

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2009

1. Your Directors hereby submit their Report and Accounts for the financial year ended 31st March, 2009.

2. COMPANY PERFORMANCE

Considering the present business environment, the Company has not contracted any fresh business and the temporary surplus funds of the Company have been invested in debt mutual funds to optimise returns.

The financial results of the Company, summarised, are as under :

	Rs.
Profit Before Tax	2,84,48,344
Provision for Tax (including Fringe Benefit Tax)	3,42,036
Profit After Tax	2,81,06,308
Add : Profit brought forward from previous year	4,35,48,032
Surplus available for Appropriation	7,16,54,340
Transferred to General Reserve	28,10,631
Interim Dividend paid (recommended as Final Dividend)	5,00,00,000
Dividend Tax paid	84,97,500
Balance carried forward	1,03,46,209

Your Directors declared on 20th March, 2009, an Interim Dividend of Rs. 5,00,00,000/- (Rupees Five Crores) on 1,59,98,385 Ordinary Shares of Rs.10/- each, fully paid, out of the profits of the Company to the Members whose names appeared on the Register of Members of the Company on 20th March, 2009 and which is now recommended by your Directors as the Final Dividend for the financial year ended 31st March, 2009.

3. DIRECTORS

In accordance with the provisions of Article 92 of the Articles of Association of the Company, Mr. Saradindu Dutta will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-election. Your Board of Directors has recommended his re-election.

4. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm having : -

- i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanations relating to material departures, if any;

- ii) 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 and of the profit of the Company for that period;
- iii) 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; and
- iv) prepared the Annual Accounts on a going concern basis.

5. PARTICULARS OF EMPLOYEES

None of the employees of the Company is covered under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. AUDITORS

The Auditors, Messrs. Basu, Chatterjee & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

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

Considering the nature of business of the Company, no comment is required on conservation of energy and technology absorption. There has been no foreign exchange earnings or outflow during the year under review.

12th May, 2009

Virginia House
37 J L Nehru Road
Kolkata 700 071

On behalf of the Board

P. Chatterjee Director
S. Dutta Director

**Auditors' Report
To the Members of
Gold Flake Corporation Limited**

1. We have audited the attached balance sheet of **Gold Flake Corporation Limited** as at 31st March 2009, the profit and loss account and cash flow statement for the year ended on that date annexed thereto. 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 the 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, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose 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 above, we report that:
 - (i) 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;
 - (ii) in our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of those books;
 - (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, balance sheet, profit and loss account and cash flow statement dealt with by this report are in compliance with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2009;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Place: Kolkata
Date: 12th May, 2009

For Basu, Chatterjea & Co.,
Chartered Accountants
S.K. Chatterjea
Partner
Membership No.: 005629

Annexure to the Auditors' Report to the Members of Gold Flake Corporation Limited

[Referred to in paragraph 3 thereof]

1.
 - (a) The company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
 - (b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.
 - (c) During the year, in our opinion, and according to information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company.
2. According to information and explanations given to us and as per the books and records of the Company examined by us, there was no stock held by the Company at any time during the year.
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 Companies Act, 1956. As the Company has not granted any loans, secured or unsecured to parties covered in the register mentioned under Section 301 of the Companies Act, 1956, paragraphs (iii)(b), (c) and (d) of the Order are not applicable.
 - (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties covered in the paragraph mentioned under Section 301 of the Companies Act, 1956, paragraphs (iii)(f) and (g) of the Order, are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business for purchase of fixed assets and for sale of goods and services. Further on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8.
 - (a) According to the information and explanations given to us, and according to the books and records examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues, including sales tax, income tax, cess and any other material statutory dues as applicable to it with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, there are no undisputed dues including sales tax, income tax, cess which were outstanding for more than 6 months as at 31st March 2009.
 - (c) According to the information and explanations given to us, there are no undisputed dues, including sales tax, income tax, cess which were outstanding as at 31st March 2009.

GOLD FLAKE CORPORATION LIMITED

9. The company does not have accumulated losses as at 31st March 2009, and has not incurred cash losses during the year ended on that day and in the immediately preceding financial year.
10. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
12. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
13. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
14. The company has not raised money by public issue during the year.
15. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.
16. The nature of the Company's activities during the year ended 31st March, 2009, indicate that the provisions of clauses 4(viii), (xi), (xiii), (xvi), (xvii), (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable.

Place: Kolkata
Date: 12th May, 2009

For Basu, Chatterjea & Co.,
Chartered Accountants
S.K. Chatterjea
Partner
Membership No.: 005629

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	31st March, 2009		31st March, 2008	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	1		15,99,83,850		15,99,83,850
b) Reserves and Surplus	2		1,90,72,432		4,94,63,624
Total			17,90,56,282		20,94,47,474
II. APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	3	90,942		40,85,943	
b) Less: Depreciation		90,432		40,85,201	
c) Net Block			510		742
2. Investments	4		17,92,13,929		20,92,38,741
3. Current Assets, Loans and Advances					
a) Current Assets	5	2,46,679		1,66,811	
b) Loans and Advances		2,96,138		1,69,96,474	
		5,42,817		1,71,63,285	
4. Less: Current Liabilities and Provisions	6	7,00,974		1,69,55,294	
Net Current Assets / (Liabilities)			(1,58,157)		2,07,991
Total			17,90,56,282		20,94,47,474
Notes to the Accounts	9				
Significant Accounting Policies	10				

The Schedules referred to above form an integral part of the Balance Sheet
As per our Report of even date attached.

For Basu, Chatterjea & Co.
Chartered Accountants
S.K.Chatterjea
Partner

Kolkata, 12th May, 2009

On Behalf of the Board

P. Chatterjee Director
S. Dutta Director
N. Bajaj Secretary

GOLD FLAKE CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
I. INCOME			
Dividend Income		2,86,11,799	2,92,07,415
Interest on Income Tax Refund		21,550	-
Other Income		2,97,392	1,48,507
		2,89,30,741	2,93,55,922
II. EXPENDITURE			
Salaries and Wages		3,75,822	2,08,473
Operating and Establishment Expenses	7	74,674	60,938
Excess of Cost over Fair Value of Current Investments		-	70,182
Loss on sale of Current Investments (net)		31,670	9,30,271
Depreciation		231	2,301
		4,82,397	12,72,165
III. PROFIT			
Profit before Taxation		2,84,48,344	2,80,83,757
Provision for Taxation	8	3,42,036	1,41,700
Profit after Taxation		2,81,06,308	2,79,42,057
Profit brought forward		4,35,48,032	1,56,05,975
Available for appropriation		7,16,54,340	4,35,48,032
IV. APPROPRIATIONS			
Dividend Paid		5,00,00,000	-
Income Tax on Dividend		84,97,500	-
General Reserve		28,10,631	-
Profit carried forward		1,03,46,209	4,35,48,032
		7,16,54,340	4,35,48,032
Earnings Per Share (Face Value Rs 10.00 each) (Basic & Diluted)	9(4)	1.76	1.75
Notes to the Accounts	9		
Significant Accounting Policies	10		

The Schedules referred to above form an integral part of the Profit and Loss Account. As per our Report of even date attached.

For Basu, Chatterjee & Co.
Chartered Accountants
S.K.Chatterjee
Partner

Kolkata, 12th May, 2009

On Behalf of the Board

P. Chatterjee	<i>Director</i>
S. Dutta	<i>Director</i>
N. Bajaj	<i>Secretary</i>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2009**

	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
A. NET PROFIT BEFORE TAX	2,84,48,344	2,80,83,757
ADJUSTMENTS FOR:		
Depreciation	231	2,301
Income from Long Term Investments	(1,80,00,000)	(1,80,00,000)
Income from Current Investments	(1,06,11,799)	(1,12,07,415)
Interest on Income Tax (Net)	(21,064)	-
Excess of Cost over Fair Value of Current Investments	-	70,182
(Profit)/Loss on Sale of Current Investments	31,670	9,30,271
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1,52,618)	(1,20,906)
ADJUSTMENTS FOR:		
Trade and Other Receivables	(6,123)	(72,564)
Trade Payables	5,430	14,621
CASH GENERATED FROM OPERATIONS	(1,53,311)	(1,78,849)
Income Tax Refund / (Payment) (Including Fringe Benefit Tax)	1,19,614	(93,864)
NET CASH USED IN OPERATING ACTIVITIES	(33,697)	(2,72,713)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Income from Long Term Investments	1,80,00,000	1,80,00,000
Income from Current Investments	65,81,428	28,15,200
Purchase of Current Investments	(1,74,24,03,855)	(1,22,66,73,000)
Sale of Current Investments	1,77,64,27,369	1,20,61,05,794
Sale of Fixed Assets	-	3,348
NET CASH FROM INVESTING ACTIVITIES	5,86,04,942	2,51,342
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(5,00,00,000)	-
Income Tax on Dividend Paid	(84,97,500)	-
NET CASH FLOW USED IN FINANCING ACTIVITIES	(5,84,97,500)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	73,745	(21,371)
OPENING CASH AND CASH EQUIVALENTS	89,246	1,10,617
CLOSING CASH AND CASH EQUIVALENTS	1,62,991	89,246

As per our Report of even date attached.

For Basu, Chatterjea & Co.
Chartered Accountants
S.K.Chatterjea
Partner

Kolkata, 12th May, 2009

On Behalf of the Board

P. Chatterjee *Director*
S. Dutta *Director*
N. Bajaj *Secretary*

SCHEDULES TO THE ACCOUNTS

1. SHARE CAPITAL

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
Authorised:		
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000	20,00,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued, Subscribed and Paid-up:		
1,59,98,385 Equity Shares of Rs.10/- each, fully paid up	15,99,83,850	15,99,83,850
(All the above shares are held by the Holding Company, ITC Limited)	<u>15,99,83,850</u>	<u>15,99,83,850</u>

2. RESERVES AND SURPLUS

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
General Reserve		
At the commencement of the year	59,15,592	59,15,592
Add: From Profit and Loss Account	28,10,631	-
	<u>87,26,223</u>	<u>59,15,592</u>
Profit and Loss Account	1,03,46,209	4,35,48,032
	<u>1,90,72,432</u>	<u>4,94,63,624</u>

SCHEDULES TO THE ACCOUNTS(Contd.)

3. FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BOOK VALUE
	As at commencement of the year	Additions	Withdrawal	As at the end of the year	As at commencement of the year	For the year	On Withdrawals	As at the end of the year	As at 31st March, 2009
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Plant and Machinery	40,80,853	-	39,95,000	85,853	40,80,407	178	39,95,000	85,585	268
Furniture and Fixtures	5,090	-	-	5,090	4,795	53	-	4,848	242
TOTAL	40,85,943	-	39,95,000	90,943	40,85,202	231	39,95,000	90,432	510
Previous Year	41,26,727	-	40,784	40,85,943	41,20,338	2,301	37,436	40,85,203	740

SCHEDULES TO THE ACCOUNTS (Contd.)

4. INVESTMENTS

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
UNQUOTED		
A. Long Term TRADE INVESTMENTS		
ITC Filtrona Limited		
22,50,000 (2008 - 22,50,000) Equity Shares of Rs.10/- each, fully paid up	2,25,00,000	2,25,00,000
ATC Limited		
(Formerly known as Asia Tobacco Company Limited)		
55,650 (2008- 55,650) Equity Shares of Rs.100/- each, fully paid up	83,47,500	83,47,500
1,39,125 (2008- 1,39,125) Equity Shares of Rs.100/- each, partly paid up	1,04,34,375	1,04,34,375
	<u>4,12,81,875</u>	<u>4,12,81,875</u>
B. Current OTHER INVESTMENTS		
Principal Cash Management Fund Liquid Option Institutional Plan -Dividend Reinvest Daily Nil (2008-17,312) Units of Rs. 10/- each	-	1,73,162
Sundaram BNP Paribas Interval Fund Quarterly Plan B-Institutional Dividend Nil (2008 - 1,59,95,681) Units of Rs.10/- each	-	16,00,00,000
Pru ICICI Short Term Div Reinvest-Fortnightly Nil (2008 - 7,02,500) Units of Rs.10/- each	-	77,83,704
DWS Fixed Term Fund Series 52 Institutional Dividend 1,00,00,000 (2008 - Nil) Units of Rs.10/- each	10,00,00,000	-
ICICI Prudential Institutional Liquid Plan- Super Institutional Daily Dividend 6,31,170 (2008 - Nil) Units of Rs.10/- each	63,12,018	-
IDFC Money Manager Fund Investment Plan - Institutional Plan B-Daily Dividend 31,57,267 (2008 - Nil) Units of Rs.10/- each	3,16,20,036	-
	<u>13,79,32,054</u>	<u>16,79,56,866</u>
Total (A + B)	<u>17,92,13,929</u>	<u>20,92,38,741</u>

5. CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
A. CURRENT ASSETS		
Cash and Bank Balances		
Balance with Scheduled Banks		
- In Current Accounts	1,62,842	88,573
Cash/Cheques in Hand	149	673
Other Current Assets (Unsecured - Considered good)		
- Deposits	5,000	5,000
- Others	78,688	72,565
	<u>2,46,679</u>	<u>1,66,811</u>
B. LOANS AND ADVANCES		
(Unsecured - Considered good)		
Advance Payment of Tax		
- Income Tax	2,92,094	1,69,94,930
- Fringe Benefit Tax	4,044	1,544
	<u>2,96,138</u>	<u>1,69,96,474</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

6. CURRENT LIABILITIES AND PROVISIONS

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors		
- Total Outstanding dues of Micro and Small Enterprises	-	-
- Others	27,605	27,934
TDS Payable	4,629	2,291
Security Deposit	4,64,204	4,64,204
B. PROVISIONS		
Provision for Retirement Benefits	8,042	4,621
Provision for Tax		
- Income Tax	1,95,300	1,64,55,300
- Fringe Benefit Tax	1,194	944
	7,00,974	1,69,55,294

7. OPERATING AND ESTABLISHMENT EXPENSES

	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
Rates and Taxes	17,594	5,140
Filing Fees	1,168	3,500
Auditors' Remuneration (including Service Tax)		
- Audit Fees	19,854	20,225
- Other Services	14,045	14,045
Professional Fees	12,000	14,740
Printing and Stationery	5,002	2,811
Miscellaneous Expenses	5,011	477
	74,674	60,938

8. PROVISION FOR TAXATION

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008
Income Tax for the year		
- Current Tax	-	1,41,300
- Fringe Benefit Tax	250	400
	250	1,41,700
Add: Adjustments related for previous years		
- Current Tax	3,41,786	-
	3,42,036	1,41,700

9. NOTES TO THE ACCOUNTS

1. Uncalled liability in respect of partly paid up shares is Rs.1,04,34,375/- (2008- Rs.1,04,34,375/-).
2. Dividend Income represents Rs.1,80,00,000/- (2008 - Rs.1,80,00,000/-) from Long Term Investments.
3. During the year, the following Current Investments were purchased and sold: -

- (i) 1,34,909 Units of AIG India Liquid Fund -Institutional -Daily Div. Reinvest at cost of Rs. 13,50,36,401.97/-
- (ii) 95,72,494 Units of AIG India Treasury Fund Institutional Daily Dividend at cost of Rs. 9,58,30,235.90/-
- (iii) 39,860 Units of AIG India Liquid Fund Retail Daily Dividend at cost of Rs. 3,98,91,408.15/-
- (iv) 50,00,000 Units of BSL Quarterly Interval - Series 4 Dividend Payout at cost of Rs. 5,00,00,000/-
- (v) 40,51,691 Units of Canara Robeco Liquid Plus Institutional Daily Dividend Fund at cost of Rs. 5,02,69,738.06/-
- (vi) 32,43,295 Units of Kotak Liquid (Institutional) - Daily Dividend at cost of Rs. 3,96,59,334.21/-
- (vii) 10,052 Units of Fidelity Cash Fund (Retail) Daily Dividend at cost of Rs. 1,00,538.89/-
- (viii) 89,99,018 Units of IDFC Cash Fund - Super Institutional Plan C Daily Dividend at cost of Rs. 9,00,12,674.50/-
- (ix) 46,444 Units of ING Liquid Fund-Daily Dividend Option at cost of Rs. 5,01,008.67/-
- (x) 1,80,33,303 Units of JM High Liquidity Fund-Institutional Plan - Daily Dividend (76) at cost of Rs. 18,06,30,579.79/-
- (xi) 1,80,94,779 Units of JM Money Manager Fund Super Plus Plan-Daily Dividend (171) at cost of Rs. 18,10,43,692.70/-
- (xii) 2,73,27,747 Units of JP Morgan India Treasury Fund - SIP Daily Div. Reinvest at cost of Rs. 27,35,20,687.54/-
- (xiii) 1,80,78,841 Units of JP Morgan India Liquid Plus Fund Super Inst-Daily Dividend Plan Reinvest at cost of Rs. 18,09,31,232.95/-
- (xiv) 17,340 Units of Principal Floating Rate Fund SMP Institutional Option Dividend Reinvestment at cost of Rs. 1,73,416.84/-
- (xv) 17,336 Units of Principal Floating Rate Fund - FMP - Institutional Daily Dividend Daily at cost of Rs. 1,73,572.69/-
- (xvi) 1,33,50,887 Units of TATA Floating Rate Short Term Inst. Plan- Daily Dividend at cost of Rs. 13,37,11,805.05/-
- (xvii) 331 Units of Templeton India Treasury Management Account Regular Plan – Daily Dividend Reinvestment at cost of Rs. 5,00,772.48/-.

4. Earnings per Share:

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Profit / (Loss) after Taxation (Rs)	2,81,06,308/-	2,79,42,057/-
Weighted average number of Equity Shares outstanding	1,59,98,385	1,59,98,385
Basic and diluted Earnings per share (Face Value - Rs.10.00 per share)	Rs. 1.76	Rs. 1.75

5. Remuneration of Manager :
Salaries : Rs. 3,41,500/- (2008 – Rs 1,92,000/-)
Other Benefits : Rs. 30,901/- (2008- 6,120/-)

6. Related Party Disclosures :

(a) Relationships:

Holding Company	ITC Limited
Joint Venture	ITC Filtrona Limited

Key Management Personnel

Mr. K. Vaidyanath	Non Executive Chairman
Mr. P. Chatterjee	Non-Executive Director
Mr. B. B. Chatterjee	Non-Executive Director
Mr. S. Dutta	Non-Executive Director

(b) Disclosure of transaction between the Company and Related Party:

Particulars	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
Joint Venture Company		
Dividend Received	1,80,00,000/-	1,80,00,000/-
Holding Company		
Miscellaneous Income	2,97,392/-	1,48,494/-
Dividend Paid	5,00,00,000/-	Nil
Balance as at	31st March, 2009 (Rs.)	31st March, 2008 (Rs.)
Holding Company		
Receivables	78,688/-	74,247/-

7. Provision for Taxation included in the Profit and Loss Account represents Current Tax. The incidence of Deferred Tax being insignificant, is not considered.

8. Interest in Joint Venture :

The Company's interests, as a venturer, in jointly controlled entity (incorporated Joint Ventures) is :

Name	Country of Incorporation	Percentage of Voting Power as at 31st March, 2009
ITC Filtrona Limited	India	50

The financial statements of ITC Filtrona Limited are drawn up to 31st December, 2008

The Company's interests in this Joint Venture is reported as Long Term Investment (Schedule 4) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in the Joint Venture are :

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
I. ASSETS		
1. Fixed Assets (net)	8,97,67,621	6,39,39,734
2. Current Assets, Loans and Advances		
a) Inventories	11,74,86,886	5,26,57,551
b) Sundry Debtors	2,51,15,892	2,23,23,435
c) Cash and Bank Balances	56,56,091	93,18,522
d) Other Current Assets	10,96,635	8,07,210
e) Loans and Advances	1,80,97,505	1,89,33,022
II. LIABILITIES		
1. Current Liabilities and Provisions		
a) Liabilities	10,40,40,860	5,68,88,515
b) Provisions	2,60,41,106	2,24,07,978
2. Deferred Tax (net)	66,48,862	56,54,335
III. INCOME		
1. Sales	5,68,00,09,008	48,54,68,111
2. Other Income	52,03,053	40,31,796
IV. EXPENSES		
1. Raw Materials, etc.	37,42,89,945	32,00,94,215
2. Excise Duties and Taxes on sale of Products and Services	6,91,60,466	6,36,87,434
3. Manufacturing, Selling, etc. Expense	4,66,42,883	3,77,49,333
4. Depreciation	94,40,780	87,72,930
5. Provision for Taxation (including Fringe Benefit Tax)	2,43,40,843	2,00,41,726
V. OTHER MATTERS		
1. Capital Commitments	93,99,996	56,06,065

9. Segment Reporting: The Company operates in a single business and geographical segment.

10. Employee Benefits :

Liability for Gratuity and Leave Encashment has been actuarially determined and provided for in the books. The following table sets out the status as required by AS – 15.

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
I. Components of Employer Expense				
1. Current Service Cost	234	2,798	2,371	2,250
2. Interest Cost	166	158	Nil	Nil
3. Expected Return on Plan Assets	Nil	Nil	Nil	Nil
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Past Service Cost	Nil	Nil	Nil	Nil
7. Actuarial Losses/(Gains)	(37)	102	Nil	Nil
8. Total expense recognised in the Statement of Profit & Loss Account	363	3,058	2,371	2,250
II. Net Asset/ (Liability) recognised in Balance Sheet				
1. Present Value of Defined Benefit Obligation	2,734	5,308	2,371	2,250
2. Fair Value on Plan Assets	Nil	Nil	Nil	Nil
3. Status [Surplus/(Deficit)]	(2,734)	(5,308)	(2,371)	(2,250)
4. Unrecognised Past Service Cost	Nil	Nil	Nil	Nil
5. Net Asset/ (Liability) recognised in Balance Sheet	(2,734)	(5,308)	(2,371)	(2,250)
III. Change in Defined Benefit Obligations (DBO)				
1. Present Value of DBO at the Beginning of Period	2,371	2,250	Nil	Nil
2. Current Service Cost	234	2,798	2,371	2,250
3. Interest Cost	166	158	Nil	Nil
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Plan Amendments	Nil	Nil	Nil	Nil
7. Acquisitions	Nil	Nil	Nil	Nil
8. Actuarial (Gains)/Losses	(37)	102	Nil	Nil
9. Benefits Paid	Nil	Nil	Nil	Nil
10. Present Value of DBO at the End of Period	2,734	5,308	2,371	2,250
IV. Actuarial Assumptions				
1. Discount Rate (%)	7.00	7.00	7.50	7.50

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

11. There are no Micro, Small and Medium Enterprises, to whom the Company owes any dues, as at 31st March 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

12. Figures for the previous year have been regrouped / re-arranged wherever necessary.

10. SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The Financial Statements are prepared on accrual basis under the historical cost convention.

Fixed Assets

Fixed Assets are stated at cost including any incidental acquisition expenses.

Depreciation

Depreciation is provided on "Written Down Value" basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Investments

Long Term Investments are stated at cost. Current Investments are stated at lower of cost and fair value. However, suitable provisions are considered for permanent diminution in value of Long Term Investments, if any. Income from Investments is included together with the related tax credit in the Profit and Loss Account.

Inventories

The inventories are valued at cost or below. The average cost is computed on the basis of weighted average method.

Foreign Currency Liabilities

Foreign Currency Liabilities are restated at the rates ruling at the year end and all exchange gains / losses arising therefrom are adjusted in the Profit and Loss Account except for those covered by forward contract rates where the gains / losses arising from such restatement are recognised over the period of such contracts.

Borrowing Costs

Borrowing cost that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as part of cost of such assets. All other borrowing cost are charged to revenue.

Lease Rentals

Lease Rentals are being accounted for on an accrual basis.

Retirement Benefits

Liability for leave encashment and Gratuity payable to employees is provided for at the year-end on actuarial basis.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period. To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

For Basu, Chatterjea & Co.
Chartered Accountants

On behalf of the Board

S.K.Chatterjea
Partner
Kolkata, 12th May, 2009

P. Chatterjee	<i>Director</i>
S. Dutta	<i>Director</i>
N. Bajaj	<i>Secretary</i>

GOLD FLAKE CORPORATION LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As per Schedule VI, part IV of the Companies Act, 1956)

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs Thousands)

Public Issue <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Rights Issue <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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III. Position of Mobilisation and Deployment of Funds (Amounts in Rs Thousands)

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Sources of Funds

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Application of Funds

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IV. Performance of Company (Amount in Rs Thousands)

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+ - Profit/Loss before Tax <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	+ - Profit/Loss after Tax <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

(Please tick Appropriate box + for Profit, - for Loss)

Earning per Share in Rs. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Dividend rate % <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Product Description	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Audit Committee: Mr. K. Vaidyanath, Chairman, M/s. P. Chatterjee, B.B. Chatterjee, Members