg.	Rs.
i) Tea including Packet Tea				
Opening Stock	<b>5,764,720</b>	<b>473,135,225</b>	5,348,855	387,453,960
Closing Stock	<b>5,081,228</b>	<b>505,002,508</b>	5,764,720	473,135,225
ii) Instant Tea				
Opening Stock	<b>50,637</b>	<b>16,138,593</b>	49,511	21,711,245
Closing Stock	<b>39,172</b>	<b>16,136,581</b>	50,637	16,138,593



**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**



	<b>2009</b>	2008
	<b>Rs.</b>	Rs.
10. (i) C.I.F. Value of Imports		
Raw Materials	<b>30,208,532</b>	20,591,617
Capital Goods	—	4,237,215
(ii) Expenditure in Foreign Currency		
Pension	<b>414,127</b>	547,211
Commission	<b>2,251,236</b>	2,350,460
Bank Charges	<b>202,851</b>	251,508
Consultancy Fees	—	59,537
Others	<b>1,867,001</b>	393,628
(iii) Earnings in Foreign Currency		
F.O.B. Value of Export Sale	<b>286,181,205</b>	255,926,470
(iv) Dividend remitted to non-resident shareholders in Foreign Currency		
No. of non-resident shareholders	<b>2</b>	2
No. of equity shares held by them on which dividend was due	<b>15,984,000</b>	15,984,000
Year to which dividend relates	<b>31.12.08</b>	31.12.07
Amount remitted	<b>Rs.47,952,000</b>	Rs.23,976,000

11. (a) Total Stores & spares consumed included in the Profit & Loss Account under various heads including the amount shown in Schedule 16 is Rs. 518,473,590/- (2008 - Rs. 495,550,980/-)

(b) Value of Stores & Spare parts consumed:	<b>2009</b>	2008
	<b>Value</b>	<b>Value</b>
	<b>Rs.</b>	<b>Rs.</b>
	<b>%</b>	<b>%</b>
Imported	<b>128,605</b>	259,259
Indigenous	<b>518,344,985</b>	495,291,721
	<b>518,473,590</b>	495,550,980
	<b>100.00</b>	100.00

(c) Value of Raw Materials Consumed:

	<b>2009</b>	2008
	<b>Value</b>	<b>Value</b>
	<b>Rs</b>	<b>Rs</b>
	<b>%</b>	<b>%</b>
Imported	<b>29,734,386</b>	20,591,618
Indigenous	<b>295,429,129</b>	212,796,407
	<b>325,163,515</b>	233,388,025
	<b>100.00</b>	100.00

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

12. There are no Micro, Small and Medium Enterprises, as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006" identified by the company on the basis of information available with the company.
13. Freight, Sales, Warehouse charges, etc. in schedule 16 include Brokerage Rs.48,383,059/- (2008 - Rs.31,833,624/-), Commission Rs. 16,419,986/- (2008 - Rs. 15,016,912/-), Insurance Rs. 1,783,993/- (2008 - Rs.1,086,483/-), Shipping and Other Charges Rs. 20,830,080/- (2008 - Rs. 12,935,778/-), Sales Promotion Rs. 80,880,159/- (2008 - Rs. 36,073,110/-) and Freight Rs. 73,832,036/- (2008 - Rs. 60,911,882/-).
14. Earning Per Equity Share (Basic and Diluted)  
The calculation of earning per share is based on the Profit after taxation of Rs. 419,425,729/- (2008 - Rs. 175,873,274/-) and Equity Shares outstanding (Nominal value Rs. 10/- each) during the year aggregating to 21,600,000 (2008 - 21,600,000).

15. Segment Information :- (Rs.)

	<b>Export</b>		<b>Domestic</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Total Segment Revenue from sales	305,838,613	274,706,590	3,506,364,786	2,737,899,304	3,812,203,399	3,012,605,894
Less: Inter Segment Revenue from sales	15,860,438	9,345,487	74,753,322	62,759,117	90,613,760	72,104,604
	289,978,175	265,361,103	3,431,611,464	2,675,140,187	3,721,589,639	2,940,501,290
Less Excise Duty	—	—	3,864,914	2,221,882	3,864,914	2,221,882
Total Revenue from Sales to External Customers	289,978,175	265,361,103	3,427,746,550	2,672,918,305	3,717,724,725	2,938,279,408
Segment Result	28,538,463	14,967,267	665,126,232	413,976,601	693,664,695	428,943,868
Less : Unallocable expense net of income					121,645,406	148,181,477
Less : Interest					41,353,129	45,570,289
Profit before Taxation					530,666,160	235,192,102
Provision for Taxation					111,240,431	59,318,828
Profit after Taxation					419,425,729	175,873,274
Segment Assets	120,238,887	147,188,806	1,667,967,338	1,457,183,943	1,788,206,225	1,604,372,749
Unallocated Corporate Assets					277,833,427	222,086,385
Total Assets					2,066,039,652	1,826,459,134
Segment Liabilities	50,279,299	25,379,635	594,963,413	509,077,410	645,242,712	534,457,045
Unallocated Corporate Liabilities					311,784,997	501,332,195
Total Liabilities					957,027,709	1,035,789,240
Capital Expenditure	1,395,294	141,827	197,849,985	84,432,017		
Depreciation	8,310,088	11,281,437	53,343,846	43,296,204		
Non Cash - Expenditure	—	3,579,596	3,912,484	1,187,909		

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**



Notes :

- i) The Company is engaged in the business of cultivation, manufacture and sale of Tea. The products and their applications are homogeneous in nature. The segments are classified as Exports and Domestic.
- ii) The Segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income / expenditure relate to the Company as a whole and are earned / incurred at the corporate level.
- iii) Pricing of inter segment transfers is based on benchmark market price.

**16. Related Party Disclosures**

1. Shareholders of the Company:—

Western Dooars Investment Ltd. and Assam Dooars Investment Ltd. together hold 74% of the Equity Share Capital of the Company. Camellia Plc is the ultimate holding company which is indirectly holding Western Dooars Investment Ltd. and Assam Dooars Investment Ltd.

2. Other related parties with whom transactions have taken place during the year:—

Fellow Subsidiary Companies:—

Stewart Holl (India) Limited, Amgoorie India Limited, Koomb Properties & Leasing Company Private Limited, Goodricke Technical & Management Services Limited, Borbam Investments Limited, Koomb Tea Company Private Limited, Lebong Investments Private Limited.

3. Key Management Personnel:—

A. N. Singh — Managing Director & CEO

**GOODRICKE GROUP LTD**

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

**Related Party Disclosures (Contd.)**

**Particulars of transactions during the year ended 31st December, 2009**

(Rs.)

Nature of Transactions	Shareholders	Fellow Subsidiary Companies	Key Management Personnel	Total
Sale of Goods :	—	9,236,150	—	9,236,150
To two fellow Subsidiaries :	—	(1,267,805)	—	(1,267,805)
Rs.Nil (Rs.950,177),Rs.8,629,675/- (Rs.317,628/-)				
Sale of Fixed Asset :	—	1,600	—	1,600
To a Fellow Subsidiary : Rs.1600/-(Rs.192,173/-)	—	(192,183)	—	(192,183)
Purchase of Fixed assets	—	3,730,600	—	3,730,600
From a Fellow Subsidiary :	—	(2,241,072)	—	(2,241,072)
Rs.Nil (Rs.2,231,572/-),Rs.3,730,600/-(Rs.7000/-)				
Purchase of Goods & Services :	—	202,366,521	—	202,366,521
From two fellow Subsidiaries : Rs. 144,735,926/- (Rs.85,533,783/),Rs.46,242,666/-(Rs.34,614,149/-)	—	(120,527,332)	—	(120,527,332)
Sale of Green Leaf to a fellow subsidiary.	—	—	—	—
	—	(936,200)	—	(936,200)
Remuneration Paid :	—	—	12,066,112	12,066,112
To Two Managing Directors	—	—	(18,806,746)	(18,806,746)
Rs. Nil (Rs.12,929,681/-),Rs. 12,066,112 /-(Rs.5,877,065/-)				
Dividends Paid :	47,952,000	4,066,590	—	52,018,590
To Two Shareholders : Rs.31,168,800/- (Rs.15,584,400/-),Rs.16,783,200/-(Rs.8,391,600/-)	(23,976,000)	(2,650,283)	—	(26,626,283)
To three fellow Subsidiaries : Rs.2,488,410/- (Rs.1,245,855/-), Rs. 715,239/- (Rs.972,957/-),Rs.633,000/- (Rs.316,500/-)				
Interest Paid to Fellow Subsidiary	—	269,589	—	269,589
Rs.108,493/-(Rs. Nil),Rs.161,096/-(Rs.Nil)	—	(—)	—	(486,164)
Reimbursement of Expenses (Net)	—	334,256	—	334,256
	—	(-4,744,485)	—	(4,744,485)
From Fellow Subsidiary : Rs.4,656,807/- (Rs.1,134,191/-)				
To two fellow Subsidiaries : Rs. 3,678,499/- (Rs.3,829,869/-),Rs. 644,052/- (Rs.2,150,036/-)				
Rent paid to a fellow subsidiary	—	4,134,333	—	4,134,333
	—	(4,073,928)	—	(4,073,928)
Loan Taken from a fellow Subsidiary:	—	30,000,000	—	30,000,000
Rs.20,000,000/-(Rs. Nil),Rs.10,000,000/-(Nil)	—	(—)	—	(—)
Repayment of Loan to a Fellow Subsidiary.	—	30,000,000	—	30,000,000
	—	(—)	—	(—)
Loans & Advances Given :	—	—	18,426	18,426
To one of the Managing Director	—	—	(18,226)	(18,226)
Recovery of Loans & Advances	—	16,425,000	132,859	16,557,859
	—	(49,400,000)	(717,452)	(50,117,452)
From a Fellow Subsidiary : Rs.16,425,000/- (Rs.49,400,000/-)				
From Two Managing Directors : Rs.Nil(Rs.550,000/-), Rs.123,600/- (Rs.167,452/-)				
Outstanding as at year end:				
Debit	—	—	139,367	139,367
	—	(18,074,934)	(269,395)	(18,344,329)
Credit	—	(30,632,849)	4,200,000	(26,432,849)
	—	(26,116,552)	(8,919,872)	(35,036,424)

Note: Previous year's figures are in brackets.



**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

17. As at 31st December, 2009 the company had net outstanding foreign currency exposures of Rs. 31,455,367/- (USD equivalent 685,988) (2008 - Rs. 50,229,234/- USD equivalent 1,031,402) of which Rs. Nil (USD equivalent (2008 - of which Rs. 30,583,600/- USD equivalent 628,000) has been covered by forward contracts.

18. Previous year's figures have been re-grouped and / or re-arranged wherever necessary.

**19. Post Retirement Employee Benefits:**

The Company operates defined contribution schemes like provident fund and defined contribution pension schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognized funds maintained by the Company and for certain employees contributions are made to State Plans. In case of Provident fund schemes, contributions are also made by the employees. An amount of Rs.131,189,833 (2008 - Rs. 87,645,513) has been charged to the Profit & Loss Account on account of defined contribution schemes.

The Company also operates defined benefit schemes like gratuity, leave encashment, defined benefit pension and post retirement medical. The pension benefits, medical benefits and leave encashment benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognized funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

**Amounts recognised in the Balance Sheet are as follows:**

	Pension			Medical			Leave Encashment			Rs.
	2009	2008	2007	2009	2008	2007	2009	2008	2007	
Present value of funded obligation	165,641,486	154,810,619	149,081,859	—	—	—	—	—	—	
Fair Value of Plan Assets	148,467,019	138,877,773	149,143,002	—	—	—	—	—	—	
	17,174,467	15,932,846	(61,143)	—	—	—	—	—	—	
Present Value of Unfunded Obligation	—	—	—	55,531,260	57,427,627	55,124,025	7,801,255	7,696,115	4,866,464	
Unrecognized past service cost	—	—	—	—	—	—	—	—	—	
Net Liability/(Asset)	17,174,467	15,932,846	(61,143)	55,531,260	57,427,627	55,124,025	7,801,255	7,696,115	4,866,464	

Net Assets in respect of gratuity of Rs 192,607,000 (2008 - Rs. 154,882,000) has not been recognised in the Balance Sheet.

**Amounts recognized in "Contribution to Provident, Gratuity and other funds", "Salaries, Wages, Bonus etc" and "Workmen and Staff Welfare Expenses" under Schedule 16 are follows:**

	Pension			Medical			Leave Encashment			Rs.
	2009	2008	2007	2009	2008	2007	2009	2008	2007	
Current Service Cost	28,722,328	31,841,362	926,464	3,192,708	5,276,206	3,028,223	460,637	3,754,985	261,150	
Interest cost	12,135,677	8,667,771	12,145,189	4,558,352	3,557,383	4,320,743	605,320	284,021	421,698	
Expected Return on plan assets	(11,110,221)	(11,931,440)	(12,322,262)	—	—	—	—	—	—	
Net actuarial loss/(gain) recognized during the year	(23,399,410)	(3,139,647)	15,820,287	(8,751,008)	(5,739,889)	(2,765,645)	(701,608)	62,566	(605,834)	
Total	6,348,374	25,438,046	16,569,678	(999,948)	3,093,700	4,583,321	364,349	4,101,572	77,014	

**GOODRICKE GROUP LTD**

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

**Reconciliation of opening and closing balances of the present value of the obligations:**

Rs.

	Funded						Unfunded					
	Pension		Gratuity		Medical		Leave Encashment					
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Opening defined benefit obligation	154,810,619	149,081,859	159,191,323	448,531,000	341,146,000	325,197,000	57,427,627	55,124,025	51,123,872	7,696,115	4,866,464	4,961,162
Current service cost	28,722,328	31,841,362	926,464	22,166,000	15,535,000	14,771,000	3,192,708	5,276,206	3,028,223	460,637	3,754,985	261,150
Interest Cost	12,135,677	8,667,771	12,145,189	27,971,000	26,041,000	24,509,000	4,558,352	3,557,383	4,320,743	605,320	284,021	421,698
Actuarial loss/(gain)	(23,797,824)	(3,317,308)	9,432,357	(41,532,000)	97,082,000	(1,385,000)	(8,751,008)	(5,739,889)	(2,765,645)	(701,608)	62,566	(605,834)
Benefit Paid	(6,229,314)	(31,463,065)	(32,613,474)	(36,422,000)	(31,273,000)	(21,946,000)	(896,419)	(790,098)	(583,168)	(259,209)	(1,271,921)	(171,712)
Closing Defined Benefit Obligation	165,641,486	154,810,619	149,081,859	420,714,000	448,531,000	341,146,000	55,531,260	57,427,627	55,124,025	7,801,255	7,696,115	4,866,464

**Reconciliation of opening and closing balances of the fair value of plan assets:**

Rs.

	Pension		Gratuity			
	2009	2008	2007	2009	2008	2007
Opening fair value of plan Assets	138,877,773	149,143,002	154,028,277	603,413,000	585,453,000	562,448,000
Expected Return on Plan Assets	11,110,221	11,931,440	12,322,262	47,343,000	47,409,000	41,361,000
Actuarial gain/(loss)	(398,414)	(177,661)	(6,387,930)	(1,013,000)	1,824,000	3,590,000
Contribution by employer	5,106,753	9,444,057	21,793,867	—	—	—
Benefits Paid	(6,229,314)	(31,463,065)	(32,613,474)	(36,422,000)	(31,273,000)	(21,946,000)
Closing Fair value of Plan Assets	148,467,019	138,877,773	149,143,002	613,321,000	603,413,000	585,453,000
Actual Return on Plan Assets	10,711,807	11,753,779	5,934,332	46,330,000	49,233,000	44,951,000

**Major Categories of Plan Assets as a percentage of fair value of the total plan assets:**

	2009	2008	2007
Govt of India Securities	38.30%	36.41%	34.79%
PSU bonds	32.88%	31.56%	33.51%
Special Deposits	20.46%	21.05%	21.32%
Mutual Funds and Other Current Assets	8.36%	10.98%	10.38%
Total	100.00%	100.00%	100.00%



**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2009 (Contd.)**

**Effect of increase /decrease of one percentage point in the assumed medical cost trend rates :-**

As per Actuary, the cost trend in rates in case of medical benefits have no effect on the amount recognised since the benefit is in the form of a fixed amount

**Principal Actuarial assumptions used:**

	2009	2008	2007
Discount rates	8.00%	6.50%	8 % & 8.50%
Expected rate of return on plan assets	8% & 7.79 %	8% & 8.09%	8% & 8.32%
Expected salary increase rates	5.00%	5.00%	5.00%
Mortality rates	LIC(1994-96) mortality tables	LIC(1994-96) mortality tables	LIC(1994-96) mortality tables

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Company for the year ended 31st December 2010 has not been ascertained.

Kolkata  
25th February, 2010

D. P. Chakravarti  
*Sr. General Manager & Secretary*

On behalf of the Board  
A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

# GOODRICKE GROUP LTD

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### IN TERMS OF SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956.

I. Registration Details

CIN 

L	0	1	1	3	2	W	B	1	9	7	7	P	L	C	0	3	1	0	5	4
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date 

3	1
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1	2
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2	0	0	9
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Date                      Month                      Year

II. Capital Raised during the Year (Amount in Rs. Thousands)

NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

<p style="text-align: center;">Total Liabilities</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>0</td><td>6</td><td>6</td><td>0</td><td>4</td><td>0</td></tr></table> <p>Sources of Funds</p> <p style="text-align: center;">Paid-Up Capital</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>1</td><td>6</td><td>0</td><td>0</td><td>0</td></tr></table> <p style="text-align: center;">Secured Loan</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>9</td><td>2</td><td>5</td><td>5</td><td>5</td></tr></table> <p style="text-align: center;">Deferred Taxation</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>8</td><td>3</td><td>5</td><td>3</td></tr></table> <p>Application of Funds</p> <p style="text-align: center;">Net Fixed Assets</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>6</td><td>8</td><td>6</td><td>1</td><td>4</td><td>4</td></tr></table> <p style="text-align: center;">Current Assets</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>3</td><td>7</td><td>9</td><td>8</td><td>7</td><td>8</td></tr></table>			2	0	6	6	0	4	0				2	1	6	0	0	0					9	2	5	5	5						8	3	5	3				6	8	6	1	4	4				1	3	7	9	8	7	8	<p style="text-align: center;">Total Assets</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>0</td><td>6</td><td>6</td><td>0</td><td>4</td><td>0</td></tr></table> <p style="text-align: center;">Reserves &amp; Surplus</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>8</td><td>9</td><td>3</td><td>0</td><td>1</td><td>2</td></tr></table> <p style="text-align: center;">Unsecured Loan</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table> <p style="text-align: center;">Current Liabilities</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>8</td><td>5</td><td>6</td><td>1</td><td>2</td><td>0</td></tr></table> <p style="text-align: center;">Investments</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>8</td></tr></table> <p style="text-align: center;">Misc. Expenditure</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			2	0	6	6	0	4	0				8	9	3	0	1	2								N	I	L				8	5	6	1	2	0									1	8									N	I	L
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IV. Performance of the Company (Amount in Rs. Thousands)

<p style="text-align: center;">Turnover &amp; Other Income</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td>3</td><td>8</td><td>4</td><td>9</td><td>6</td><td>6</td><td>7</td></tr></table> <p style="text-align: center;">Profit/Loss Before Tax</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>5</td><td>3</td><td>0</td><td>6</td><td>6</td><td>6</td></tr></table> <p style="text-align: center;">Earning Per Share in Rs.</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>9</td><td>.</td><td>4</td><td>2</td></tr></table>			3	8	4	9	6	6	7				5	3	0	6	6	6				1	9	.	4	2	<p style="text-align: center;">Total Expenditure</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td>3</td><td>3</td><td>1</td><td>9</td><td>0</td><td>0</td><td>1</td></tr></table> <p style="text-align: center;">Profit/Loss After Tax</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>1</td><td>9</td><td>4</td><td>2</td><td>6</td></tr></table> <p style="text-align: center;">Dividend rate %</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>0</td></tr></table>			3	3	1	9	0	0	1				4	1	9	4	2	6				4	0
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V. Generic Names of Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC) 

				0	9	0	2	3	0
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Product Description 

I	N	D	I	A	N		B	L	A	C	K		T	E	A					
I	N	S	T	A	N	T		T	E	A		P	O	W	D	E	R			

Kolkata  
25th February, 2010

D. P. Chakravarti  
*Sr. General Manager & Secretary*

On behalf of the Board  
A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2009

	Year ended 31.12. 2009		Year ended 31.12.2008	
	Rs.	Rs.	Rs.	Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before taxation		530,666,160		235,192,102
Adjustments for:				
Depreciation	73,454,189		63,680,645	
Provision for diminution in value of Investment	—		60,572	
Interest expense	41,353,129		45,570,289	
Interest income	(20,863,738)		(1,144,959)	
Profit on sale/discard of Fixed Assets (Net)	(5,516,397)		(687,884)	
Provision for Long Term Trade Investments no longer required written back	—		(2,000,000)	
Long Term Trade Investments written off	—		1,939,000	
Provision for Doubtful debts and Loans & Advances no longer required written back	(52,895,219)		—	
Debts, Loans & Advances written off	52,895,219		—	
Liabilities no longer required written back	(3,777,837)		(15,860,018)	
Provision for Bad Debts	3,912,484		2,152,229	
Unrealised (gain)/loss on exchange	288,378		2,615,276	
		<u>88,850,208</u>		<u>96,325,150</u>
Operating Profit before Working capital changes		619,516,368		331,517,252
Adjustment for :				
Trade and other Receivables	(58,333,379)		(83,589,443)	
Inventories	(16,714,916)		(118,488,896)	
Trade Payables	126,524,215		188,210,346	
		<u>51,475,920</u>		<u>(13,867,993)</u>
Cash generated from operations		670,992,288		317,649,259
Direct Taxes Paid		(103,439,838)		(44,750,320)
Net cash from operating activities		<u>567,552,450</u>		<u>272,898,939</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	(212,659,453)		(129,630,332)	
Sale of Fixed Assets	6,243,859		2,660,474	
Capital Subsidy received	8,490,393		2,399,834	
Interest Received	20,080,231		1,148,556	
Proceeds from sale/liquidation of Investments	—		61,000	
Net cash used in investing activities		<u>(177,844,970)</u>		<u>(123,360,468)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES				
(Decrease)/Increase in working capital facilities from Bank	(233,900,110)		(25,854,576)	
Repayment of Long Term Borrowings	(26,666,663)		(17,500,001)	
Proceeds from Long Term Borrowings	54,609,423		—	
Dividend Paid	(64,402,722)		(32,212,900)	
Income Tax on Dividend paid	(11,012,760)		(5,506,380)	
Interest Paid	(41,335,890)		(45,833,322)	
Net cash used in financing activities		<u>(322,708,722)</u>		<u>(126,907,179)</u>
Net increase in Cash & cash equivalents		<u>66,998,758</u>		<u>22,631,292</u>
(D) CASH AND CASH EQUIVALENTS				
Opening Balance		44,543,611		21,912,319
Closing Balance		<u>111,542,369</u>		<u>44,543,611</u>

- Note: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Companies (Accounting Standards) Rules, 2006  
2. Cash and cash equivalents represent cash and bank balances only.  
3. Previous year's figures have been rearranged/regrouped wherever necessary.

Kolkata  
25th February, 2010

This is the Cash Flow statement referred to in our Report of even date.

Kolkata  
25th February, 2010

D. P. Chakravarti  
Sr. General Manager & Secretary

On behalf of the Board  
A. N. Singh  
Managing Director  
S. Kaul  
K. Sinha  
P.K. Sen  
Directors

Partha Mitra  
Partner  
Membership No. 50553  
For LOVELOCK & LEWES  
Chartered Accountants


**GOODRICKE GROUP LTD**

## Financial, Production and Other Statistics

	(Rs. in millions)					
	2004	2005	2006	2007	2008	2009
Fixed Assets (at cost less depreciation)	470.88	476.34	451.84	494.58	556.16	686.14
Investments	0.64	0.47	0.47	0.08	0.02	0.02
Current Assets (Less current liabilities)	540.39	622.00	599.87	567.96	562.10	523.76
Miscellaneous Expenditure	1.40	—	—	—	—	—
Deferred Tax Assets / (Liabilities)	(49.16)	(43.91)	(40.25)	(30.59)	(29.51)	(8.35)
<b>TOTAL ASSETS EMPLOYED IN BUSINESS</b>	<b>964.15</b>	<b>1,054.90</b>	<b>1,011.93</b>	<b>1,032.03</b>	<b>1,088.77</b>	<b>1,201.57</b>
Equity shares	216.00	216.00	216.00	216.00	216.00	216.00
Reserves and Surplus	435.15	454.16	478.35	474.61	574.67	893.01
<b>SHAREHOLDERS' FUND (NET WORTH)</b>	<b>651.15</b>	<b>670.16</b>	<b>694.35</b>	<b>690.61</b>	<b>790.67</b>	<b>1,109.01</b>
Secured and Unsecured loans	313.00	384.74	317.58	341.42	298.10	92.56
<b>TOTAL FUNDS</b>	<b>964.15</b>	<b>1,054.90</b>	<b>1,011.93</b>	<b>1,032.03</b>	<b>1,088.77</b>	<b>1,201.57</b>
Sales	1,936.68	2,100.55	2,213.82	2,374.33	2,940.50	3,721.59
Profit before tax	35.68	45.30	76.43	104.71	235.19	530.67
Provision for tax	3.49	7.72	21.45	27.34	59.32	111.24
Profit after tax	32.19	37.58	54.98	77.37	175.87	419.43
Earning per share (Rs.)	1.49	1.74	2.55	3.58	8.14	19.42
Net worth per Equity Share (Rs.)	30.08	31.03	32.15	31.97	36.61	51.34
<b>DIVIDEND</b>						
Percentage	5.00	7.50	12.50	15.00	30.00	40.00
Amount	10.80	16.20	27.00	32.40	64.80	86.40
<b>TOTAL NO. OF SHAREHOLDERS</b>	<b>15,720</b>	<b>15,023</b>	<b>14,379</b>	<b>13,581</b>	<b>13,497</b>	<b>13,057</b>
<b>PLANTED AREA &amp; PRODUCTION:</b>						
Area under Mature Tea (hectares)	8,906.85	8,883.93	8,865.61	8,772.45	8,662.49	8,615.93
Area under Young Tea (hectares)	868.52	812.13	775.79	885.13	996.73	1,053.56
Total planted area (hectares)	9,775.37	9,696.06	9,641.40	9,657.58	9,659.22	9,669.49
Production-Kgs. (millions) (own crop)	16.21	16.34	17.50	18.88	18.44	16.16
<b>NUMBER OF EMPLOYEES</b>	<b>25,294</b>	<b>25,439</b>	<b>25,112</b>	<b>25,093</b>	<b>25,205</b>	<b>25,357</b>



## STATISTICS—Area and Crop (2009)

GARDENS	Mature Tea Area (in Hectares)	Young Tea Area (in Hectares)	Total Planted Area (in Hectares)	Own Crop (Gross) (Kgs)	Yield per Hectare (Kgs)
<b>DOOARS</b>					
Danguajhar	596.68	69.33	666.01	1,221,463	2,047
Leesh River	568.77	34.28	603.05	1,115,072	1,960
Meenglas	560.26	58.26	618.52	1,247,622	2,227
Aibheel	761.30	74.72	836.02	1,545,001	2,029
Chulsa	347.35	87.58	434.93	628,531	1,810
Chalouni	425.76	102.12	527.88	711,814	1,672
Hope	356.51	56.85	413.36	652,291	1,830
Jiti	453.28	95.86	549.14	813,313	1,794
Gandrapara	729.08	86.17	815.25	1,612,360	2,211
Lakhipara	551.14	54.02	605.16	1,310,689	2,378
Kumargram	533.63	80.59	614.22	1,092,279	2,047
Sankos	594.26	70.94	665.20	1,299,618	2,187
	<b>6,478.02</b>	<b>870.72</b>	<b>7,348.74</b>	<b>13,250,053</b>	<b>2,045</b>
Previous year	6,526.54	822.20	7,348.74	15,405,852	2,360
<b>ASSAM</b>					
Orangajuli	648.59	76.41	725.00	1,250,718	1,928
Nonaipara	605.44	44.82	650.26	1,165,966	1,926
	<b>1,254.03</b>	<b>121.23</b>	<b>1,375.26</b>	<b>2,416,684</b>	<b>1,927</b>
Previous year	1,250.26	122.73	1,372.99	2,472,968	1,978
<b>DARJEELING</b>					
Thurbo	463.88	28.56	492.44	271,224	585
Badamtam	294.00	27.05	321.05	163,639	557
Barnesbeg	126.00	6.00	132.00	61,335	487
	<b>883.88</b>	<b>61.61</b>	<b>945.49</b>	<b>496,198</b>	<b>561</b>
Previous year	885.69	51.80	937.49	563,037	636
<b>GRAND TOTAL</b>					
	<b>8,615.93</b>	<b>1,053.56</b>	<b>9,669.49</b>	<b>16,162,935</b>	<b>1,876</b>
Previous year	8,662.49	996.73	9,659.22	18,441,857	2,129

**GOODRICKE GROUP LTD**

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**Notes**