



Harrisons Malayalam Limited

24/1624, Bristow Road, Willingdon Island, Cochin 682003

CIN: L01119KL1978PLC002947

e-mail: hmlcorp@harrisonsmalayalam.com Website: www.harrisonsmalayalam.com

Tel: 0484-6624362 Fax: 0484-2668024

16th October, 2018

<p>The Secretary Bombay Stock Exchange Ltd. Corporate Relationship Dept. 1st Floor, New Trading Ring Rotunda Building, PJ Towers Dalal Street, Fort <u>Mumbai - 400 001</u> Symbol: 500467</p>	<p>The Secretary National Stock Exchange of India Ltd. "Exchange Plaza", Bandra-Kurla Complex Bandra (E) <u>Mumbai - 400 051</u> Symbol: HARRMALAYA</p>
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Dear Sirs,

Sub: Annual Report for the Financial year ended March 31, 2018

Please find enclosed herewith the Annual Report of Harrisons Malayalam Limited for the financial year ended March 31, 2018.

This is for your information and records.

Yours faithfully,
For **HARRISONS MALAYALAM LIMITED**

BINU THOMAS
Company Secretary



HARRISONS MALAYALAM LIMITED
Annual Report 2017 - 2018

Board of Directors

Haigreave Khaitan
Golam Momen
P Rajagopalan
J M Kothary
N Dharmaraj (Whole Time Director)
Sachin Nandgaonkar
Kaushik Roy
Surbhi Singhi

Manager

V Venugopal

Company Secretary

Binu Thomas

Registered Office

24/1624, Bristow Road
Willington Island Cochin – 682003
Phone: 0484-2668023
E-mail: hmlcorp@harrisonsmalayalam.com
Website: www.harrisonsmalayalam.com

Activities

Plantations – Tea, Rubber, Fruits,
Spices & Other Crops
Trading & Exports in Tea and Rubber

Auditors

Walker Chandiok & Co LLP
Chartered Accountants
7th Floor, Modayil Centre Point
Warriam Road Jn.MG Road, Kochi
Kerala – 682016

Bankers

ICICI Bank
IDBI Bank
State Bank of India
HDFC Bank
RBL Bank

Legal Advisors

Menon & Pai Advocates
I.S. Press Road Cochin – 682018

Secretarial Auditors

M/s. SVJS & Associates,
Company Secretaries, Manikkath Road,
Ravipuram, Cochin – 682016

Cost Auditors

M/s. Shome & Banerjee Cost Accountants
5A Nurulla Doctor Lane, (West Range)
2nd Floor, Kolkata – 700 017

Registrar & Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.
Surya, 35, Mayflower Avenue Sowripalayam Road
Coimbatore – 641 028
Tel No.0422-2314792
E-mail:Coimbatore@linkintime.co.in



Financial Performance 10 Year Track Record

₹ Crore

	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
Profit & Loss Account										
Total Income	292.58	350.65	366.55	368.91	349.93	386.86	334.36	288.6	372.02	392.04
Personnel cost	89.33	103.13	104.59	111.14	116.21	123.9	133.01	140.33	144.96	152.40
Raw materials & Purchases	92.62	126.18	115.93	93.83	89.07	107.44	94.31	78.74	118.86	115.01
Power & Fuel	14.12	15.10	14.91	16.6	19.62	20.43	21.31	19.86	20.27	22.30
Cultivation & Other Operating Expenses	58.09	66.32	97.32	104.15	91.86	99.81	89.3	68.78	60.08	73.88
Depreciation	3.42	4.40	6.11	6.49	6.76	6.47	7.29	5.52	5.01	4.16
	257.58	315.13	338.86	332.21	323.52	358.05	345.22	313.23	349.18	367.75
Selling Expenses	15.62	10.62	10.63	9.37	8.35	8.85	10.24	7.10	8.66	10.58
Cost of Sales	273.20	325.75	349.49	341.58	331.87	366.9	355.46	320.33	357.84	378.33
PBIT @	19.38	24.9	17.06	27.33	18.06	19.96	(21.3)	(31.73)	17.78	16.83
PBT @	8.01	12.36	5.25	10.45	3.48	4.86	(35.26)	(45.68)	4.09	4.45
Total Comprehensive Income									0.49	1.33
Earnings per Share of ₹ 10/-	3.27	5.37	2.14	2.55	1.24	2.38	(19.18)	(24.75)	2.22	2.41
Dividend per Share of ₹ 10/-	1.50	2.00	1.50	1.50	0.75	1.00	Nil	Nil	Nil	Nil
Balance Sheet										
Fixed Assets	183.33	421.58	425.52	426.67	433.06	431.6	429.58	424.59	284.99	287.98
Investments	12.1	0.01	0.01	0.21	0.21	0.21	0.21	0.16	0.16	0.16
Current Assets	260.04	76.85	87.05	88.56	96.82	109.41	83.29	76.36	75.74	92.51
Total Assets	455.47	498.44	512.58	515.44	530.09	541.22	513.08	501.11	360.89	380.64
Share Capital	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45
Other Equity	289.85	298.31	299.03	300.53	301.21	303.46	268.21	222.52	84.00	85.33
Loan Funds	92.87	104.29	113.28	91.21	81.94	105.13	97.94	94.16	86.63	86.47
Current Liabilities	54.3	77.39	81.82	105.25	128.49	114.18	128.48	165.98	171.81	190.39
Total Liabilities	455.47	498.44	512.58	515.44	530.09	541.22	513.08	501.11	360.89	380.64

@ After extraordinary items and discontinuing operations

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Members of the Company will be held on Wednesday 26th September, 2018 at 11.00 A.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) The Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. P Rajagopalan (DIN 02817068), who retires by rotation and being eligible, offers himself for reappointment.
3. To continue the appointment of the statutory auditors without ratification and to fix their remuneration:

RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 3rd August, 2017 and in accordance with the amended Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory enactments or modifications thereof), the approval of the shareholders be and is hereby accorded to continue the appointment of M/s. Walker Chandio & Co LLP, Kochi, Chartered Accountants (having Firm Registration Number:001076N/N500013), as the Statutory Auditors of the Company, at such remuneration as may be decided by the Board of Directors till the conclusion of the 45th Annual General Meeting to be held in the year 2022 and that the said appointment shall not be subject to ratification at every subsequent Annual General Meeting.

SPECIAL BUSINESS

4. Continuance of Directorship of Mr. Golam Momen (DIN:00402662), Independent Director of the Company

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 1, 2019, consent of the Members of the Company be and is hereby accorded to the continuance of Directorship of Mr. Golam Momen (DIN:00402662) who was appointed as an Independent Director of the Company, at the 37th AGM of the Company held on September 26, 2014 in accordance with the applicable provisions of the Companies Act, 2013 and has attained the age of more than seventy five years, to hold office as a Non-Executive Independent Director up to the expiry of his present term of office, i.e. upto September 30, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.

5. Continuance of Directorship of Mr. J.M. Kothary (DIN: 00015254), Independent Director of the Company

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 1, 2019, consent of the Members of the Company be and is hereby accorded to the continuance of Directorship of Mr. J.M. Kothary (DIN 00015254) who was appointed as an Independent Director of the Company, at the 37th AGM of the Company held on September 26, 2014 in accordance with the applicable provisions of the Companies Act, 2013 and has attained the age of more than seventy five years, to hold office as a Non-Executive Independent Director upto the expiry of his present term of office, i.e. upto September 30, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.

6. Re-appointment and payment of remuneration to Mr.V. Venugopal, Manager of the Company

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Sections 196, 197, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), (the Act) and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company



be and hereby approves and confirms the re-appointment of Mr.V. Venugopal as Manager of the Company for a period of one year from August 14, 2018, to August 13, 2019.

RESOLVED FURTHER THAT in accordance with section 197 read with schedule V of the Companies Act 2013 approval of company be and is hereby accorded for payment of remuneration to Mr.V. Venugopal for services rendered as Manager of the Company, for the period from August 14, 2018 to August 13, 2019 as set out in the Explanatory Statement annexed to the notice and subject to the terms and conditions of the draft agreement proposed to be entered into between the Company and Mr.V Venugopal.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and / or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.

7. Ratification of Cost Auditors Remuneration

To consider and if thought fit, to pass, the following as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, the remuneration of ₹ 2,50,000 (Rupees Two Lacs Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actual as approved by the Board of Directors of the Company, to be paid to M/s. Shome & Banerjee, Cost Accountants, 5A, Nurulla Doctor Lane, (West Range), 2nd Floor, Kolkata – 700 017 (Firm registration No.000001), for conducting the audit of the cost records of the Company for the financial year ending March 31, 2019, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board of Directors

Binu Thomas
Company Secretary

Kochi
10th August, 2018

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.

Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the items of Special Businesses under Item No. 4 to 7 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2018 to 26th September 2018 (both days inclusive).
4. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):
 - (a) During the financial year ended March 31, 2018, the Company, after compliance with the due procedure laid down under Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), had transferred 1,85,711 number of shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more to the Investor Education and Protection Fund ("IEPF Authority"). Such shares including dividends and other benefits accruing thereon can be claimed from IEPF Authority, after following the procedure prescribed under the IEPF Rules and no claim shall lie against the Company or its RTA.
 - (b) Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, dividend for the financial year ended March 31, 2011, which would remain unclaimed for the period of 7 (seven) years will be transferred to the Investor Education and Protection Fund (IEPF) established under Section 125 of the Companies Act, 2013 after October 18, 2018. Claims

for payment of such dividend should, therefore be lodged with the Company immediately. Further, pursuant to Section 124 (6) of the Companies Act, 2013 ("the Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as notified and amended from time to time (collectively referred as "IEPF Rules"), shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more, shall liable to be transferred to IEPF Authority. You are therefore requested to claim unclaimed dividend for the financial year ended March 31, 2011 onwards. The Final Dividend for the Financial Year 2010-2011 is due to be transferred to the IEPF immediately after October 18, 2018. In case valid claim is not received by that date, the Company will also proceed to transfer the respective shares to the Demat Account of the IEPF Authority ('IEPF Account') in terms of the said IEPF Rules.

- (c) The unclaimed Final Dividend for the year 2009-2010 and prior to that has already been transferred to the Investor Education and Protection Funds (IEPF), as required under Section 124(5) of the said Act. The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in Corporate Governance Report. Members are requested to take note of this and contact the Secretarial Department of the Company for encashing the unclaimed dividends (if any) standing to the credit of their account.

Dividend and corresponding shares, as stated in points 4 (b), once transferred to IEPF by the Company, may be claimed only from the IEPF Authority by following the procedure prescribed under the IEPF Rules. Mr. Binu Thomas, Company Secretary is the Nodal Officer of the Company for the purpose of verification of such claims.

- (d) The Securities and Exchange Board of India (SEBI) has directed Companies through their Registrar and Share Transfer Agent (RTA) to collect and update the Permanent Account Number (PAN) and bank account details of Shareholders holding in physical form. Accordingly, such shareholders are requested to submit their PAN and bank account details to Linktime India Pvt. Ltd., RTA of the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as the transferor(s) shall furnish a copy of their PAN Card to the RTA.

Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members may contact the Company or Company's Registrar and Share Transfer Agent - Link Intime India Private Limited for the same. Members holding shares in physical form are further requested to note that in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from December 5, 2018, the requests for effecting the transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository.

5. All documents referred to in the Notice and the Statement pursuant to section 102 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company between 11. 00 AM and 1.00 PM. on all working days (except Saturdays) up to the date of the Annual General Meeting.
6. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by Attendance Slip. Members are requested to write their Client ID and DP ID numbers / Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
9. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc. to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in
10. a) Notice of the AGM along with Annual Report 2017-18 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. The members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.
b) The details of Directors of the Company seeking reappointment / continuation along with the route map of venue to the AGM is annexed with the notice.



11. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), and the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Companies Secretaries of India, the Company is pleased to provide to the Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting facility. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.

The facility for voting through ballot paper shall also be made available at the AGM. Members attending the meeting and who have not cast their vote by remote e-voting, may exercise their right to vote at the AGM.

Members, who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again at the AGM.

The voting right of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on Wednesday, September 19, 2018 ("cut-off date").

Any person, who acquires the share(s) of the Company and becomes a Member of the Company after the dispatch of this Notice of AGM and holds the share(s) as on the cut-off date also cast their vote through remote e-voting facility or at the AGM. The process and instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 23, 2018 (9.00 AM) and ends on September 25, 2018 (5.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 19, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant <Harrisons Malayalam Limited> on which you choose to vote.
 - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
12. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company.
 13. A Copy of this Notice has been placed on the website of the Company and the website of CDSL and also on the website of stock exchanges namely BSE Ltd. and NSE India Ltd.
 14. The Company has appointed Mr. M. D. Selvaraj, Practicing Company Secretary (CP. 411), MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 15. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than two days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman and/or Whole Time Director or a person authorized by him in writing who shall counter sign the same.
 16. The results shall be declared forthwith upon receipt of the Scrutinizer’s Report. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.harrisonsmalayalam.com and on the website of CDSL immediately after their declaration within 48 hours from the conclusion of Annual General Meeting. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE FORTY FIRST ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 26TH SEPTEMBER, 2018

Item No. 4

On May 9, 2018, SEBI has notified amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR Regulations’) in order to implement the recommendations made by the Committee on Corporate Governance under the Chairmanship of Mr. Uday Kotak whereby, interlia, in Regulation 17 of the SEBI (LODR) Regulations, new sub-regulation (1A) was inserted, as follows, which shall come into force from April 1, 2019



No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion, shall indicate the justification for appointing such a person.

Members are informed that Mr. Golam Momen, who was appointed as a Non-Executive Independent Director by the Members vide special resolution passed at the 37th Annual General Meeting of the Company held on September 26, 2014 for a term of five years i.e. from the conclusion of the 37th Annual General Meeting of the Company upto the conclusion of the 42nd Annual General Meeting of the Company to be held in the calendar year 2019, has already attained the age of seventy five years.

In view of the aforesaid amendment to SEBI LODR Regulations, it is proposed to seek approval of the Members vide Special Resolution at the ensuing Annual General Meeting, for the continuance of Mr. Golam Momen who has already attained the Specified age, as a Non-Executive Independent Director of the Company, upto the expiry of his present term. A justification note for continuance of directorship of Mr. Goalm Momen, for the consideration of the Members. which was also placed before the Nomination and Remuneration Committee and Board is appended below.

The Company has received a declaration from Mr. Goalm Momen at the start of this financial year that he meets with the criteria of independence as specified in the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the same was noted by the Board at their meeting held on May 25, 2018.

Mr. Golam Momen

Mr. Golam Momen (85) B.A., has rich and varied experience in the Tea Industry.

Mr. Momen holds 560 shares in the Company.

Considering the long standing experience and contribution of Mr. Golam Momen, his continuance on the Board, as a Non-Executive Independent Director, would be in the interest of the Company. The Nomination and Remuneration Committee has recommended the said proposal to Board and the Board at its meeting held on Aug. 10, 2018 has considered and recommended the passing of the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company. The brief profile of Mr. G. Momen is provided separately in the notice.

The Members of the Company are requested to accord their approval to the continuance of Directorship of Mr. Golam Momen vide special resolution. None of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 4 of this Notice except Mr. Golam Momen, to the extent of his shareholding in the Company.

Item No. 5

On May 9, 2018, SEBI has notified amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') in order to implement the recommendations made by the Committee on Corporate Governance under the Chairmanship of Mr. Uday Kotak whereby, inter alia, in Regulation 17 of the SEBI (LODR) Regulations, new sub-regulation (1A) was inserted, as follows, which shall come into force from April 1, 2019

No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion, shall indicate the justification for appointing such a person.

Members are informed that Mr. J.M. Kothary, who was appointed as a Non-Executive Independent Director by the Members vide special resolution passed at the 37th Annual General Meeting of the Company held on September 26, 2014 for a term of five years i.e. from the conclusion of the 37th Annual General Meeting of the Company upto the conclusion of the 42nd Annual General Meeting of the Company to be held in the calendar year 2019, has already attained the age of seventy five years.

In view of the aforesaid amendment to SEBI LODR Regulations, it is proposed to seek approval of the Members vide special resolution at the ensuing Annual General Meeting, for the continuance of Mr. J.M. Kothary who has already attained the specified age, as a Non-Executive Independent Director of the Company, upto the expiry of his present term. A justification note for continuance of directorship of Mr. J.M. Kothary, for the consideration of the Members which was also placed before the Nomination and Remuneration Committee and Board is appended below.

The Company has received a declaration from Mr. J.M. Kothary at the start of this financial year that he meets with the criteria of independence as specified in the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the same was noted by the Board at their meeting held on May 25, 2018.

Mr. J. M Kothary

Mr. Kothary (84) is a Graduate in Commerce and also holds a Degree in Law.

Mr. Kothary does not hold any shares in the company.

Considering the long standing experience and contribution of Mr. JM Kothary his continuance on the Board, after attaining the age of eighty four years, as a Non-Executive Independent Director, would be in the interest of the Company. The Nomination and

Remuneration Committee has recommended the said proposal to Board and the Board at its meeting held on Aug. 10, 2018 has considered and recommended the passing of the Special Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

The Members of the Company are requested to accord their approval to the continuance of Directorship of Mr.J.M. Kothary vide special resolution. None of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 5 of this Notice except Mr. J.M. Kothary.

Item No.6 – Re-appointment of Mr. V Venugopal, Manager

The Board of Directors at its meeting held on May 25, 2018 have reappointed Mr. V Venugopal (Vice President – Legal) of the Company as Manager of the Company for a period of 1 year w.e.f August 14, 2018 to August 13, 2019. The appointment of Mr. V Venugopal as Manager of the Company and the remuneration payable to him for his services to be rendered as Manager during the period has been recommended by the Nomination and Remuneration Committee. The appointment is within the meaning of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and also read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the shareholders in the general meeting. The terms and conditions pertaining to his appointment and remuneration payable to him as recommended by the NRC is as detailed below.

1. Period

Appointment of Mr. V. Venugopal as Manager is for a period of 1 year from August 14, 2018 to August 13, 2019.

2. Salary

- a) Salary & Allowance Not exceeding ₹48,00,000 per annum
- b) Performance Bonus Not exceeding ₹ 12,00,000 per annum as may be decided by the Board of Directors based on performance

3. Perquisites:

- i. House rent allowance:- Not exceeding ₹ 4,00,000 per annum
- ii. Medical expenses incurred by Mr. V. Venugopal for self and family shall be reimbursed by the Company subject to a limit of ₹ 15,000 per annum.
- iii. Leave travel concession for self and family will be allowed once in a year as per rules of the Company subject to a maximum limit of ₹ 3,00,000 per annum.
- iv. Personal Accident Insurance – Up to ₹ 15,000 per annum.
- v. Provision for car with driver and telephone at residence for use of Company's business will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall however be billed by the Company to Mr. V. Venugopal.

4. In addition to the above, the Manager shall be eligible for the following perquisites, the value of which shall not be considered for computation of the aggregate remuneration.

- 1) Company contribution to Provident Fund, Superannuation or Annuity Fund.
- 2) Gratuity as per Company rules.
- 3) Encashment of unavailed leave at the end of the tenure as per Company policy.

The draft of the Agreement proposed to be entered into by the Company with Mr. V Venugopal is available for inspection by the members at the Registered Office of the Company on any working day (excluding Saturdays) between 11.00 AM and 1.00 PM, up to the date of the Annual General Meeting.

The General Information as required under Section II, Part II of Schedule V of the Companies Act, 2013 is furnished below.

1. GENERAL INFORMATION

- (i) Nature of Industry : Plantation Industry (Tea & Rubber)
- (ii) Date or expected date of commencement of commercial production:
It is an established Company. Certificate of Commencement of Business was issued by the Registrar of Companies, Kerala on June 14, 1978.
- (iii) In case of new companies, expected date of commencement of activities as per Project approved by financial institution appearing in the prospectus: NA
- (iv) Financial Performance based on indicators given below:



₹ in Lacs

Particulars	31.03.2018	31.03.2017
	Standalone	
Revenue from Operations	38331.36	36664.02
Other Income	872.65	538.41
Total Income	39204.01	37202.43
Profit / (Loss) before Tax	445.06	444.87
Loss from discontinued operations		(35.55)
Profit for the year	445.06	409.32
Re-measurement of Gains/Losses	(312.00)	(360.27)
Profit after Tax	133.06	49.05
Total Comprehensive Income	133.06	49.05
General Reserve	-	-
Proposed Dividend	-	-
Dividend Tax	-	-
Balance carried forward	133.06	49.05

(v) Foreign investment or collaboration if any - NIL

2. INFORMATION ABOUT MR. V VENUGOPAL

Mr. V Venugopal, Vice President Legal has been with Harrisons Malayalam Limited since 1984. He graduated in Science and obtained a degree in law thereafter. He has a rich experience in legal matters and is considered an expert in land laws, especially those relating to Kerala / Tamil Nadu and is experienced in handling land / corporate legal matters and related litigations. He was appointed as the Manager of the Company for a period of 3 years from August 14, 2015 to August 13, 2018. He has been with the Company for over 33 years and is well acquainted with the plantation operations.

Prior to joining the Company, Mr.Venugopal was a practicing lawyer in the lower Courts at Cochin and the High Court of Kerala for over four years. He has also been the Legal Advisor of prominent bodies in Plantation business and has been a member in various committees of these organizations.

Past remuneration:

During the financial year 2017-18, Mr. V Venugopal was paid a remuneration of ₹ 52.30 lakhs the breakup of which is as under:

₹ in lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
24.04	21.17	0.60	6.49	52.30

Recognition and awards: Nil

Remuneration proposed: As mentioned above

Size and Nature of Industry:

The Company's core business is Plantations in Tea and Rubber. It is the single largest producer of Natural Rubber in India and second largest Tea Plantation in South India. The Company owns 24 Estates in Kerala and Tamil Nadu put together and has a labour strength of approximately 10500 employees as on 31st March 2018.

The Company has a paid up capital of ₹18.45 Crores and is listed in the BSE Ltd. and National Stock Exchange of India Ltd. with approximately 26000 Shareholders.

Given the size, complexity and nature of business, the remuneration proposed to be paid to Mr. V Venugopal, Manager is in line with other similar companies.

Pecuniary Relationship:

The Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company.

1. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

The company operates in tea and Rubber. Tea and Rubber industry is passing through a difficult phase. Cost of inputs have gone up considerably without any corresponding increase in sale, price due to factors beyond the control of the management.

2. Steps taken or proposed to be taken for improvement:

The company is taking continuous steps for improvement in quality of tea and rubber products. Cost control measures have been initiated at gardens and rubber units. These measures should help in better price realisation of tea and improvement in efficiency of rubber units.

3. Expected increase in productivity and profits in measurable terms:

All the company's gardens are producing quality teas. The Company's gardens are included amongst the top gardens in the areas of their operation. The yields are improving gradually with stress on quality. This should increase our profit margin substantially.

Mr V. Venugopal has no pecuniary relationship with the Company other than his remuneration as Manager of the Company.

Item No. 7 – Ratification of Cost Auditors Remuneration

The Board of Directors on the recommendation of the Audit Committee had approved the appointment and remuneration of M/s. Shome & Banerjee, Cost Accountants as the Cost Auditor to conduct the audit of cost record of the Company for the financial year ending March 31, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly consent of the members is sought for passing an ordinary resolution as set out in Item No. 7 of the notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, in the resolution. The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for the approval of the shareholders

By Order of the Board of Directors

Kochi
August 10, 2018

Binu Thomas
Company Secretary

Details of Directors seeking reappointment/continuation of Directorship pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clauses 1.2.5 of Secretarial Standards on General Meetings are as follows:

Name of Director	Date of Birth and Age	Date of first appointment on the Board	Qualification	Expertise in specific functional area	Directorships in other listed companies	Memberships of Committees in other listed Companies (includes only Audit & Stakeholders Committee)	No. of shares held in the Company	Relationship with other Directors and KMP
Golam Momen	06.06.1933 85 years	22.09.2003	B.A.	Vast experience in Tea Industry	Baghmari Tea Co. Ltd.	-	560	Nil
					Kanco Tea & Industries Ltd.	Investor Grievance		
					The Scottish Assam (India) Ltd.	Audit Committee		
					Williamson Magor & Co. Ltd.			
					Bengal Tea and Fabrics Ltd.	Audit Committee		
J.M. Kothary	08.05.1934 84 years	30.05.2013	B.Com, LLB, MBA	Extensive Experience in Managing Industrial and Marketing Enterprise	The Indian Card Clothing Co. Ltd.	Audit Committee Stakeholder Relationship Committee	Nil	Nil
P. Rajagopalan	15.10.1946 71 years	30.05.2013	PDGBA	Vast experience in Mangement	Nil	Nil	Nil	Nil



DIRECTORS' REPORT

Your Directors are pleased to present their 41st Annual Report together with the Audited Financial Statements, Directors Report and Annexures for the year ended March 31, 2018

1. Financial Highlights

₹ in Lacs

Particulars	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Standalone		Consolidated	
Revenue from Operations	38331.36	36664.02	38,331.36	36,664.02
Other Income	872.65	538.41	873.03	538.62
Total Income	39204.01	37202.43	39,204.39	37,202.64
Profit before tax from continuing operations	445.06	444.87	444.77	444.51
Loss from discontinued operations		(35.55)		(35.55)
Profit for the year	445.06	409.32	444.77	408.96
Re-measurement of Gains/Losses	(312.00)	(360.27)	(312.00)	(360.27)
Total Comprehensive Income	133.06	49.05	132.77	48.69
General Reserve	-	-	-	-
Proposed Dividend	-	-	-	-
Dividend Tax	-	-	-	-
Balance carried forward	133.06	49.05	132.77	48.69

Note:

Previous year figures have been re-stated to confirm to Ind AS requirements. Notes to the financial statement provides further explanation on the transition to Ind AS

2. Dividend

The Board of Directors has not recommended dividend for the year ended March 31, 2018.

3. Transfer to Reserve

During the year under review the Company has not transferred any amount to the General reserve.

4. Material Changes and Commitments, If Any Affecting the Financial Position of the Company

There are no Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on March 31, 2018 to which the financial statements relates and the date of signing of this report.

5. Change in the Nature of Business

During the year under review, there was no change in the nature of the business.

6. Performance

During the year under review, the Company has recorded a revenue of ₹ 383.31 crore from its operations as compared to 366.64 crore for the previous year. The total revenue, including other income for the financial year 2017-18 was ₹ 392.04 crore as compared to ₹ 372.02 crore for the previous year. The profit made by the Company for the financial year 2017-18 was ₹ 4.45 crore as compared to the profit of ₹ 4.09 crore for the previous year.

Tea:

The Tea harvested from own gardens during Financial Year 2017-18 is at 11,054 MT (10,028 MT in the Financial Year 2016-17). Bought leaf operations in tea for Financial Year 2017-18 is at 4741 MT (3880 MT in Financial Year 2016-17). Together with the Bought Operations, the total production was 15,795 MT as compared to the total production of 13908 MT in the Financial Year 2016-17. For the year ended March 31, 2018, the average price realized per kg of tea was ₹122.09 as against ₹123.01 realized during the Previous Year. Tea exported was 4051 MT as against 4169 MT exported last year.

Rubber:

The Rubber harvested from own gardens stood at 5815 MT during Financial Year 2017-18 and is lower than 6046 MT achieved during Financial Year 2016-17. Bought operations in Rubber for the financial Year 2017-18 is at 6184 MT which is lower than the 6881 MT of Financial Year 2016-17. For the year ended March 2018, the average price realized per kg of rubber was ₹ 142.69 as against ₹142.26 realized during the previous year. Felling of rubber trees could not be carried out due to the ban order issued by the Special Officer appointed by the Government of Kerala.

140 hectares in Kumbazha Rubber Estate encroached by trespassers, continue to remain untapped.

7. LEGAL UPDATES

Kerala Land Conservancy Act: W.P(C) No.33122 of 2014 and connected cases

Pursuant to the Reference Order passed by a Single Bench in the above Writ Petition, the matter was listed before a Division Bench of the High Court of Kerala.

The Land Conservancy cases were finally heard by a Division Bench of the High Court on 30.01.2018 and continuously for 10 days. Senior Counsel from Supreme Court of India along with Menon & Pai, Advocates, Ernakulam addressed arguments on behalf of HML. The Government was represented by a Senior Counsel of Supreme Court. Counsels for the Public Interest Litigants were also heard by the Division Bench.

After detailed arguments, the Division Bench delivered a common judgment in the matter on 11.04.2018. Along with the main Writ Petitions filed by HML and its assignees, the High Court also considered the conservancy proceedings initiated against Koney Estate in 2013 by the Additional Tahsildar, the notice issued for inspection of Waynad Estates and also the Public Interest Cases seeking CBI enquiry into the affairs of HML.

In its 200 page judgment, the High Court allowed the Writ petitions filed by HML and its assignees. The Order passed by the Special Officer under the Kerala Land Conservancy Act (KLC Act) to resume the Company's lands was set aside, holding the same as without jurisdiction. The Court also allowed HML's Writ Petitions challenging the proceedings against Koney and Waynad Estates. The Public Interest Cases also were dismissed by the High Court holding that the Special Officer has gone beyond the ambit of powers and authority conferred on him under the KLC Act.

The major findings are as detailed below:

- Maintainability of HML's Writ Petition: HML's Writ Petition is maintainable – Rejected Government's contention that the Writ Petition is not maintainable as HML has not availed the alternative remedies of Appeal/Revision to the Government and filing a Civil Suit, as provided under the KLC Act.
- Kerala Land Conservancy Act (KLC Act), 1957: HML lands are not Government lands falling within the definition of "Property of the Government" under the KLC Act. Rejected the Special Officer's inference that HML lands are Government lands illegally held. Company has produced title deeds and land tax receipts for its lands – any dispute on title to a land could be adjudicated only by a Civil Court. Special Officer has no jurisdiction to adjudicate on HML lands and his actions are therefore legally unsustainable.
- Kerala Land Reforms Act (KLR Act), 1963: Special Officer's inference and the observations in the Single Judge's Reference Order expressing doubts on foreign companies falling under the purview of the KLR Act and being entitled to the benefits of the KLR Act are wrong and legally unsustainable. "Person" defined under the KLR Act includes a Company – a foreign company also. HML and its predecessors are therefore entitled to the benefits under the KLR Act. Observations/findings to the contrary were rejected.
- Indian Independence Act, 1947: No violation of the Indian Independence Act as alleged. There is no restriction for foreign companies having properties in India after 1947. Title deeds of lands are not political "treaties and agreements" covered by the Act.
- Foreign Exchange Regulation Act, 1973 (FERA): No violation of FERA as alleged – required RBI approvals were obtained by HML and its predecessors as and when needed.
- Special Officer not competent to adjudicate Indian Independence Act & FERA: The Special Officer is not competent to adjudicate provisions of the Indian Independence Act or FERA anyway.
HML has lodged a Caveat Application in the Supreme Court of India so that HML will be notified on listing of Appeal, if any, preferred by the State Government. As directed by the Division Bench in the application filed by HML, Vigilance Department has returned the original of Document No.1600/1923 to the Registrar General of the High Court. The High Court has directed not to release the document without the permission of the High Court.

8. Equity Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2018 was ₹ 1845.43 Lakhs. There was no change in the share capital during the year under review. The equity shares of the Company are listed in the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

9. Deposits

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

10. Particulars of Loans, Guarantees or Investments

The Company has not given any Loans, Guarantees, Investments and Security as per the provisions of Section 186 of the Companies Act, 2013 during the Financial Year ended March 31, 2018.

11. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is annexed to this Report (-Annexure A).

12. Corporate Governance

A separate Report on Corporate Governance (Annexure C) along with Additional Shareholder Information (Annexure D) as prescribed under the Listing Regulations executed with the Stock Exchanges is annexed as a part of this Report along with the practicing Company Secretary's Certificate.

13. Subsidiary Companies

As at March 31, 2018 the Company has two wholly owned subsidiary companies, namely Enchanting Plantations Limited (EPL) and Harmony Plantations Limited (HPL) and have been considered in the consolidation of financial statements.

As per sub section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries for the year ended March 31, 2018, is included as per the prescribed format in this Annual Report. The Annual Accounts of these subsidiaries are uploaded on the website of the Company at www.harrisonsmalayalam.com. The Annual Accounts of



these subsidiaries and the related detailed information will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member at the Registered Office of the Company.

14. Consolidated Financial Statements

In accordance with Section 129(3) of the companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with the Stock Exchanges, the Consolidated Financial Statements of the Company including the financial details of all the subsidiary companies of the Company, forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

15. Directors and Key Managerial Personnel

Also on March 31, 2018 Mr N. Dharmaraj, Whole Time Director, Mr. Ravi. A CFO (SBU-A), Mr G Satish Pillai, CFO (SBU-B), Mr V. Venugopal, Manager of the Company and Mr Binu Thomas Company Secretary cum Compliance Officer are the Key Managerial Personnel of the Company.

Changes in Key Managerial Personnel

During the year under review Mr. N. Dharmaraj was re-appointed as a Whole-time Director in the last Annual General Meeting held on 3rd August 2017 to hold office from October 1, 2017, to September 30, 2018. Mr. Binu Thomas was appointed in place of Mr. Jose George w.e.f. June 1, 2017.

Directors

Mr. N. Dharmaraj was reappointed as a Whole-time Director in the last Annual General Meeting held on 3rd August 2017 to hold office from October 1, 2017, to September 30, 2018.

During the year under review Mr. Kaushik Roy (DIN: 06513489) who was liable to retire by rotation was reappointed, in the last Annual General Meeting.

In accordance with the provisions of Companies Act 2013, Memorandum and article 105 of the Articles of Association of the Company. Mr. P Rajagopalan, Non-executive Non Independent Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

Under sub-regulation (1A) of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which would be effective from April 01, 2019, it is required to avail approval of Members by way of Special Resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of seventy five years. In compliance with the same approval of members is sought vide special resolution for continuation of Directorship of Mr Golam Momen and Mr JM Kothary Non-Executive independent Directors, who are more than 75 years old.

In compliance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, brief resume of the Directors proposed to be re-appointed is attached along with the Notice to the ensuing Annual General Meeting.

The Board recommends the reappointment of Mr. P Rajagopalan and continuation of Directorship of Mr Golam Momen and Mr JM Kothary

Non-Executive Independent Directors

The criteria of making payments to non-executive directors can be accessed on the website of the Company at <http://www.harrisonsmalayalam.com>

Meetings of the Board of Directors

During the year under review 6 meetings of the Board of Directors were held. The company has complied with all the applicable Secretarial Standards (SS-1).

Declaration by Independent Directors

The Independent Directors have submitted their declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149. The details of familiarization programmes imparted to independent directors can be accessed at the website of the company at www.harrisonsmalayalam.com

a. Board Evaluation

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guidelines formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process. Further, the Independent Directors of the Company met once during the year to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

b. Policy on Remuneration to Directors, KMP and Senior Management

Personnel

The Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy is annexed as Annexure E to this report.

16. Auditors

Statutory Auditors

Walker Chandio & Co LLP, Kochi, Chartered Accountants, Chartered Accountants (Firm's Registration No. 001076N/ N500013) were appointed as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the fortieth Annual General Meeting until the conclusion of the forty fifth Annual General Meeting. The said appointment of the Statutory Auditors was required to be ratified at every Annual General Meeting. However, pursuant to the amendment in the proviso to Section 139 which has been made effective on May 07, 2018, the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been omitted. In view of such omission of proviso, permission of shareholders are sought to continue their appointment without ratification till the completion of their term.

Cost Audit

Maintenance of cost records as required by provisions of Companies Act 2013 is maintained by Company. M/s. Shome & Banerjee, Cost Accountants, 5A, Nurulla Doctor Lane, (West Range), 2nd Floor, Kolkata – 700 017 (Firm registration No. 000001) were appointed as cost auditor of the company to conduct audit of the cost records for the FY 2017-18. Cost Audit Report and the Compliance Report for the year ended March 31, 2017 were filed with the Central Government within the due date.

Secretarial Audit

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. SVJS & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the FY 2017-18. The Secretarial Audit Report in Form MR-3 is annexed to this report as Annexure 'F'.

Explanation and Comments on Auditor's and Secretarial Audit Report

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in the Auditors' Report. In response to observations made by secretarial auditor in their report our response are stated below:

For the Board Meeting held on 29.05.2017 Trading Window communication to stock exchange gave the date of opening of trading window as 30th May 2017 instead of 31st May 2017 -We wish to inform that it was an inadvertent error in the date due to oversight it went unnoticed.

Company has not filed Form IEPF 4 for the year 2009-10- We wish to inform that the company was not able to file IEPF form pertaining to 2009-2010 due to technical issues in receiving data from the depository, we will file it in due course.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors, There were no instances of non-acceptance of such recommendations

17. Significant and material Orders passed by the Regulators/Courts, if any:

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

18. Awards and Achievements

During the year under review, the Company was recognized as a "Great Place to Work – Certified" by the Great Place to Work Organisation. HML's Wentworth, Lockhart estates have won 3 awards each and Pattumallay estate have won 2 awards in the prestigious TGLIA (TEA GOLDEN LEAF INDIA AWARDS).

19. Management Discussion and Analysis

Management Discussion and Analysis in terms of Regulation 34 of SEBI (Listing Agreement and Disclosure Requirements) Regulations 2015 forms a part of this Report and is annexed as Annexure 'B' to this Report.

20. Directors' Responsibility Statement

In terms of clause (c) of sub-section (3) and sub-section (5) of Section 134 of the Companies Act, 2013, the Directors of the Company hereby state and confirm that:

- In the preparation of annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- we have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2018 and of the profit for the period from April 1, 2017 to March 31, 2018;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis;
- Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



21. Industrial Relations

Plantation is highly labour intensive and your Company considers people as its biggest assets. During the year under review, the Company was recognised as a "Great Place to Work – Certified" by the Great Place to Work Organisation. A section on the Company's Human Resource Initiatives is a part of the Management Discussion & Analysis forming part of this report

22. Internal Control Systems & their Adequacy

Notes on Internal financial control and its adequacy forms part of Management Discussion and Analysis Report.

23. Other Disclosure:

Extract of annual return is attached as annexure 'G' to this report.

Disclosure of the details of employees in compliance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 'H' to this report.

Whistle Blower Policy / Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, the Company has established a Whistle Blower Policy (Vigil Mechanism) for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The policy has been uploaded on the Company's website www.harrisonsmalayalam.com

Corporate Social Responsibility

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy. However the company does not have any three year average profit and hence not required to incur any expenditure on Corporate Social Responsibility under the provisions of the Act. The members of the Committee are Mr. Golam Momen, Mr. Sachin Nandgaonkar, Mr. P Rajagopalan and Mr. N Dharmaraj. The details of CSR Committee is detailed in Corporate Governance Report. The CSR Policy can be accessed at the website of the Company at link <http://www.harrisonsmalayalam.com>

Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 covering all employees of the Company. Internal complaints committee set up for the purpose did not receive any complaint for redressal during the year. Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Audit Committee

Audit Committee consists of Mr. Haigreve Khaitan, Mr. Golam Momen, Mr. J.M. Kothary, Mr. Sachin Nandgaonkar and Ms. Surbhi Singhi. Mr. Haigreve Khaitan, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise. There has been no instance of non-acceptance of Audit Committee recommendation.

Risk Management

The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act 2013 and in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Related Party Transactions

Details regarding related party transaction are detailed in notes to financial statements

Acknowledgements

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the Company by its customers, vendors, bankers, Government authorities and employees.

Your Directors are also grateful for your continued encouragement and support.

May 25, 2018
Mumbai

On behalf of the Board of Directors
Sachin Nandgaonkar
(DIN- 03410739)
Director

Kaushik Roy
(DIN- 06513489)
Director

Particulars as required under Section 134(m) of the Companies Act, 2013

(Annexure 'A' to the Directors' Report)

Pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014, particulars of Conservation of Energy, Technology Absorption etc. for the year ended March 31, 2018

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

Multiple energy conservation measures were taken across all manufacturing facilities such as strong vigilance, employee awareness etc. The significant energy conservation measures undertaken by the Company during the year were

Introduction of transparent roofing in factories to get day light to reduce lighting electricity consumption at Surianalle, Chundale, Arrapetta and Sentinel Rock. LED lighting is used in Surianalle factory and it is be implemented in all factories to reduce energy consumption in a phased manner. All factories are maintaining power factor at the specified levels with correct monitoring and addition of capacitors. . Energy meters provided at all process areas of tea factories for regular monitoring of energy consumption. Grate area reduction in Surianalle HWG to reduce energy consumption.

ii) Steps taken by the Company to utilize alternate sources of energy

The Company uses environment friendly Briquettes made from Agri-waste in its factories. Trenching in tea fields is used for water harvesting; one field per estate is covered in phase one.

Earthen dams are built in all Tea Estate for water harvesting.

1303 small tea growers are covered under sustainability certification (RA, UTZ and Trustea) by HML covering an area of 2476.42 Ha of land. This is an increase of 400% from the previous year.

B) Technology Absorption

i) Efforts made towards technology absorption and benefits derived thereupon

Conveyorization was one of the key activities initiated during the year to reduce manpower usage, and is implemented in Arrapetta and Achoor factories. Pre-cut system in CTC was introduced at Surianalle factory ISO 9001-2015 certification was received by Achoor factory.

Green tea manufacturing started in Sentinel Rock factory .Micro lite harvesting machines are introduced in place of shear in Achoor. Fuel saving is achieved by using hot water generator.

Old re-winded motors in factories would be replaced with the latest technology EE motors in a phased manner, which would result in lower power consumption. Conventional steel chimneys in tea factories would be replaced with concrete chimneys in a phased manner. This would reduce the maintenance costs.

Replacing the existing bulbs / lamps with energy efficient LED lamps across all factories, offices and bungalows in a phased manner would help reduce electricity consumption and thereby power cost.

ii) Expenditure incurred on R & D

We have initiated studies and are trying to move into the area of Biotechnology away from Chemistry and Biochemistry which will entail a greener foot print. Trials which are being conducted using enzymes and beneficial microbes to replace acids and other chemicals. We have achieved partial success in area of de-proteinisation chemistry and work is on.

C) Foreign Exchange earnings and Outgo

During the year 2017-18, the foreign exchange earned in terms of actual inflows was ₹ 4344.50 lakhs and foreign exchange outgo in terms of actual outflow was ₹ 48.88 lakhs.



FORM A (FORMING PART OF ANNEXURE 'A')

POWER AND FUEL CONSUMPTION

		TEA		RUBBER	
		Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
1. ELECTRICITY					
(a) Purchased					
Units	(KWH)	10566730	9569876	1432492	1953822
Total Amount	(Rs.)	72099925	63484036	10358132	12907869
Rate/Unit	(Rs./KWH)	6.82	6.63	7.23	6.61
(b) Own Generation					
Through Diesel Generator				43755	
Units	(KWH)	533336	395008	114547	116307
Units per litre of Diesel Oil	(KWH)	2.85	2.50	2.62	2.63
Fuel - Cost/Unit	(Rs./KWH)	23.18	23.51	25.24	22.03
2. FIREWOOD					
Total Quantity of Firewood	(Cu.Mtr)	37766	28273	1974	2858
Total Amount	(Rs.)	50976702	35422741	2464255	2702330
Rate/Cu.Mtr	(Rs.)	1350	1253	1249	945
3. OTHERS					
HSD Oil for Transport & Material Handling etc.					
Quantity	(K.Ltr)	91.50	93.93	40.46	56.95
Total Cost	(Rs.)	5744065	5461445	2540545	3300021
Rate/Unit Cost	(Rs./K.Ltr)	62744	58142	62785	57949
Consumption per Unit of Production					
Products					
TEA/RUBBER	(Kgs.)	15277173	13128321	8676986	10786123
Energy Used:					
Electricity (incl. own generation)	(KWH/Kg)	0.73	0.76	0.18	0.19
Briquetted Fuel	(Kgs.)	6027494	6496713	-	-
Firewood	(Kgs.)	18883056	14136500	987000	1429000
Veneer Waste	(Kgs.)	3237056	3495530	-	-
Coconut Shells	(Kgs.)	-	-	22530	-
Coal	(Kgs.)	3495	-	-	-
Wood Waste	(Kgs.)	46500	21280	-	-

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (ANNEXURE 'B' TO THE DIRECTORS' REPORT)

OVERVIEW

TEA

Achieving a historic feat, the Indian tea industry recorded the highest ever production as well as export figures during the financial year 2017-18. The total tea production was 1325.05 million kgs, an increase of 74.56 million kgs (5.96%) as compared to 2016-17. The total quantity of tea exported during the financial year 2017-18 stood at 256.57 million kgs, while the foreign exchange realized from exports of Indian tea was US\$ 785.92 million.

The growth in exports was majorly driven by the following countries: Egypt (increased by 7.49 million kgs), Iran (increased by 6.95 million kgs), Pakistan (increased by 4.96 million kgs), China (increased by 2.91 million kgs) and Russia (increased by 2.89 million kgs). The earlier record for the highest quantity of tea exports was during the financial year 1976-77 when the total quantity exported was 242.42 million kgs.

During 2017 (Jan –Dec) the total tea exported was 240.68 million kgs. The share of southern India was 92.27 million kgs as compared to 88.85 million kgs during 2016.

Outlook

Global tea production is expected to go up on the back of higher production in Kenya. This could impact the prices to move downwards.

OVERVIEW

Rubber

Rubber finds application in number of products, which are used in all industries. India is the sixth largest producer and fourth largest consumer of natural rubber in the world and also the fifth largest consumer of natural rubber & synthetic rubber put together. The total production of rubber in India was 6, 94,000 tonnes whereas the consumption was 11, 10,660 tonnes during the financial year 2017-18. However, rubber production in India has been lagging behind consumption the deficit in demand and supply being met through cheaper imports from Indonesia, Thailand, Malaysia and Vietnam. Around 4, 62,000 tonnes was imported into the country. Imports are mostly in the form of TSR and Block rubber.

With international block rubber prices below the current Indian rubber prices, the tyre industry has been depending largely on imports to meet its requirement despite hike in import duty.

Outlook

India is the fastest growing passenger car market. Auto Tyres & Tubes consumes the largest share of rubber in India. The automobile industry in India is growing at a healthy rate and this trend is expected to continue, over the next few years. The sale of passenger vehicles are increasing. But still it indicates a relatively small penetration level, in comparison to other developed and developing countries.

These indicate, immense potential for growth in India's automobile industry. Rubber finds use not only in tyres but also in a variety of auto components such as fan belts, mountings, hoses, etc. These are items that need to be replaced as part of regular maintenance. Therefore, the ever increasing population of vehicles on the road, as well as the rapidly expanding auto components space, indicate a captive and growing market for rubber products and along with steady increase in income levels and consumer spending, demand for consumer durables, will rise many of which contain rubber components. Hence outlook of the Indian rubber industry is on the whole positive.

This, along with the sustained growth in automotive sector in China and upward trend in crude oil could push rubber prices upward.

OPPORTUNITIES AND THREATS

Tea and Rubber plantation is dependent on the vagaries of nature, to combat this we continuously improve our methods in harvesting methodology. It is also labour intensive and subject to stringent labour laws. High labour cost, social cost, high infrastructure cost and rising energy and other input costs remain its major problems. Shortage of labour during peak season in some pockets is also a cause for concern. These problems will be addressed by improving labour productivity through mechanisation and various other initiatives, such as mechanisation which your Company has embarked upon.

Your Company's strategy, keeping in mind the macro trends, is to continually better its performance by driving innovation to deliver differentiation through existing and new products and by moving up the value chain in terms of marketing and reducing cost.



With the expected stabilisation of rubber prices and HML achieving better volumes in both tea and rubber through, own and bought operations, the Company should be able to further improve its performance.

INTERNAL CONTROL SYSTEM

HML has in place an adequate Internal Control system commensurate to its size and nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safe guarding the assets from unauthorized use or loss, extending transactions with proper operation and ensuring compliance of corporate policies. Internal Control is supplemented by regular management review, documented policies and procedures, as also internal audits. The Company has an Audit Committee, details of which have been provided in the Corporate Governance report. The Audit Committee reviews Audit Reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems in the Company and keeps the Board informed of its major observations from time to time.

HUMAN RESOURCES

As on 31st March 2018, 10,412 number of employees are on the rolls of the Company. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation to its employees and their whole hearted support and cooperation during these difficult periods.

FINANCE

For the financial year 2017-18 EBIDTA was at Rs 2128.91 Lacs (PY-Rs 2297.85 Lacs). The operations of the Company still remain affected in light of the restraint orders passed by the Special Officer on acceptance of land tax, rubber tree felling etc. On 11 April 2018, The Hon'ble High Court of Kerala passed verdict in favour of the Company by setting aside the proceedings of the Special Officer. The authorities are awaiting further instructions from the Government of Kerala in this regard.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual result could defer materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include domestic and internal economic conditions affecting demand and supply, commodity prices, changes in Government regulations, tax regimes and other statutes. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot always be assured.

REPORT ON CORPORATE GOVERNANCE (Annexure 'C' to Directors' Report)

The Company's policy on Corporate Governance emphasis on conducting its operations effectively and meeting its obligations towards its various shareholders and to the society at large. The Company endeavours to produce quality products that consistently commands respect, trust and loyalty by way of sustained efforts in the plantation and adoption of latest technologies. The Company also give due importance to its obligation towards the large work force that it employs in the plantation. The Company runs a business that has human face and values environment, people, product, plantations, practices, customers and shareholders. The company believes in achieving its goal which result in enhancement of shareholders value through transparency, professionalization and accountability.

HML is in compliance with the Corporate Governance guidelines as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

BOARD OF DIRECTORS

Composition of the Board

As on 31 March, 2018, HML's Board of Directors consists of eight Directors, of which four are Independent Directors, including one Independent Woman Director. There are three non-executive non-independent directors and one executive Director, who is the Whole Time Director. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

NUMBER OF BOARD MEETINGS

In 2017-18, the Board of the Company met six times, on 29.05.2017, 03.08.2017, 11.09.2017, 05.12.2017, 08.02.2018 and 21.03.2018. The maximum gap between any two Board meetings was less than one hundred and twenty days.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1 details the composition and the attendance record of the Board of Directors. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors, nor is Chairman of more than five such Committees.

Table1: Composition of the Board of Directors as on 31 March 2018 is stated below

Name of Director	Category	No. of other Directorships and Committee memberships / Chairmanships in other Indian public companies			Attendance particulars		
		Director 1	Member 2	Chairman 2	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Haigreve Khaitan	Non Executive Independent	8	5	2	6	1	No
Mr. G. Momen	Non Executive Independent	6	3	1	6	4	No
Mr. P. Rajagopalan	Non Executive Non Independent	1	0	0	6	3	Yes
Mr. J. M. Kothary	Non Executive Independent	3	0	2	6	4	Yes
Mr. N. Dharmaraj	Executive Non Independent	1	0	0	6	6	Yes
Mr. Sachin Nandgaonkar	Non Executive Non Independent	3	0	0	6	5	Yes
Mr. Kaushik Roy	Non Executive Non Independent	4	1	0	6	2	No
Ms. Surbhi Singhi	Non Executive Independent	6	4	0	6	5	No

Notes:

- 1 The Directorships held by Directors in Table 1 do not include alternate directorships and directorships of foreign companies, Section 8 and One Person Companies and Private Limited Companies.
- 2 In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies have been considered.
- 3 None of the promoters are on the board of HML.

SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

During 2017-18, the Independent Directors met on 15.03.2018 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non-executive directors; assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the independent directors attended the said meeting.



The details of the familiarisation programme is disclosed on the Company's website at www.harrisonsmalayalam.com

RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (AS) 24 issued by the Institute of Chartered Accountants of India are disclosed in Notes to the financial statements for the year 2017-18. There has been no transaction of a material nature with any of the related parties which was in conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its non-executive Directors during the year. The Company's policy on dealing with Related Party Transactions and for determining material subsidiary is available at the Company's website www.harrisonsmalayalam.com

INFORMATION SUPPLIED TO THE BOARD

The Directors are presented with detailed notes along with the agenda papers well in advance of their meeting. Necessary information as required under the statute and in line with the guidelines on Corporate Governance are placed before and reviewed by the Board. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company, as well as steps taken to rectify instances of non-compliance, if any.

Important operational matters are brought to the notice of the Board at its meetings held from time to time.

CODE OF CONDUCT

The Code of Business Conduct and Ethics relating to matters concerning Board members and Senior Management Officers and their duties and responsibilities has been meticulously followed. All Directors and Senior Management Officers have affirmed compliance of the provisions of the Code during the year 2017-18 and a declaration from the Manager to that effect is given at the end of this report. The code is available on the Company's website www.harrisonsmalayalam.com

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on 31st March 2018, Audit Committee of HML's Board of Directors consisted of Mr. Haigreve Khaitan, Mr. Golam Momen, Mr. J.M. Kothary, Mr. Sachin Nandgaonkar and Ms. Surbhi Singhi. Mr. Haigreve Khaitan, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

The Committee met five times during the course of the financial year on 29.05.2017, 11.09.2017, 05.12.2017 and 08.02.2018.

Table 2: Attendance record of Audit Committee members for 2017-18

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Haigreve Khaitan	Chairman	Independent	4	-
Mr. G. Momen	Member	Independent	4	4
Mr. J.M. Kothary	Member	Independent	4	2
Mr. Sachin Nandgaonkar	Member	Non-Independent	4	3
Ms. Surbhi Singhi	Member	Independent	4	2

The chief of finance and representatives of the statutory auditors are invitees to the Audit Committee meetings. The Audit Committee also invites the cost auditor and internal auditor in case of necessity. The Company Secretary is the Secretary to the Committee.

The functions of the Audit Committee of the Company include the following:

1. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
2. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Act.
 - b) Changes, if any, in accounting policies and practices and reason for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report, if any.

3. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
4. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up thereon.
7. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Reviewing the Company's risk management policies.
10. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and necessary for performance of its function as prescribed under SEBI Listing Regulations and Companies Act, 2013.

The auditors and the key managerial personnel have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- b) Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the company.
- c) Discuss any related issues with the internal and statutory auditors and the management of the company.
- d) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- e) Approve subsequent modification of transactions of the Company with related parties.
- f) Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- g) Oversee the vigil mechanism / whistle blower policy of the Company.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Whenever applicable, monitoring end use of funds raised through public issues, rights issues, and preferential issues by major category (capital expenditure, sales and marketing, working capital etc.) as part of the quarterly declaration of financial results.

In addition, the Audit Committee of the Board is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. No person has been denied access to the Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee looks into redressal of grievances of shareholders and other security holders such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non-receipt of declared dividends.

The Stakeholders Relationship Committee comprises of Mr.G. Momen, Ms. Surbhi Singhi, and Mr. V. Venugopal. Mr. G. Momen is the Chairman of the Committee. The Committee met once during the year on 21.02.2018



Table 3: Attendance record of Stakeholders Relationship Committee for 2017-18

Name of Members	Status	Category	No of Meeting	
			Held	Attended
Mr. G. Momen	Chairman	Non-Executive	1	1
Ms. Surbhi Singhi	Member	Non-Executive	1	1
Mr.V. Venugopal	Member	Manager	1	1

For expediting the process of registration of transfers of the Company's securities, the Board has delegated the power of approving share transfers and for dealing with matters connected therewith to a committee comprising of Manager, Chief Financial Officers and Mr.Binu Thomas Company Secretary, who is also the Compliance Officer. The delegated authority attends to share transfer formalities at least once a fortnight.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee is comprised of Mr.Haigreve Khaitan, Mr. Golam Momen and Mr. J.M. Kothary. Mr. Haigreve Khaitan is the Chairman of the Nomination & Remuneration Committee.

The role of the Committee, inter-alia, includes

- Identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals where necessary;
- Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- Evaluate the performance of every director;
- Devise a policy on Board diversity.

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel, senior management personnel and other employees of the Company. The Committee is responsible for recommending the fixation and periodic revision of remuneration of the Managing Director / Manager and Whole Time Director of the Company. The performance evaluation criteria for non-executive including Independent Directors laid down by the Committee and taken on record by the Board includes:

- Attendance and participation in the Meetings
- Preparedness for the Meetings
- Understanding of the Company and the external environment in which it operates and contributes to strategic direction
- Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings.
- Engaging with and challenging the management team without being confrontational or obstructionist

During the year, the Committee met on 04.05.2017 Table gives the details of attendance:.

Name of Members	Status	Category	No. of meetings	
			Held	Attended
Mr. Haigreve Khaitan	Chairman	Non-Executive	1	1
Mr. Golam Momen	Member	Non-Executive	1	1
Mr. J.M. Kothary	Member	Non- Executive	1	1

DIRECTORS' / MANAGER'S REMUNERATION

Payment of remuneration to the Whole Time Director / Manager is governed by the agreements executed between him and the Company and are governed by Board and shareholders' resolutions. While the Whole-Time Director is paid a Consolidated pay, the remuneration structure of the Manager comprises salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity. The details of all remuneration paid or payable to the Directors / Manager have been given below:

₹ in lacs.

Name of the Director	Salary & Perquisites	Sitting Fees	Total
Mr. Haigreve Khaitan	-	0.20	0.20
Mr. G. Momen	-	1.20	1.20
Mr. P. Rajagopalan	-	0.60	0.60
Mr. J.M. Kothary	-	1.00	1.00
Mr. Sachin Nandgaonkar	-	1.30	1.30
Mr. Kaushik Roy	-	0.40	0.40
Ms. Surbhi Singhi	-	0.60	0.60
Mr. Venugopal – Manager	52.30	-	52.30
Mr. N. Dharmaraj (Whole Time Director)	91.04	-	91.04

The breakup of Salary & Perquisites are stated below:

Mr. N. Dharmaraj, Whole Time Director

₹ in lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
91.04	-	-	-	91.04

Mr. V Venugopal, Manager

₹ in lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
24.04	21.17	0.60	6.49	52.30

Shares held by Non-Executive Directors:

As on 31st March 2018, Mr. Golam Momen holds 560 shares. No other Director holds equity shares in HML. The Company has not issued any convertible instruments and as on 31 March, 2018, no convertible instruments of the Company are outstanding.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board is comprised of Mr. Haigreve Khaitan, Mr. Sachin Nandgaonkar, Mr. Kaushik Roy, Mr. Ravi A. and Mr. G. Satish Pillai. The roles and responsibilities of the committee are as prescribed under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time, and includes monitoring and review of the risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A Corporate Social Responsibility (CSR) Committee of the Board was constituted on 25 March, 2015 to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Act and the Rules made thereunder. The members of the Committee as on March 31, 2018 are Mr. Golam Momen, Mr. Sachin Nandgaonkar, Mr. P. Rajagopalan and Mr. N. Dharmaraj. The CSR Policy can be accessed at the website of the Company at link <http://www.harrisonsmalayalam.com>.

SUBSIDIARY COMPANIES

As on 31 March 2018, HML has three unlisted subsidiaries namely Enchanting Plantations Ltd., Harmony Plantations Ltd. and one step down subsidiary Malayalam Plantations Ltd.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This annual report has a detailed chapter on Management Discussion and Analysis Report.

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including accounting standards notified under Section 133 of the Act and the relevant provisions of the said Act. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

Code of Fair Disclosure, Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders – has been adopted by the Board, in accordance with SEBI (prohibition of Insider Trading) Regulations, 2015.

The code lays down guidelines, on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during "Trading Window Open Period". The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

As required under the Act and Regulation 22 & 46(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action and no personnel has been denied access to the audit committee.

ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose did not receive any complaint for redressal during the year.



WTD/CFO CERTIFICATION

The Whole Time Director/CFO certification on the financial statements for the year has been submitted to the Board of Directors, as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

SHAREHOLDERS

COMMUNICATION TO SHAREHOLDERS

HML puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to analysts, on its website www.harrisonsmalayalam.com regularly for the benefit of its shareholders and the public at large.

The quarterly, half yearly and annual results are published in Business Standard (English) and Deshabhimani (Malayalam) newspapers in the form prescribed in Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges. These results are also displayed in the Company's website www.harrisonsmalayalam.com. Hence, they are not separately sent to the shareholders. However, the Company furnishes the quarterly results on receipt of a request from any shareholder.

INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

The Company has appointed a Registrar and Share Transfer Agent, Link Intime India Private Ltd., which is fully equipped to carry out share transfer related activities and redress investor complaints. Mr. Binu Thomas, Company Secretary is the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

HML has complied with all requirements of the regulatory authorities. No penalties / strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

GENERAL BODY MEETINGS

The date, time and venue of the General Meetings held in last three years are given below:

Sl. No.	AGM	Year	Date	Time	Location
1	40th	2017	03.08.2017	11.00 a.m.	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 16
2	39th	2016	30.09.2016	10.30 a.m.	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 16
3	38th	2015	28.09.2015	10.30 a.m.	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 16

All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting.

Details of Special Resolutions passed in the immediately preceding three AGMs:

AGM	Particulars of Special Resolutions passed there at
38th	Appointment and payment of remuneration to Mr.N. Dharmaraj, Whole Time Director
	Appointment and payment of remuneration to Mr. V. Venugopal, Manager
39th	Appointment and payment of remuneration to Mr. N. Dharmaraj, Whole Time Director.
40th	Appointment and payment of remuneration to Mr. N. Dharmaraj, Whole Time Director.

POSTAL BALLOT

During the year under review no resolution was passed by postal ballot.

COMPLIANCE

MANDATORY REQUIREMENTS

The company is fully compliant with the applicable. Mandatory requirements of Regulations 34 & 53(f) of SEBI (Listing Obligations and Disclosure Requirements) regulations 2015.

NON-MANDATORY REQUIREMENTS

The details of compliance of the non-mandatory requirements are listed below:

SHAREHOLDER RIGHTS – FURNISHING OF QUARTERLY RESULTS

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

SHAREHOLDER RIGHTS – FURNISHING OF QUARTERLY RESULTS

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from a practicing Company regarding compliance of conditions of corporate governance. The certificate is annexed to this report.

For and on behalf of the Board of Directors

Sachin Nandgaonkar
(DIN- 03410739)
Director

Kaushik Roy
(DIN- 06513489)
Director

Place: Mumbai
Date:25.05.2018

ADDITIONAL SHAREHOLDER INFORMATION (Annexure 'D' to Directors' Report)

ANNUAL GENERAL MEETING

Date	: 26th September, 2018
Time	: 11.00 A.M.
Venue	: Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin - 682016

FINANCIAL CALENDAR

For the year ended 31 March 2018, results were announced on:

First quarter	: 11th September, 2017
Second quarter	: 5th December, 2017
Third quarter	: 8th February, 2018
Fourth quarter and annual	: 25th May, 2018

For the year ending 31 March 2019, results will be announced on:

Quarter ending June 30, 2018	Within August 14, 2018
Quarter ending September 30, 2018	Within November 14, 2018
Quarter ending December 31, 2018	Within February 14, 2019
Year ending March 31, 2019 (Audited)	Within May 30, 2019

BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain from September 20, 2018 to September 26, 2018 (both days inclusive) as Annual closure for the Annual General Meeting.

DIVIDEND

The Board has not recommended any dividend for the FY 2017-18.

LISTING

Equity shares of the Company are listed on the BSE Ltd., National Stock Exchange of India Ltd.

STOCK CODES

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd., Mumbai (BSE)	500467
National Stock Exchange of India Ltd., Mumbai (NSE)	HARRMALAYA

All listing and custodial fees to the Stock Exchanges and depositories have been paid to the respective institutions.

STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of HML equity shares and the volumes traded at the Bombay Stock Exchange and National Stock Exchange for the year 2017-18.

Table 1: High and low prices at the BSE and NSE

Year -2017/18	BSE		NSE		Volume (Nos.)	
Months	High (₹)	Low (₹)	High (₹)	Low (₹)	BSE	NSE
April	101.75	81.80	101.90	82.10	1270935	4606386
May	102.45	79.30	102.45	79.20	734105	3004074
June	86.40	74.65	86.60	74.00	399283	1838202
July	85.55	74.85	85.80	74.70	545701	2367451
August	87.00	69.80	86.20	70.35	551168	2500765
September	81.90	72.05	81.90	72.00	368713	1619155
October	82.50	73.00	82.50	73.25	278897	1408139
November	124.90	78.95	124.85	79.20	4073081	16921975
December	122.95	88.25	123.00	88.75	957861	3892653
January	100.50	81.20	99.45	82.55	190706	512890
February	92.40	76.95	92.75	76.35	1584401	534245
March	86.05	71.50	86.00	71.25	1504942	651575

Source: Website: BSE Ltd.(www.bseindia.com) and The National Stock Exchange of India Ltd. (www.nseindia.com)



Table 2 provides the closing price of HML's equity shares on NSE vis-vis NSE Nifty and BSE Sensex at the last trading day for each month during 2017-18.

Table 2: Performance comparison to NSE Nifty and BSE Sensex

As at close of last trading day for each month	HML's closing price on NSE (₹)	NSE Nifty	BSE Sensex
April 2017	97.15	9304.05	29918.40
May 2017	82.20	9621.25	31145.80
June 2017	76.10	9520.90	30921.61
July 2017	85.30	10077.10	32514.94
August 2017	80.20	9917.90	31730.49
September 2017	73.40	9788.60	31282.72
October 2017	79.15	10335.30	33213.13
November 2017	118.95	10226.55	33149.35
December 2017	98.45	10530.70	34056.83
January 2018	85.25	11027.70	35965.02
February 2018	84.50	10492.85	34184.04
March 2018	73.40	10113.70	32968.68

SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

The Company processes share transfers through its Share Transfer Agent whose address is as given below.

M/s. Link Intime India Pvt. Ltd.
Surya, 35, Mayflower Avenue, Behind Senthil Nagar
Sowripalayam Road, Coimbatore – 641028.
Ph. 0422-2314792
E-mail: coimbatore@linkintime.co.in

In compliance with the SEBI circular dated 27 December 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, HML has established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its share transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and the Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on March 31 2018, dematerialised shares accounted for 96.03% of total equity. There is no subsisting court order in legal proceedings against HML in any share transfer matter.

Table 3: Number and nature of complaints for 2017-18

No of Investor queries/ complaints received from 01.04.2017 to 31.03.2018	No. of complaints pending at the end of the Financial Year
9	Nil

SHAREHOLDING PATTERN

Table 4 and 5 give the pattern of shareholding by ownership and share class respectively

Table 4: Pattern of shareholding by ownership as on 31 March 2018

Category	Shares held (nos)	% of holding
Promoters Holdings (Indian and Foreign)	9283715	50.30
Mutual Funds	6970	0.04
Banks, Financial Institutions, Insurance Companies and others	120716	0.65
Foreign Institutional Investors	-	-
Non Resident Indians	72794	0.39
Corporate Bodies, Indian Public and others	8971210	48.61
TOTAL	18455405	100.00

Table 5: Pattern of shareholding by share class as on 31 March 2018

No of Equity Shares held	No of Shareholders	No of shares held	% to total Shareholding
Up to 500	24207	2872876	15.57
501 to 1000	1125	902225	4.88
1001 to 2000	510	765134	4.15
2001 to 3000	164	427355	2.31
3001 to 4000	74	263001	1.43
4001 to 5000	52	247554	1.34
5001 to 10000	98	717404	3.89
10001 and above	90	12259856	66.43
TOTAL	26320	18455405	100.00

PLANT LOCATIONS

Tea Estates: Eleven Estates located in Kerala and two in Tamil Nadu

Rubber Estates: Eleven Estates located in Kerala

INVESTOR CORRESPONDENCE ADDRESS

Company's Registered Office Address	Registrar's Address
Secretarial Department Harrisons Malayalam Ltd. 24/1624, Bristow Road, Willingdon Island, Cochin-682003 Telephone No: 0484-2668023 E-Mail : secretarial@harrisonsmalayalam.com Website: www.harrisonsmalayalam.com	M/s. Link Intime India Pvt. Ltd. Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Ph. 0422-2314792 E-mail: coimbatore@linkintime.co.in

COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

Mr.Binu Thomas, Company Secretary is the Compliance Officer for investor related matters.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in the table below. Investors are requested to claim their unclaimed dividends before these due dates.

Table 6: The dates of payment, the due dates for credit to IEPF and the amounts

Dividend for Year	Declared on	Dividend %	Amount lying unpaid / unclaimed as on 31 March 2018 (₹)	Due date for credit to IEPF
2010-11	19.09.2011	15%	763610	18.10.2018
2011-12	27.09.2012	15%	844782	26.09.2019
2012-13	23.09.2013	7.5%	470923	22.09.2020
2013-14	26.09.2014	10%	580840	25.10.2021

The Company opened a demat account "Harrisons Malayalam Ltd – Unclaimed Suspense Account" with Stock Holding Corporation Ltd., Ernakulam in the month of March 2014 and 230776 unclaimed shares pertaining to 3346 shareholders have been transferred to this Demat Account. Members who have not claimed their share certificates are requested to immediately approach the Company's Registrars and Share Transfer Agent.

The details of shares in Unclaimed Suspense Account and transferred to shareholders those who have claimed the shares during the period April 1, 2017 to March 31, 2018 are as follows:

	No. of Shareholders	No. of Shares
Aggregate number as on April1, 2017	3171	215031
No. of shareholders who approached the Company / Registrar for transfer of shares from unclaimed Suspense Account during the year.	30	1890
No. of shareholder to whom shares were transferred from the Unclaimed Suspense Account during the year.	30	1890
Shares transferred to IEPF	806	51673
Aggregate number as on March 31, 2018	2335	161648

Outstanding GDRs/ADRs/Warrants/Any other Convertible Instruments:

The Company do not have any outstanding GDRs/ADRs/Warrants/Any other Convertible Instruments as on March 31, 2018.

Commodity Price Risk or Foreign Exchange Risk and hedging activities:

The Company contemplates derivative financial instruments such as forward exchange contracts currency swap etc. to hedge its risks associated with commodity price fluctuations and foreign currency fluctuations relating to the underlying transactions and firm commitment.



DECLARATION – CODE OF CONDUCT

All Board members and Senior Management Personnel of the Company have, for the year ended March 31, 2018 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Regulations.

For HARRISONS MALAYALAM LIMITED

V. Venugopal
Manager

May 25, 2018

PRACTICING COMPANY SECRETARY'S CERTIFICATE

AS PER REGULATION 27(2) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATION 2015

To the Members of Harrisons Malayalam Ltd.

I have examined the compliance of conditions of Corporate Governance by Harrisons Malayalam Limited ("the Company") for the year ended March 31, 2018, as per Regulations 17-27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 ("Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

I 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.

Thomas P. Chacko

FCS 4066
Company
Secretary in Practice
CP 4251

Cochin
May 25, 2018

NOMINATION & REMUNERATION POLICY (ANNEXURE 'E' TO THE DIRECTORS' REPORT)

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on May 30, 2014 re-constituted the existing Remuneration Committee by changing its nomenclature as Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated additional terms of reference in line with the Companies Act, 2013.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification and selection of the suitable candidates for the various positions in senior management and also candidates who are qualified to be appointed as director on the Board of Directors of the Company. The Committee is also to recommend a policy, relating to the remuneration for the directors, key managerial personnel and other senior management personnel and a process by which the performance of the directors could be evaluated.

This policy formulated by the Nomination and Remuneration Committee was adopted on August 8, 2014 by the Board of Directors of Harrisons Malayalam Limited.

The Committee shall be guided by the broad principles as laid down below in respect of nominating persons to hold office of director, senior management including key managerial personnel and recommending the remuneration payable.

1. Criteria for selection of members on the board of directors and candidates for senior management.

The Committee has adopted the following criteria for selection of member on the Board of Directors of the Company and also candidates eligible to be appointed in the senior management of the Company.

A) Criteria for Selection of Directors

Before making any recommendation to the Board for appointment of any director, the Committee shall ensure that:

- a. the candidate possesses positive attributes / qualities such as Leadership, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess, and are in the interest of the Company;
- b. the candidate shall be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- c. the candidate meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment of an independent director;
- d. the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

B) Criteria for Selection of Senior Management Personnel

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, should ensure that the candidate has the attributes set for the below:

- a. The candidate should have a minimum experience of 10 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- b. The candidate should possess qualities that demonstrate leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment (as director on the Board or in senior management), the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.



2. Remuneration policy for directors, senior management and key managerial personnel

A) Remuneration of Managing Director, Whole Time Director and Manager:

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager (wherein there is no Managing Director), may take into consideration the performance of the Company, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director / Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

B) Remuneration of Non-Executive Director (NED)

- a) The remuneration to the NEDs may be restricted to the sitting fees being paid for attendance of the meeting of the Board of the Directors and the Committees of the Board, currently only for Audit Committee.
- b) The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees being paid for attendance of the meeting of the Board of the Directors and Committees of the Board, currently only for Audit Committee, provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to non-executive directors.
- c) Independent Directors shall not be eligible for stock options of the Company, if any.

C) Remuneration of Senior Management Personnel and KMPs

The Remuneration of the Senior Management Personnel and KMPs shall be in accordance with the Policy of the Company which is applicable to the employees. The Committee may consider the remuneration of a Senior Management Personnel keeping in view the performance of the Business /Function under his control and also the contribution of the Business /Function under his control towards the overall performance of the Company.

3. Evaluation of performance of directors

A) Evaluation of the performance of Managing Director / Whole Time Director

The performance of the Managing Director / Whole Time Director of the Company may be carried out taking into consideration the performance of the Company vis-à-vis the budgets as well as performance of its competitors. Emphasis on achieving top line and bottom line targets, with no adverse qualification by the auditors in the accounts, may be made.

B) Evaluation of the performance of Non-Executive Directors and Independent Directors (NEDs and IDs)

The Committee while evaluating the performance of the NEDs and IDs may take into consideration various factors as mentioned below:

- a) Attendance at Meetings - attendance at Board Meetings, AGMs, Committee meetings.
- b) Other Directorships held by the NED – in listed or unlisted companies
- c) Other companies in which NED is a Chairperson
- d) Participation at Board/Committee meetings
- e) Input in strategy decisions
- f) Review of Financial Statements, risks and business performance
- g) Time devoted towards discussion with Management
- h) Review of Minutes – Board Minutes, Committee meeting minutes and AGM Minutes

Marks may be assigned for each of the above criteria and based on the score achieved, the Committee may evaluate the performance of each non-executive director and independent director.

Further provided that, any amendment to any of the clauses in the aforesaid policy shall be subject to the prior approval of the Committee and such amendment shall be informed to the Board of Directors of the Company.

SECRETARIAL AUDIT REPORT - Annexure F

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
HARRISONS MALAYALAM LTD.
24/1624, Bristow Road
Willingdon Island, Cochin
Ernakulam-682003
Kerala

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARRISONS MALAYALAM LTD. [CIN: L01119KL1978PLC002947]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
 - 1. The Tea Act, 1953 and the Rules made thereunder
 - 2. The Tea Waste (Control) Order, 1959
 - 3. The Tea Warehouse (Licensing) Order, 1989
 - 4. The Tea (Marketing) Control Order, 2003
 - 5. Tea (Distribution and Export) Control Order, 2005
 - 6. The Coffee Act, 1942 and the Rules made thereunder;
 - 7. The Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
 - 8. The Plantations Labour Act, 1951 and the Rules made thereunder
 - 9. Kerala Plantation Labour Rules, 1959
 - 10. The Prevention of Food Adulteration Act, 1954 and Rules made thereunder;
 - 11. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011;



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that for the Board Meeting held on 29.05.2017, the trading window communication to Stock Exchange gives the date of opening of trading window as 30.05.2017 instead of 31.05.2017 and the Company has not filed Form IEPF 4 for the year 2009-10.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no public/right/preferential issue of shares/debentures/sweat equity, redemption/buy back of securities, major decisions taken by members in pursuance to Section 180 of the Companies Act, 2013 or foreign technical collaborations.

The Company has entered into a composite scheme of arrangement and amalgamation with Enchanting Plantations Limited (100 % subsidiary of Harrisons Malayalam Limited), Malayalam Plantations Limited (100 % subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100 % subsidiary of Harrisons Malayalam Limited) which was pending before the Hon'ble High Court of Kerala and is now before the National Company Law Tribunal, Chennai, as directed vide order dated 09.03.2017.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **SVJS & Associates**
Company Secretaries

P. Sivakumar
Managing Partner
Membership No. 3050
CP. No. 2210

Kochi
25.05.2018

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

The Members

HARRISONS MALAYALAM LTD.

24/1624, Bristow Road

Willingdon Island, Cochin

Ernakulam-682003

Kerala

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2018 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For **SVJS & Associates**
Company Secretaries

P. Sivakumar
Managing Partner
Membership No. 3050
CP No. 2210

Kochi
25.05.2018



CORPORATE SOCIAL RESPONSIBILITY

Harrisons Malayalam Ltd (HML), a major plantation Company in South India has its presence in both tea and rubber crops besides minor crops like pineapple, cardamom, pepper and other spices. HML provides employment to more than 10000 people, supporting their families and dependents, by providing them with free housing, electricity, water and health care. HML is the state's largest employer, only next to the Kerala Government.

95% of the workforce constitute the workmen category who work in the estates and factories. The other 5% includes executives/managers and supervisory staff in diverse functions. 50% of the workmen category belong to Schedule castes and backward communities. Women workers constitute approximately 60% of the total work force.

A lot of importance is attached to social responsibilities and HML as a responsible corporate has been successful in integrating the social and environmental concerns into its business operations. The company leadership has evolved a strategy to encompass social dimension in all the activities namely, health, safety, education and environment. The Company gives importance to product safety as also safety at work place and follows the guidelines on plant protection residue, besides conforming to the FSSAI standards.

The major activities carried out by HML in the field of health, environment and education, provide benefits to the state's backward class people. Some of these are detailed below:

Health

HML extends medical support to the local population in and around its estates. It also provides medical support to tribal colonies / old age homes for their comprehensive medical and health care. The services of the Company's hospitals have also been made affordable for the local public on payment of nominal fees.

Environment and Education

In a small way HML has also established an organization which is providing service in the form of education and health care for mentally challenged children. HML plantations also run schools of varying capacities.

The Company also gives importance to preservation of natural habitants of the plantations and engages in self-development programs and initiatives to preserve bio-diversities in surrounding areas. The company also has a soil preservation and water management program.

Various programs on education, environment and education have been conducted during the year, the details of which are mentioned below:

Sr. No.	CSR Theme	Activity	Locations	No. of Benefeciaries
1	Education	Safety and first aid awareness	Kumbazha, Mundakayam, Wentworth and Mooply Estates	2146
2	Education	Summer Camps	Kumbazha and Kundai Estates	854
3	Education	Spoken English classes	Wentworth Estate	18
4	Education	Poster Campaign	Kumbazha and Mundakayam Estates	2000
5	Education	Rakshita - Centre for children and young adults with special needs	Arrapetta	20
6	Education	Workers education programme	Nagamallay	70
7	Environment	Environment day celebration	All Estates	1787
8	Environment	Sanitation campaign	Kumbazha Estate	40
9	Environment	Waste Management with the help of local Self Government bodies	All HML Estates	1350
10	Environment	Rain water harvesting in Estates	All HML Estates	900
11	Environment	Sustainability certifications	All HML Estates	1870
12	Environment	Sustainable agricultural practices to small tea growers	All HML Estates	1800
13	Environment	Water & Soil conservation	All HML Estates	1800

Sr. No.	CSR Theme	Activity	Locations	No. of Beneficiaries
14	Environment	Plastic free zones	All HML Estates	1900
15	Environment	Oranic vegetable cultivation by SHG	Koney	40
16	Welfare	Okhi cyclone distress relief	All HML Estates	250
17	Health	Monsoon diseases/Communal diseases awareness campaigns / observing dry days Fire rescue / Road safety	All Estates	4208
18	Health	Homeo Medical Camps	Mundakayam/ Kumbazha/ Nagamallay/ Wallardie/ Wentworth	2099
19	Health	Dengu preventive measures - awarness class	Wallardie & Pattumalay Estates	636
20	Health	Financial assistance to kidney patients	Mundakayam	1
21	Health	LPG Safety training/Health Class	Mooply and Kundai Estates	3385
22	Health	Eye camp	Lockhart & Mooply Estates	898
23	Health	HIV/AIDS awareness campaign	Wentworth	65
24	Health	Ayurveda Medical camp	Mayfield Estate	100
25	Health	Cancer awareness session	Mayfield Estate	100
26	Health	Free medical camp	Wentworth & Kundai Estates	249
27	Health	Pulse polio immunisation	Panniar & Lockhart Estates	170
28	Health	Epidemic control awareness	Panniar Estate	110
29	Health	Mosquito eradication programme	Mooply & Kundai Estates	28
30	Health	Monkey fever vaccination camp	Wentworth	340
31	Health	Blood donation Camp	Head Office	50
32	Welfare	Cloth Collection Campaign	Head Office	150



Annexure G to the Directors' Report

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L01119KL1978PLC002947
ii.	Registration Date	7th January 1978
iii.	Name of the Company	HARRISONS MALAYALAM LIMITED
iv.	Category/Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	24/1624 Bristow Road Willingdon Island Cochin 682 023 Tel No.0484 2668023 Fax: 0484 2668024 Email:hmlcorp@harrisonsmalayalam.com Web site: www.harrisonsmalayalam.com
vi.	Whether listed Company	Yes, BSE and NSE
vii.	Name Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd Surya, 35 Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road Coimbatore 641028 Tel: 0422 2314792 Email: Coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S I . No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	PLANTATIONS - TEA	1271	52.90
2	PLANTATIONS - RUBBER	1291	47.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name and address of the Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	Harmony Plantations Limited	U01100KL2012PLC030469	Subsidiary	100	2(87)
2.	Enchanting Plantations Limited	U01116KL2012PLC030473	Subsidiary	100	2(87)

Address of all the above companies: 24/1624 Bristow Road, Willingdon Island, Cochin-682003

IV. Category-wise Shareholding

i) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	90000	-	90000	0.4877	90000	-	90000	0.4877	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	Promoter Trust	262140	-	262140	1.4204	262140	-	262140	1.4204	-
	Bodies Corporate	8931475	-	8931475	48.3949	8931575	-	8931575	48.3954	0.0005
	Sub Total (A)(1)	9283615	-	9283615	50.303	9283715	-	9283715	50.3035	0.0005

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1) + (A)(2)	9283615	-	9283615	50.303	9283715	-	9283715	50.3035	0.0005
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	6500	520	7020	0.038	6500	470	6970	0.0378	-0.0002
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	50427	925	51352	0.2782	120036	680	120716	0.6541	0.3759
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	Foreign Bank	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	56927	1445	58372	0.3163	126536	1150	127686	0.6919	0.3756
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	4721711	873440	5595151	30.3171	4719736	718891	5438627	29.469	-0.8481
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1796269	-	1796269	9.733	1854070	-	1854070	10.0462	0.3132
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	IEPF	-	-	-	-	185711	-	185711	1.0063	1.0063
	Trusts	240	-	240	0.0013	873	-	873	0.0047	0.0034
	Hindu Undivided Family	272688	-	272688	1.4776	353937	-	353937	1.9178	0.4402
	Non Resident Indians (Non Repat)	43872	-	43872	0.2377	26726	-	26726	0.1448	-0.0929
	Non Resident Indians (Repat)	63702	3965	67667	0.3667	42583	3485	46068	0.2496	-0.1171
	Unclaimed Shares	215031	-	215031	1.1651	161368	-	161368	0.8744	-0.2907
	Clearing Member	183278	-	183278	0.9931	95358	-	95358	0.5167	-0.4764
	Market Maker	8165	-	8165	0.0442	1652	-	1652	0.009	-0.0352
	Bodies Corporate	920861	10196	931057	5.0449	871333	8281	879614	4.7662	-0.2787
	Sub Total (B)(3)	8225817	887601	9113418	49.3808	8313347	730657	9044004	49.0046	-0.3762
	Total Public Shareholding(B)=(B)(1) + (B)(2) + (B)(3)	8282744	889046	9171790	49.697	8439883	731807	9171690	49.6965	-0.0005
	Total (A) + (B)	17566359	889046	18455405	100	17723598	731807	18455405	100	-
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	17566359	889046	18455405	100	17723598	731807	18455405	100	-



ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	RAINBOW INVESTMENTS LIMITED	4471063	24.2263	-	4471063	24.2263	-	-
2	VAYU UDAAN AIRCRAFT LLP	-	-	-	2720100	14.7388	-	14.7388
3	SWALLOW ASSOCIATES LLP	1190722	6.4519	-	1010722	5.4766	-	-0.9753
4	SUMMIT SECURITIES LIMITED	728160	3.9455	-	728160	3.9455	-	-
5	HARSH VARDHAN GOENKA	45000	0.2438	-	45000	0.2438	-	-
6	PRADIP KUMAR KHAITAN On behalf of HML Trust No.I	43680	0.2367	-	43680	0.2367	-	-
7	PRADIP KUMAR KHAITAN On behalf of HML Trust No.II	43680	0.2367	-	43680	0.2367	-	-
8	PRADIP KUMAR KHAITAN On behalf of HML Trust No.III	43680	0.2367	-	43680	0.2367	-	-
9	PRADIP KUMAR KHAITAN On behalf of HML Trust No.IV	43680	0.2367	-	43680	0.2367	-	-
10	PRADIP KUMAR KHAITAN On behalf of HML Trust No.V	43680	0.2367	-	43680	0.2367	-	-
11	PRADIP KUMAR KHAITAN On behalf of HML Trust No.VI	43680	0.2367	-	43680	0.2367	-	-
12	SANJIV GOENKA	35000	0.1896	-	35000	0.1896	-	-
13	RAMA PRASAD GOENKA	10000	0.0542	-	10000	0.0542	-	-
14	CARNI WAL INVESTMENTS LTD	1121230	6.0753	-	1230	0.0067	-	-6.0686
15	INSTANT HOLDINGS LIMITED	1420200	7.6953	-	200	0.0011	-	-7.6942
16	SAREGAMA INDIA LIMITED	100	0.0005	-	100	0.0005	-	-
17	HARSH VARDHAN GOENKA On behalf of Crystal India Tech Trust	10	0.0001	-	10	0.0001	-	-
18	HARSH VARDHAN GOENKA On behalf of Nucleus Life Trust	10	0.0001	-	10	0.0001	-	-
19	HARSH VARDHAN GOENKA On behalf of Monitor Portfolio Trust	10	0.0001	-	10	0.0001	-	-
20	HARSH VARDHAN GOENKA On behalf of Secura India Trust	10	0.0001	-	10	0.0001	-	-
21	HARSH VARDHAN GOENKA On behalf of Stellar Energy Trust	10	0.0001	-	10	0.0001	-	-
22	HARSH VARDHAN GOENKA On behalf of Prism Estates Trust	10	0.0001	-	10	0.0001	-	-
Total		9283615	50.303	-	9283715	50.3035	-	0.0005

iii) Change in Promoters Shareholding (please specify if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAINBOW INVESTMENTS LIMITED	4471063	24.2263			4471063	24.2263
	AT THE END OF THE YEAR					4471063	24.2263
2	VAYU UDAAN AIRCRAFT LLP	0	0.0000			0	0.0000
	Transfer			02 Mar 2018	1420100	1420100	7.6948
	Transfer			09 Mar 2018	1300000	2720100	14.7388
	AT THE END OF THE YEAR					2720100	14.7388
3	SWALLOW ASSOCIATES LLP	1190722	6.4519			1190722	6.4519
	Transfer			09 Mar 2018	(180000)	1010722	5.4766
	AT THE END OF THE YEAR					1010722	5.4766
4	SUMMIT SECURITIES LIMITED	728160	3.9455			728160	3.9455

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	AT THE END OF THE YEAR					728160	3.9455
5	HARSH VARDHAN GOENKA	45000	0.2438			45000	0.2438
	AT THE END OF THE YEAR					45000	0.2438
6	PRADIP KUMAR KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
7	PRADIP KUMAR KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
8	PRADIP KUMAR KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
9	PRADIP KUMAR KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
10	PRADIP KUMAR KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
11	PRADIP KUMAR KHAITAN	43680	0.2367			43680	0.2367
	AT THE END OF THE YEAR					43680	0.2367
12	SANJIV GOENKA	35000	0.1896			35000	0.1896
	AT THE END OF THE YEAR					35000	0.1896
13	RAMA PRASAD GOENKA	10000	0.0542			10000	0.0542
	AT THE END OF THE YEAR					10000	0.0542
14	CARNIVAL INVESTMENTS LTD	1121230	6.0753			1121230	6.0753
	Transfer			09 Mar 2018	(1120000)	1230	0.0067
	AT THE END OF THE YEAR					1230	0.0067
15	INSTANT HOLDINGS LIMITED	1420200	7.6953			1420200	7.6953
	Transfer			02 Mar 2018	(1420000)	200	0.0011
	AT THE END OF THE YEAR					200	0.0011
16	SAREGAMA INDIA LIMITED	100	0.0005			100	0.0005
	AT THE END OF THE YEAR					100	0.0005
17	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
18	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
19	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
20	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
21	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001
22	HARSH VARDHAN GOENKA	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001

- Note:**
1. Paid up Share Capital of the Company (Face Value Rs. 10/-) at the end of the year is 18455405 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	HITESH RAMJI JAVERI	570601	3.0918			570601	3.0918
	AT THE END OF THE YEAR					570601	3.0918
2	HARSHA HITESH JAVERI	352000	1.9073			352000	1.9073
	AT THE END OF THE YEAR					352000	1.9073
	AT THE END OF THE YEAR					161368	0.8744
3	CHANDRIKA DILIP SHAH	0	0.0000			0	0.0000
	Transfer			28 Jul 2017	78157	78157	0.4235
	Transfer			04 Aug 2017	11843	90000	0.4877
	AT THE END OF THE YEAR					90000	0.4877
4	ROHAN DIPAK RANDERY	0	0.0000			0	0.0000
	Transfer			22 Dec 2017	40000	40000	0.2167
	Transfer			02 Feb 2018	4222	44222	0.2396
	Transfer			09 Feb 2018	22422	66644	0.3611
	Transfer			16 Feb 2018	2938	69582	0.3770
	Transfer			31 Mar 2018	10000	79582	0.4312
	AT THE END OF THE YEAR					79582	0.4312
5	AXIS BANK LIMITED	16625	0.0901			16625	0.0901
	Transfer			14 Apr 2017	3660	20285	0.1099
	Transfer			21 Apr 2017	(420)	19865	0.1076
	Transfer			28 Apr 2017	(91)	19774	0.1071
	Transfer			05 May 2017	(1930)	17844	0.0967
	Transfer			12 May 2017	5381	23225	0.1258
	Transfer			19 May 2017	(6030)	17195	0.0932
	Transfer			26 May 2017	(920)	16275	0.0882
	Transfer			02 Jun 2017	(50)	16225	0.0879
	Transfer			09 Jun 2017	955	17180	0.0931
	Transfer			16 Jun 2017	3640	20820	0.1128
	Transfer			30 Jun 2017	(3980)	16840	0.0912
	Transfer			07 Jul 2017	(700)	16140	0.0875
	Transfer			14 Jul 2017	(240)	15900	0.0862
	Transfer			21 Jul 2017	375	16275	0.0882
	Transfer			28 Jul 2017	725	17000	0.0921
	Transfer			04 Aug 2017	(10360)	6640	0.0360
	Transfer			11 Aug 2017	10944	17584	0.0953
	Transfer			18 Aug 2017	(210)	17374	0.0941
	Transfer			25 Aug 2017	138	17512	0.0949
	Transfer			01 Sep 2017	(11112)	6400	0.0347
	Transfer			15 Sep 2017	12000	18400	0.0997
	Transfer			22 Sep 2017	(1220)	17180	0.0931
	Transfer			29 Sep 2017	(15900)	1280	0.0069
	Transfer			06 Oct 2017	15284	16564	0.0898
	Transfer			13 Oct 2017	(200)	16364	0.0887
	Transfer			20 Oct 2017	706	17070	0.0925
	Transfer			27 Oct 2017	2380	19450	0.1054
	Transfer			03 Nov 2017	(10990)	8460	0.0458
	Transfer			10 Nov 2017	8605	17065	0.0925
	Transfer			17 Nov 2017	450	17515	0.0949
	Transfer			24 Nov 2017	(350)	17165	0.0930
	Transfer			01 Dec 2017	(4420)	12745	0.0691
	Transfer			08 Dec 2017	25	12770	0.0692
	Transfer			15 Dec 2017	1440	14210	0.0770
	Transfer			29 Dec 2017	(8041)	6169	0.0334
	Transfer			12 Jan 2018	225	6394	0.0346
	Transfer			02 Feb 2018	(1000)	5394	0.0292
	Transfer			09 Feb 2018	9180	14574	0.0790

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			16 Feb 2018	62040	76614	0.4151
	Transfer			23 Feb 2018	(7541)	69073	0.3743
	Transfer			02 Mar 2018	(6155)	62918	0.3409
	Transfer			09 Mar 2018	1575	64493	0.3495
	Transfer			16 Mar 2018	5650	70143	0.3801
	Transfer			23 Mar 2018	10215	80358	0.4354
	Transfer			31 Mar 2018	(1475)	78883	0.4274
	AT THE END OF THE YEAR					78883	0.4274
6	THE PENINSULAR PLANTATIONS LTD.	64372	0.3664			64372	0.3664
	Transfer			14 Apr 2017	(1000)	63372	0.3607
	Transfer			05 May 2017	(3000)	60372	0.3271
	Transfer			07 Jul 2017	(5000)	55372	0.3000
	Transfer			01 Dec 2017	(1000)	54372	0.2946
	Transfer			08 Dec 2017	(2000)	52372	0.2838
	AT THE END OF THE YEAR					52372	0.2838
7	KANTHARAO UPPALA .	0	0.0000			0	0.0000
	Transfer			08 Dec 2017	21740	21740	0.1178
	Transfer			22 Dec 2017	23000	44740	0.2414
	Transfer			29 Dec 2017	35063	79803	0.4324
	Transfer			26 Jan 2018	(9884)	69919	0.3789
	Transfer			09 Feb 2018	(18044)	51875	0.2811
	AT THE END OF THE YEAR					51875	0.2811
8	GURGAON INFOSPACE LIMITED	0	0.0000			0	0.0000
	Transfer			14 Apr 2017	1526	1526	0.0087
	Transfer			21 Apr 2017	8474	10000	0.0542
	Transfer			12 May 2017	15000	25000	0.1355
	Transfer			15 Sep 2017	8000	33000	0.1788
	Transfer			22 Sep 2017	9000	42000	0.2276
	Transfer			29 Sep 2017	8000	50000	0.2709
	AT THE END OF THE YEAR					50000	0.2709
9	JM FINANCIAL SERVICES LIMITED	12250	0.0697			12250	0.0697
	Transfer			07 Apr 2017	(1750)	10500	0.0598
	Transfer			14 Apr 2017	(964)	9536	0.0543
	Transfer			21 Apr 2017	(5618)	3918	0.0212
	Transfer			28 Apr 2017	3617	7535	0.0408
	Transfer			05 May 2017	(1246)	6289	0.0341
	Transfer			12 May 2017	(4214)	2075	0.0112
	Transfer			19 May 2017	(503)	1572	0.0085
	Transfer			26 May 2017	(263)	1309	0.0071
	Transfer			02 Jun 2017	528	1837	0.0100
	Transfer			09 Jun 2017	(606)	1231	0.0067
	Transfer			16 Jun 2017	3923	5154	0.0279
	Transfer			23 Jun 2017	7500	12654	0.0686
	Transfer			30 Jun 2017	(8898)	3756	0.0204
	Transfer			07 Jul 2017	3745	7501	0.0406
	Transfer			14 Jul 2017	(3956)	3545	0.0192
	Transfer			21 Jul 2017	(23)	3522	0.0191
	Transfer			28 Jul 2017	23857	27379	0.1484
	Transfer			04 Aug 2017	(25528)	1851	0.01
	Transfer			11 Aug 2017	6643	8494	0.0460
	Transfer			18 Aug 2017	(8192)	302	0.0016
	Transfer			01 Sep 2017	7907	8209	0.0445
	Transfer			08 Sep 2017	(5540)	2669	0.0145
	Transfer			15 Sep 2017	(1858)	811	0.0044



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			22 Sep 2017	(411)	400	0.0022
	Transfer			29 Sep 2017	(100)	300	0.0016
	Transfer			06 Oct 2017	12501	12801	0.0694
	Transfer			13 Oct 2017	3574	16375	0.0887
	Transfer			20 Oct 2017	(7950)	8425	0.0457
	Transfer			27 Nov 2017	2944	11369	0.0616
	Transfer			03 Nov 2017	(7089)	4280	0.0232
	Transfer			10 Nov 2017	24654	28934	0.1568
	Transfer			17 Nov 2017	(11096)	17838	0.0967
	Transfer			24 Nov 2017	25981	43819	0.2374
	Transfer			01 Dec 2017	(11017)	32802	0.1777
	Transfer			08 Dec 2017	11833	44635	0.2419
	Transfer			15 Dec 2017	(7307)	37328	0.2023
	Transfer			22 Dec 2017	(26588)	10740	0.0579
	Transfer			29 Dec 2017	(6025)	4715	0.0255
	Transfer			30 Dec 2017	25	4740	0.0257
	Transfer			05 Jan 2018	975	5715	0.031
	Transfer			12 Jan 2018	(2911)	2804	0.0152
	Transfer			19 Jan 2018	(2002)	802	0.0043
	Transfer			26 Jan 2018	(502)	300	0.0016
	Transfer			02 Feb 2018	10000	10300	0.0558
	Transfer			09 Feb 2018	(5192)	5108	0.0277
	Transfer			16 Feb 2018	(68)	5040	0.0273
	Transfer			23 Feb 2018	(4740)	300	0.0016
	Transfer			02 Mar 2018	7319	7619	0.0413
	Transfer			09 Mar 2018	(1812)	5807	0.0315
	Transfer			16 Mar 2018	(772)	5035	0.0273
	Transfer			23 Mar 2018	1050	6085	0.0330
	Transfer			31 Mar 2018	43202	49287	0.2671
	AT THE END OF THE YEAR					49287	0.2671
10	PRATIK SHAILESH SHAH	48000	0.2601			48000	0.2601
	AT THE END OF THE YEAR					48000	0.2601

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10/-) at the end of the year is 18455405 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel:

SI No.	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	GolamMomen, Director				
	At the beginning of the year	560	-		
	At the End of the year			560	-
2	V.Venugopal				
	At the beginning of the year	50	-		
	At the End of the year			50	-
3.	Ravi A				
	At the beginning of the year	-	-		
	At the End of the year			-	-
4	G.SatishPillai				
	At the beginning of the year	-	-		
	At the End of the year			-	-

Note: None of the other Directors holds equity shares in the Company.

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. Lacs.

		Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the Financial year				
i.	Principal Amount	7876.64	1645.00	-	9521.64
ii.	Interest due but not paid				
iii.	Interest accrued but not due	18.19	12.54	-	30.73
	Total (i+ii+iii)	7894.83	1657.54	-	9552.37
	Change in Indebtedness during the Financial year				
	• Addition	1484.94	5602.29	-	7087.23
	• Reduction	-1475.89	-5567.50	-	-7043.39
	Net Charges	9.05	34.79	-	43.84
	Indebtedness at the end of the Financial year				
i.	Principal Amount	7877.93	1675.00	-	9552.93
ii.	Interest due but not paid				
iii.	Interest accrued but not paid	25.95	17.33	-	43.28
	Total (i + ii + iii)	7903.88	1692.33	-	9596.21

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to managing Director, Whole- time Directors and/or Manager

SI No.	Particulars of Remuneration	Name Whole Time Director: Mr. N. Dharmaraj	Name of Manager: Mr.V. Venugopal	Total Amount
1	Gross Salary	91.04	45.21	136.25
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.60	0.60
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	• As % of profit			
	• Others, specify			
5	Other - Contribution to Provident fund and other funds		6.44	6.44
	Total (A)	91.04	52.30	142.74
	Ceiling as per the Act			

REMUNERATION TO OTHER DIRECTORS

SI No	Particulars of Remuneration	Gulam Momen	Haigreave Khaitan	J M Kothary	Ms. Surbhi Singhi	Sachin Nandgaonkar	P. Rajagopalan	Kaushik Roy	Total (Rs.)
		1	3	5	6	7	8	9	10
1.	Independent Directors								
	Fee for attending board committee meetings	120,000	20,000	1,00,000	60000	-			300,000
	Commission	-	-	-	-	-		-	-
	Others , please specify	-	-	-	-	-		-	-
	Total (1)	1,20,000	20,000	1,00,000	60000	-			300,000
2.	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	-	-		1,30,000	60,000	40,000	2,30,000
	Commission	-	-	-	-	-	-	-	-
	Others , please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-		1,30,000	60,000	40,000	2,30,000
	Total (B) = (1+2)	1,20,000	20,000	1,00,000		1,30,000	60,000	40,000	5,30,000

Total Managerial Remuneration

Overall ceiling as per the Act Rs.1,00,000/- per meeting



B. REMUNERATION TO KEY MANEGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SI No	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	Jose George (Company Secretary)*	Binu Thomas (Company Secretary)	Ravi A. (CFO)	G. Satish Pillai (CFO)
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	110000	453200	2124450	2424000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18333	56706	292218	132000
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	• As % of profit				
	• Others, specify				
5	Other - Contribution to Provident fund and other funds	8800	39655	279621	211200
	Total (A)	137133	549561	2696289	2767200
	Ceiling as per the Act				

*Resigned on 29.05.2017

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief Description	Details of penalty/punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any(give Details)
A. Company	NIL				
B. Directors	NIL				
C. Other officers in Default	NIL				
Penalty / Punishment/ Compounding	NIL	NIL	NIL	NIL	NIL

**Information under Section 134 of the Companies Act, 2013
read with the Rule 5(2) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014
(Annexure 'H' to Directors' Report)**

Name	Age	Designation	Qualification & Experience (in years)	Gross remuneration (₹ lacs)	Date of employment	Last employment
Mr. C. Vinayaraghavan	62	President	B.Sc.(Botany) (41)	96.27	01.04.1977	-

Note:

- The remuneration includes salary, allowances, value of perquisites, Company's contribution to provident fund and superannuation fund.
- Mr. Vinayaraghavan is not related to any Director or Key Managerial Personnel of the Company and his employment is contractual in nature.

**Details pertaining to remuneration as required under Section 197(12)
of the Companies Act, 2013 read with Rule 5(i) of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
(Annexure "I" to Directors' Report)**

Information required under

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Haigreve Khaitan	0.75
	Mr. G. Momen	0.29
	Mr. P. Rajagopalan	0.59
	Mr. J.M. Kothary	0.99
	Mr. Sachin Nandgaonkar	1.28
	Mr. Kaushik Roy	0.39
	Ms. Surbhi Singhi	0.59
	Mr. N. Dharmaraj	85.05
The percentage of increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Haigreve Khaitan	-75.00
	Mr. G. Momen	29.41
	Mr. P. Rajagopalan	-50.00
	Mr. J.M. Kothary	-9.09
	Mr. Sachin Nandgaonkar	-23.53
	Mr. Kaushik Roy	-33.33
	Ms. Surbhi Singhi	-45.45
	Mr. N. Dharmaraj	5.44
	Mr. V. Venugopal	19.60
	Mr. G. Satish Pillai*	-
	Mr. Ravi A.	19.63
The % increase in the median remuneration of employees in the financial year	2.27%	
The number of permanent employees on the rolls of the Company as on 31.03.2018.	10412	
The explanation on the relationship between average increase in remuneration and Company performance	The increment budget of the organisation is defined based on ROCE and PAT. Last year the Company performance was 9.03% and accordingly the increment budget was allocated. The increments were also decided based on salaries prevailing in the industry in which the Company operates.	
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Average increase in remuneration of Key Managerial Personnel was based partly on the results of the Company for the year ended March 31, 2018 and partly on the individual employee's performance.	
Variations in Market Capitalisation of the Company, price earnings ratio as at closing date of the current financial year and % increase / decrease in the market quotations of the shares of the Company in comparison at the rate at which the Company came out with the last public offer, in case of listed Companies. No public offer has been made since 1993	Variations in Market Capitalisation and PE ratio is as below	
	Particulars	31.03.2018
	Market Cap (₹ Cr)	135.73
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	PE ratio	-
	The average % increase in the salaries of employees on the rolls as on March 31, 2018 (other than managerial personnel) was 6%. The increase in managerial remuneration for the same financial year was also 6%. Increase in average percentage is after considering the Company's performance, individual performance and the industry standards.	
	N.A.	
The key parameters for any variable component of remuneration availed by the Directors.	1.11	
The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive in excess of the highest paid Director during the year.	Remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.	
Affirmation that the remuneration is as per the remuneration policy of the Company		

*Mr. G. Satish Pillai joined as CFO w.e.f 10.11.2016



APPROXIMATE AREA STATEMENT AS AT MARCH 31, 2018

Name of Estate	TEA			RUBBER			Total Planted	Fuel & Other Plantings	Reserve etc.	Total
	Yielding	Non-Yielding	Total	Yielding	Non-Yielding	Total				
	Ha.	Ha.	Ha.	Ha.	Ha.	Ha.				
Kerala State										
Venture Valley										
Nagamallay				410	178	588	588	167	123	878
Isfield				559	106	665	665	196	188	1049
Venture				413	73	486	486	121	20	627
Rani Valley										
Koney				467	168	635	635	131	297	1063
Kumbazha				526	435	961	961	22	65	1048
Lahai				656	203	859	859	111	42	1012
Mundakayam				389	138	527	527	14	31	572
Mooply Valley										
Mooply				296	248	544	544	43	10	597
Palappilly				324	211	535	535	31	185	751
Kundai				574	447	1021	1021	31	52	1104
Kaliyar				459	74	533	533	28	32	593
Vandiperiyar										
Wallardie	486	30	516				516	162	150	828
Moongalaar	703	26	729				729	205	131	1065
Pattumalay	232	0	232				232	63	5	300
High Range										
Upper Surianalle	654	48	702				702	267	23	992
Lockhart	386	0	386				386	185	74	645
Panniar	301	0	301				301	70	30	401
Wynaad										
Achoor	643	6	649				649	287	2549	3485
Chundale	266	0	266				266	60	556	882
Arrapetta	731	0	731				731	50	687	1468
Sentinel Rock	505	0	505				505	27	983	1515
Touramulla	143	0	143				143	40	110	293
Tamil Nadu										
Nilgiris - Wynaad										
Wentworth	616	0	616				616	276	470	1362
Mayfield	308	0	308				308	88	411	807
Total	5974	110	6084	5073	2281	7354	13438	2675	7224	23337

Note:-

1. Certain areas of fuel and reserve land remain vested with the State Government as private forest, but the extent which would finally vest has not yet been determined as the litigation involved is not over.
2. Fuel & Other planting include Cardamom, Cocoa, Roads & Buildings etc.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HARRISONS MALAYALAM LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Harrisons Malayalam Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 29 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 May 2018 as per Annexure II expressed an unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Notes 35 and 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mumbai
25 May 2018

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Annexure I to the Independent Auditor's Report of even date to the members of Harrissons Malayalam Limited, on the standalone financial statements for the year ended 31 March 2018

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations provided by the Company and the records of the Company produced to us, the title deed of immovable properties, as disclosed in Note 3 on Property, plant and equipment to the standalone financial statements, are held in the name of the Malayalam Plantations Limited/Harrissons & Crossfield Limited other than as set out below which are in the name of the Company:

	Gross Block	Net Block
Land and Building	136.72 Lakhs	28.97 Lakhs

- ii. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's product and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable [other than arrears of ₹ 175.74 lakhs relating to plantation tax (under The Kerala Plantations (Additional Tax) Act, 1960), arrears of ₹ 218.33 lakhs relating to land tax (under The Kerala Land Tax Act, 1961) which are outstanding for a period of more than six months as on the Balance Sheet date].
- b) There are no dues in respect of sales-tax, service tax, duty of customs, duty of excise, income-tax and value added tax that have not been deposited with the appropriate authorities on account of any dispute other than those disclosed below:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount in (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	63.02	Year 2006 to 2009	Income tax Appellate Tribunal
		1,425.20	Year 2003 to 2015	Commissioner of Income Tax, Appeals
Kerala Agricultural Income Tax Act, 1950/1991	Tax on Agricultural Income, interest and penalty thereon	394.32	Year 1980 to 1999	Assessing Officer
		6.03	Year 1995 to 1996	Inspecting Assistant Commissioner, Department of Commercial Taxes
Tamil Nadu Agricultural Income Tax Act, 1955	Tax on agricultural income	3.66	Year 1988 to 1989	Assessing Officer
			Year 1992 to 1993	
			Year 1996 to 1997	
			Year 1999 to 2000	
Kerala Value Added Tax Act, 2003	VAT and interest thereon	2,322.42	Year 2012 to 2014	Assistant Commissioner (Assessment), VAT Special Circle (Produce)



- viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution. The Company did not have any borrowings from government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mumbai
25 May 2018

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Annexure II to the Independent Auditor's Report of even date to the members of Harrisons Malayalam Limited on the standalone financial statements for the year ended 31 March 2018

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Harrisons Malayalam Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') ('the framework'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the framework.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Mumbai
25 May 2018



Balance Sheet as at 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	27,663.92	27,669.75	28,367.25
Capital work-in-progress	3	1,109.39	790.85	82.64
Intangible assets	3	25.52	38.83	52.15
Financial assets				
- Investments	4	1.01	1.01	1.02
- Bank balances	5	13.70	68.37	31.01
Other non-current assets	6	833.63	759.67	741.87
		<u>29,647.17</u>	<u>29,328.48</u>	<u>29,275.94</u>
Current assets				
Inventories	7	2,806.71	2,500.72	2,274.34
Financial assets				
- Investments	4	15.00	15.00	15.00
- Trade receivables	8	1,438.57	759.37	693.63
- Cash and cash equivalents	9	230.34	126.34	736.18
- Bank balances other than cash and cash equivalents	10	216.52	148.78	203.98
- Other financial assets	11	1,018.82	705.90	581.31
Other current assets	12	2,572.33	2,385.30	2,312.40
		<u>8,298.29</u>	<u>6,641.41</u>	<u>6,816.84</u>
Assets classified as held for sale	13	<u>119.00</u>	<u>119.00</u>	-
Total assets		<u>38,064.46</u>	<u>36,088.89</u>	<u>36,092.78</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14(a)	1,845.43	1,845.43	1,845.43
Other equity	14(b)	8,533.03	8,399.97	8,350.92
Total equity		<u>10,378.46</u>	<u>10,245.40</u>	<u>10,196.35</u>
Non-current liabilities				
Financial liabilities				
- Borrowings	15	3,407.03	3,569.99	4,419.56
Provisions	16	5,371.67	4,900.46	4,996.55
		<u>8,778.70</u>	<u>8,470.45</u>	<u>9,416.11</u>
Current liabilities				
Financial liabilities				
- Borrowings	15	5,240.18	5,093.08	5,203.79
- Trade payables				
(i) Dues to micro and small enterprises	17	137.51	161.24	128.37
(ii) Dues to others	17	3,655.59	3,065.20	2,673.69
- Other financial liabilities	18	4,347.71	3,857.43	4,815.35
Provisions	16	2,372.90	2,647.69	2,267.26
Current tax liabilities (net)	19	499.49	505.62	555.96
Other current liabilities	20(a)	1,681.92	1,070.78	835.90
		<u>17,935.30</u>	<u>16,401.04</u>	<u>16,480.32</u>
Liabilities directly associated with assets classified as held for sale	20(b)	<u>972.00</u>	<u>972.00</u>	-
		<u>18,907.30</u>	<u>17,373.04</u>	<u>16,480.32</u>
Total equity and liabilities		<u>38,064.46</u>	<u>36,088.89</u>	<u>36,092.78</u>

See accompanying notes forming part of these standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants

per **Aasheesh Arjun Singh**

Mumbai
25 May 2018

For and on behalf of the Board of Directors of **Harrisons Malayalam Limited**

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	21	38,331.36	36,664.02
Other income	22	872.65	538.41
Total income		39,204.01	37,202.43
Expenses			
Cost of materials consumed	23	10,767.57	11,447.35
Purchases of stock-in-trade	24	733.47	438.28
Changes in inventories	25	(17.61)	(232.38)
Employee benefits expense	26	15,239.57	14,487.96
Finance costs	27	1,267.61	1,387.21
Depreciation and amortisation expense	28	416.24	501.32
Other expenses	29	10,352.10	9,193.38
Total expenses		38,758.95	37,223.12
Profit/(loss) before exceptional items and tax		445.06	(20.69)
Exceptional items	30	-	465.56
Profit before tax from continuing operations		445.06	444.87
Income tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit for the year from continuing operations		445.06	444.87
Discontinuing operations			
Loss from discontinuing operations	34	-	(35.55)
Tax expense of discontinuing operations	34	-	-
Loss from discontinuing operations after tax		-	(35.55)
Profit for the year		445.06	409.32
Other comprehensive income / (loss)			
Items that will not be reclassified to profit and loss			
a) Re-measurement gains/ (losses) in defined benefit plans		(312.00)	(360.27)
Income tax effect		-	-
		(312.00)	(360.27)
Other comprehensive loss, net of tax		(312.00)	(360.27)
Total comprehensive income for the year		133.06	49.05
Earnings per equity share for continuing operations			
Basic (in ₹)	36	2.41	2.41
Diluted (in ₹)	36	2.41	2.41
Earnings/ (loss) per equity share for discontinuing operations			
Basic (in ₹)	36	-	(0.19)
Diluted (in ₹)	36	-	(0.19)
Earnings per equity share for continuing operations and discontinuing operations			
Basic (in ₹)	36	2.41	2.22
Diluted (in ₹)	36	2.41	2.22

See accompanying notes forming part of these standalone financial statements.

Effect Change from Balance sheet referred to in our report of even date' to 'Statement of Profit and Loss

This is the statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors of Harrisons Malayalam Limited

For Walker Chandio & Co LLP
Chartered Accountants

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

per Aasheesh Arjun Singh

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Mumbai
25 May 2018



Statement of Cash Flows for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit for the year before exceptional item and tax	445.06	409.32
Adjustments for:		
Depreciation and amortisation expense	416.24	501.32
Interest income on bank deposits and other deposits	(13.23)	(25.97)
Finance costs	1,267.61	1,387.21
Provision for doubtful debts/advances	-	45.29
Liability no longer required written back	-	(26.34)
Fair value gain on foreign exchange forward contracts	-	(1.49)
Profit on sale of fixed assets	(59.33)	(4.64)
Operating profit before working capital changes	2,056.35	2,284.70
Adjustments for working capital changes:		
Increase in inventories	(305.99)	(226.38)
Increase in trade receivables	(679.20)	(111.03)
Increase in loans and advances and other current and non current assets	(578.43)	(184.07)
Increase in trade payables, other current liabilities and provisions	1,503.93	398.50
Cash generated from operating activities	1,996.66	2,161.72
Direct taxes paid, net	(6.13)	(50.34)
Net cash generated from operating activities	1,990.53	2,111.38
B. Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(271.09)	(112.62)
Replanting expenses	(483.42)	(532.08)
Sale of fixed assets	83.61	21.76
Sale of non current investments	-	0.01
Advance received against asset held for sale	-	972.00
Interest received	19.26	20.90
Net cash (used) in/generated from investing activities	(651.64)	369.97
C. Cash flow from financing activities		
Proceeds from long-term borrowings	1,360.08	10.30
Repayment of long-term borrowings	(1,475.89)	(1,596.50)
Proceeds from / (repayments of) working capital loans, net	117.10	(155.71)
Proceeds from other short-term borrowings	5,597.50	4,520.00
Repayment of other short-term borrowings	(5,567.50)	(4,475.00)
Interest paid	(1,224.94)	(1,368.83)
Other borrowing costs paid	(30.11)	(18.56)
Transfer of unpaid dividend to Investor Education Protection Fund	(11.13)	(6.89)
Net cash used in financing activities	(1,234.89)	(3,091.19)
D. Net change in cash and cash equivalents	104.00	(609.84)
E. Cash and cash equivalents at the beginning of the year	126.34	736.18
F. Cash and cash equivalents at the end of the year	230.34	126.34
Cash and cash equivalents include		
Cash on hand	14.40	14.71
Balances with banks		
- in current accounts	215.94	111.63
Cash and cash equivalents as per Note 9	230.34	126.34

See accompanying notes forming part of these standalone financial statements.

Effect Change from Balance sheet referred to in our report of even date' to 'Statement of Cash Flow

This is the Statement of Cash Flows referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants

per **Aasheesh Arjun Singh**

Mumbai
25 May 2018

For and on behalf of the Board of Directors of **Harrisons Malayalam Limited**

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares	
	Number (in lakhs)	Amount
As at 1 April 2016	184.55	1,845.43
Changes in equity share capital during the year	-	-
As at 31 March 2017	184.55	1,845.43
Changes in equity share capital during the year	-	-
As at 31 March 2018	184.55	1,845.43

B. Other equity

Particulars	Reserves and surplus						Total
	General reserve	Securities premium	Fixed assets revaluation reserve	Reserve arising from amalgamation	Housing subsidy reserve	Retained earnings	
Balance as at 1 April 2016	1,687.82	5,002.91	-	291.33	5.26	1,363.60	8,350.92
Profit for the year	-	-	-	-	-	409.32	409.32
Re-measurement gains/ (losses) in defined benefit plans, net of tax	-	-	-	-	-	(360.27)	(360.27)
Balance as at 31 March 2017	1,687.82	5,002.91	-	291.33	5.26	1,412.65	8,399.97
Profit for the year	-	-	-	-	-	445.06	445.06
Re-measurement gains/ (losses) in defined benefit plans, net of tax	-	-	-	-	-	(312.00)	(312.00)
Balances at 31 March 2018	1,687.82	5,002.91	-	291.33	5.26	1,545.71	8,533.03

See accompanying notes forming part of these standalone financial statements.

Effect Change from "Balance sheet referred to in our report of even date" to "Statement of Changes in Equity"

This is the Statement Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Aasheesh Arjun Singh**

Mumbai
25 May 2018

For and on behalf of the Board of Directors of Harrisons Malayalam Limited

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

1. Background

Harrisons Malayalam Limited (“the Company”) is a Public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed in two recognised stock exchanges in India. The registered office of the Company is located at 24/1624, Bristow Road, Willingdon Island, Cochin. The Company is principally engaged in plantations having tea and rubber estates in Kerala and Tamil Nadu.

2. Summary of significant accounting policies

a) Basis of preparation and presentation of financial statements

i) Statement of compliance with Indian Accounting Standards (Ind AS)

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 25 May 2018.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (Previous GAAP). These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is 1 April 2016. Refer note 46 for the details of first-time adoption exemptions availed by the Company, reconciliations and descriptions of the effect of the transition. Amendments to the financial statements are permitted after approval.

ii) Basis of accounting and measurement

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April 2017. Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2018, and accounting policies and other explanatory information (together hereinafter referred to as financial statements).

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All amounts included in the financial statements are reported in Indian Rupees (₹) lakhs and have been rounded off to nearest decimal of ₹ lakhs.

b) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognised in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at the end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Contingent Liability

Management reviews its estimate of the financial impact of the contingent liability at each reporting date, based on the demands received from various Departmental authorities.

Litigations

Management reviews its estimate of the impact of the litigations liability at each reporting date, based on the land matters pending with various Courts

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

d) Property, plant and equipment

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost includes inward freight, non refundable duties/ taxes and expenses incidental to acquisition/ installation.

Expenses relating to new planting and further expenditure incurred at the replanted fields are capitalised.

Property, plant and equipment [other than freehold land and lease hold land (perpetual lease)] are depreciated under the written down value method [other than bearer plants (rubber trees and tea bushes) which are depreciated using straight line method] over the estimated useful lives of the assets, which are different from the lives prescribed under Schedule II to the Companies Act, 2013.

Freehold land and leasehold land (perpetual lease) are not depreciated.

Useful life adopted by the Company for various class of assets is as follows:

Asset category	Useful lives (in years)
Factory buildings	30
Non factory buildings	60
Plant and machinery (including agricultural assets)	3/ 20
Furniture and fittings	6
Water supply	20/ 30/ 60
Vehicles	10
Bearer plants - Rubber trees	28
Bearer plants - Tea bushes	80

e) Bearer Plants

Under the previous GAAP all the replanting expenses consequent to replacement were charged to revenue as and when incurred. No adjustments have been made to the value of bearer plants existing as at 31 March 2016 on account of the replanting expenses of prior years. However all the replanting expenses incurred from the Ind AS transition date (1 April 2016) have been identified and capitalised.

f) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Computer software is capitalised in the period in which the software is implemented for use, where it is expected to provide future enduring economic benefits; such capitalisation costs include license fees and cost of implementation/ system integration services.

Computer software capitalised are amortised on a straight line basis over a period of five years from the date of capitalisation. License Fees is amortised at lower of the license period and five years.

g) Impairment of property, plant and equipment and intangible assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of fixed assets of cash generating unit exceeds the recoverable amount (i.e. higher of net selling price and value in use). In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amounts of the assets over their remaining useful lives.

h) Assets held for sale

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Assets classified as held for sale'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

i) Revenue recognition

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits

will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of tea at auction is recognised on receipt of the sale note from the brokers. Revenue from sale of tea other than at auction and sale of rubber is recognised on transfer of significant risks and rewards of ownership in goods in accordance with the terms of sale. Revenue from sale of rubber/ grevillea trees is recognised at the point of felling and removing the trees from the estates.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "Other income" in the Statement of Profit and Loss.

j) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average basis and includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable. Inventories are written down for obsolete/slow moving/non moving items wherever necessary.

k) Standing crops

Ind AS 2 'Inventories' does not envisage any change in the existing system of valuation of Inventories of finished products of tea and rubber from Accounting Standard 2 'Valuation of Inventories' followed by the Company during prior years. However Ind AS 2 'Inventories' does not apply to valuation of Agricultural Produce, but will continue to apply to valuation of Inventory of finished products of Tea and rubber. Ind AS 41 'Agriculture' deals with the recognition and valuation of Agricultural Produce viz. standing crop of tea and rubber as Biological assets. The Company has valued its standing crops for tea and rubber as at Ind AS transition date (1 April 2016) and adjusted the same in the retained earnings. Further movement in valuation at the reporting dates were routed through the Statement of Profit and Loss.

l) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

(ii) Superannuation

This is a defined contribution plan. The Company contributes as per the scheme to superannuation fund administered by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contributions and recognises such contributions as expense in the period in which the related employee services are rendered.

Defined benefit plan

(i) Gratuity

This is a defined benefit plan. Provision is based on year-end actuarial valuation using projected unit credit method. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss as income or expense.

(ii) Compensated absences

This is a defined benefit plan. Provision is based on year-end actuarial valuation using projected unit credit method. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income or expense.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognised in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.



Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognised in other comprehensive income to retained earnings in the statement of changes in equity and balance sheet.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.”

m) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss.

n) Investments in subsidiaries

The Company’s investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss.

o) Government Grants

Revenue subsidy receivable from Tea Board towards manufacture of orthodox tea is accrued on production of orthodox tea. Revenue subsidy receivable from Tea Board towards replanting activities undertaken is accounted on sanction of such subsidy by the Tea Board. Capital subsidy from Tea Board and Rubber Board is adjusted against the cost of specific depreciable assets on receipt of such subsidy.

p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

q) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash

flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

r) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets (other than trade receivables) are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognised at their transaction price as the same do not contain significant financing component.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortised cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and

financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in the statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
 - Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.



The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

u) Assets held for sale

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Assets classified as held for sale'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

v) Segment reporting

The Company is engaged in plantations having tea and rubber estates. The business segments identified for segment reporting are Tea, Rubber and Others.

w) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from 1 April 2018.

Ind AS 115, Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors.

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ended 31 March 2018 will not be retrospectively adjusted.

3 Property, plant and equipment and Intangible assets

Particulars	Property, plant and equipment								Intangible assets	Capital work-in-progress
	Land and Development - Freehold and leasehold (Note 1 below)	Bearer plants	Buildings	Plant and machinery	Furniture and fittings	Water supply	Vehicles	Total	Computer software	
Gross carrying amount										
Deemed cost as at 1 April 2016	22,921.48	2,503.62	1,367.27	1,162.12	25.30	216.25	171.21	28,367.25	52.15	82.64
Additions	-	204.98	-	8.02	3.83	-	8.01	224.84	-	799.72
Transfer on capitalisation	-	-	27.30	57.43	0.21	6.58	-	91.52	-	(91.51)
Disposals	-	(389.66)	(119.07)	(7.02)	(0.59)	(0.87)	(8.65)	(525.86)	-	-
Balance as at 31 March 2017	22,921.48	2,318.94	1,275.50	1,220.55	28.75	221.96	170.57	28,157.75	52.15	790.85
Additions	-	-	-	9.60	3.40	-	0.35	13.35	-	726.58
Transfer on capitalisation	-	214.41	0.82	184.94	7.08	0.79	-	408.04	-	(408.04)
Disposals	-	-	(0.20)	(9.86)	(0.43)	(7.17)	(14.32)	(31.98)	-	-
Balance as at 31 March 2018	22,921.48	2,533.35	1,276.12	1,405.23	38.80	215.58	156.60	28,547.16	52.15	1,109.39
Accumulated depreciation/amortisation										
Depreciation/amortisation expense for the year	-	39.00	97.08	276.48	6.94	24.31	44.19	488.00	13.32	-
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	39.00	97.08	276.48	6.94	24.31	44.19	488.00	13.32	-
Depreciation/amortisation charge during the year	-	43.81	90.03	212.39	6.07	20.99	29.64	402.93	13.31	-
Reversal on disposal of assets	-	-	(0.01)	(3.12)	(0.14)	(0.71)	(3.71)	(7.69)	-	-
Balance as at 31 March 2018	-	82.81	187.10	485.75	12.87	44.59	70.12	883.24	26.63	-
Net carrying amount										
Balance as at 1 April 2016	22,921.48	2,503.62	1,367.27	1,162.12	25.30	216.25	171.21	28,367.25	52.15	82.64
Balance as at 31 March 2017	22,921.48	2,279.94	1,178.42	944.07	21.81	197.65	126.38	27,669.75	38.83	790.85
Balance as at 31 March 2018	22,921.48	2,450.54	1,089.02	919.48	25.93	170.99	86.48	27,663.92	25.52	1,109.39

Notes

- 1 Land and development includes certain leasehold lands the value of which is not separately ascertainable.
Also refer Note 44 to the Standalone Financial Statements
- 2 Title deeds of the immovable properties set out in the above table are in the name of Malayalam Plantations Limited (MPL)/Harrisons Crossfield Ltd (HCL) except as set out below which are in the name of the Company. Interalia, the immovable properties of MPL got transferred to and vested in Malayalam Plantations (India) Limited (MPIL) vide a Scheme of Arrangement and Amalgamation in 1978. Further, interalia the immovable properties of Harrisons Crossfield (India) Limited got transferred and vested in MPIL vide a Scheme of Arrangement and Amalgamation in 1984. The name of MPIL a Company incorporated in 1978 got changed to Harrisons Malayalam Limited in 1984.

Title deeds of the immovable properties set out in the above table, which are in the name of the Company as at 31 March 2018 are:

	Gross block	Net block
Land and building	136.72	28.97

3 Deemed carrying cost

For property, plant and equipment and intangible assets existing as on the date of transition to Ind AS, i.e., 1 April 2016, the Company has used previous GAAP carrying value as deemed costs.

4 Property, plant and equipment pledged as security

Details of properties pledged are as per Note 40.



5 Capital work in progress

Capital work in progress mainly represents the bearer plants

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financials assets			
4 Investments			
Non-current			
Investment in equity instruments(fully paid-up)			
(i) Unquoted - At cost			
Subsidiaries			
Investment in 49,993 equity shares of ₹ 10 each of HML Engineering Company Limited (Dissolved effective 1 June 2016)	-	-	5.00
Less: Provision for diminution in value of investment	-	-	(5.00)
(ii) Others			
Investment in Government Securities			
National Savings Certificate	0.01	0.01	0.02
Treasury Savings Account	1.00	1.00	1.00
	1.01	1.01	1.02
Aggregate amount of:			
- Quoted investments and market value thereof	-	-	-
- Unquoted investments	1.01	1.01	6.02
- Provision for diminution in value of investments other than temporary	-	-	(5.00)
Current			
Investment in equity instruments(fully paid-up)			
Unquoted			
i) Subsidiaries			
Enchanting Plantations Limited (100,000 equity shares of ₹ 10 each)	10.00	10.00	10.00
Harmony Plantations Limited (50,000 equity shares of ₹ 10 each)	5.00	5.00	5.00
	15.00	15.00	15.00
Aggregate amount of:			
- Quoted investments and market value thereof	-	-	-
- Unquoted investments	15.00	15.00	15.00
- Provision for diminution in value of investments other than temporary	-	-	-
5 Bank balances			
Margin money deposit with banks having maturity more than 12 months	11.97	66.64	29.28
Bank deposit on lien	1.73	1.73	1.73
	13.70	68.37	31.01
6 Other non-current assets			
(Unsecured, considered good)			
Capital advances	31.39	16.81	7.01
Electricity and other deposits	310.96	251.63	243.63
Advance to workers	491.28	491.23	491.23
	833.63	759.67	741.87

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7 Inventories			
(valued at lower of cost and net realisable value)			
Finished goods	1,547.85	1,530.24	1,297.86
Stores and spares *	1,216.03	934.27	955.83
Nurseries	17.91	20.98	20.65
Raw materials (Latex)	24.92	15.23	-
	2,806.71	2,500.72	2,274.34
* Stores and spares includes packing materials of ₹ 417.00 Lakhs (31 March 2017: ₹ 370.70 Lakhs).			
8 Trade receivables			
Unsecured			
Considered Good	1,438.57	759.37	693.63
Considered Doubtful	509.75	509.75	464.45
Less: Provision for doubtful debts	(509.75)	(509.75)	(464.45)
	1,438.57	759.37	693.63
9 Cash and cash equivalents			
Balance with banks			
- In Current accounts	215.94	111.63	716.39
Cash on hand	14.40	14.71	19.79
	230.34	126.34	736.18
10 Bank balances other than cash and cash equivalents			
Deposits with maturity more than 3 months but less than 12 months	189.92	111.05	159.37
Unpaid dividend account	26.60	37.73	44.61
	216.52	148.78	203.98
	446.86	275.12	940.16
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:			
Balance with banks			
- In current accounts	215.94	111.63	716.39
Cash on hand	14.40	14.71	19.79
	230.34	126.34	736.18
11 Other financial assets			
(Unsecured, considered good)			
Derivative			
- Foreign exchange forward contracts	-	1.49	1.49
Advances to employees	110.24	130.73	135.51
Claims recoverable	60.86	1.83	0.50
Subsidy receivable	688.75	448.80	309.91
Unbilled revenue	28.48	28.48	28.48
Export entitlement	122.44	80.49	96.41
Interest accrued on bank deposits	8.05	14.08	9.01
	1,018.82	705.90	581.31
(Unsecured, considered doubtful)			
Export entitlement	13.54	13.54	13.54
Less: provision for doubtful advances	(13.54)	(13.54)	(13.54)
	1,018.82	705.90	581.31



	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12 Other current assets			
(Unsecured, considered good)			
Advance to suppliers	406.94	257.18	222.53
Balances with government authorities	2,014.53	2,017.48	1,992.73
Prepayments	150.86	110.64	97.14
	2,572.33	2,385.30	2,312.40
(Unsecured, considered doubtful)			
Balances with government authorities	27.14	27.14	27.14
Advance to suppliers	26.09	26.09	26.09
Advances to body corporates	189.64	189.64	189.64
	242.87	242.87	242.87
Less: Provision for doubtful advances	(242.87)	(242.87)	(242.87)
	2,572.33	2,385.30	2,312.40

13 Assets classified as held for sale

Disposal group	119.00	119.00	-
	119.00	119.00	-

Asset held for sale represents WDV of building which is proposed to be sold by the Company.

14(a) Equity share capital	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorized						
3,00,00,000 Equity Shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up						
1,84,55,405 Equity Shares of ₹ 10 each fully paid up	18,455,405	1,845.54	18,455,405	1,845.54	18,455,405	1,845.54
Less: Allotment Money in Arrears	-	(0.11)	-	(0.11)	-	(0.11)
	18,455,405	1,845.43	18,455,405	1,845.43	18,455,405	1,845.43

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs	No. of shares	₹ lakhs
Equity share of ₹ 10 each						
Opening balance	18,455,405	1,845.43	18,455,405	1,845.43	18,455,405	1,845.43
Issue of shares during the year	-	-	-	-	-	-
Closing balance	18,455,405	1,845.43	18,455,405	1,845.43	18,455,405	1,845.43

ii) Terms/right attached to equity shares

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

iii) Shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10 each						
Rainbow Investments Limited	4,471,063	24.23%	4,471,063	24.23%	4,471,063	24.23%
Vayu Udaan Aircraft LLP	2,720,100	14.74%	-	-	-	-
Swallow Associates LLP	1,010,722	5.48%	1,190,722	6.45%	1,190,722	6.45%
Instant Holdings Limited	-	-	1,420,200	7.70%	1,420,200	7.70%
Carnival Investments Limited	-	-	1,121,230	6.08%	1,121,230	6.08%

iv) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2018.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
14(b) Other equity			
General reserve	1,687.82	1,687.82	1,687.82
Securities premium account	5,002.91	5,002.91	5,002.91
Fixed assets revaluation reserve	-	-	-
Reserve arising from amalgamation	291.33	291.33	291.33
Housing subsidy reserve	5.26	5.26	5.26
Retained earnings	1,545.71	1,412.65	1,363.60
	8,533.03	8,399.97	8,350.92
15 Borrowings (Refer note 40)			
Non-current			
Secured			
Term loan			
-from banks	4,063.70	4,270.18	5,716.88
-from others	249.05	158.38	297.88
	4,312.75	4,428.56	6,014.76
Less: Current maturities of long-term debt	(905.72)	(858.57)	(1,595.20)
	3,407.03	3,569.99	4,419.56
Repayment terms for term loans from others			
Payable in 0-1 year	105.72	111.87	148.50
Payable in 1-2 years	88.53	31.50	108.71
Payable in 2-3 years	52.81	14.32	28.93
Payable in 3-4 years	1.99	0.69	11.74
	249.05	158.38	297.88
Current			
Secured			
Cash credit from banks repayable on demand *	3,565.18	3,448.08	3,603.79
	3,565.18	3,448.08	3,603.79
Unsecured			
From banks	500.00	500.00	1,000.00
From others	1,175.00	1,145.00	600.00
	1,675.00	1,645.00	1,600.00
	5,240.18	5,093.08	5,203.79
* Cash credit from banks			
Secured by equitable mortgage of immovable property of the Company situated in Arapetta Estate, hypothecation of standing crop in all estates, stocks of tea, rubber, stores and spares, book debts and other movable assets both present and future.			
16 Provisions			
Non-current			
Provisions for employee benefits			
Gratuity (Refer note 43)	4,777.33	4,306.12	4,423.94
Compensated absence	102.34	102.34	80.61
	4,879.67	4,408.46	4,504.55
Other provisions:			
Contingency reserve *	492.00	492.00	492.00
	492.00	492.00	492.00
	5,371.67	4,900.46	4,996.55
Current			
Provisions for employee benefits			
Gratuity (Refer note 43)	318.74	617.23	240.74
Compensated absence	52.51	28.81	26.58
Contingency reserve *	1,879.01	1,879.01	1,877.30
	2,250.26	2,525.05	2,144.62
Other provisions :			



	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fringe benefit tax (Net of advance tax of ₹ 92.42 Lakhs, 31 March 2017: ₹ 92.42 Lakhs).	122.64	122.64	122.64
	122.64	122.64	122.64
	2,372.90	2,647.69	2,267.26

* Provision for contingency represents the potential exposure on account of legal dispute. However the nature of the provision has not been disclosed in detail on the grounds that it is expected to prejudice the interests of the Company.

17 Trade payables

Dues to micro enterprises and small enterprises (Refer Note (a) below)	137.51	161.24	128.37
Dues to creditors other than micro enterprises and small enterprises	3,655.59	3,065.20	2,673.69
	3,793.10	3,226.44	2,802.06

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

	31 March 2018	31 March 2017	1 April 2016
i) Principal amount remaining unpaid	73.85	113.27	93.22
ii) Interest due thereon	5.08	4.73	1.68
iii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
iv) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	10.59	8.09	9.14
v) Interest accrued and remaining unpaid as at the year end	63.66	47.98	35.15
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	15.68	12.83	10.82

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

18 Other financial liabilities

Current maturities of long-term debt	905.72	858.57	1,595.20
Interest accrued but not due on borrowings	43.28	30.73	30.92
Unpaid dividends	26.60	37.73	44.61
Employee benefits payable	3,227.31	2,788.13	3,009.31
Derivative - Foreign exchange forward contracts	1.64	-	-
Security deposits	143.16	142.27	135.31
	4,347.71	3,857.43	4,815.35

19 Current tax liabilities (Net)

Provision for income tax (net of advance tax ₹ 13,948.42 Lakhs, 31 March 2017: ₹ 13,942.29 Lakhs, 1 April 2016: ₹ 13,891.95 Lakhs)	499.49	505.62	555.96
	499.49	505.62	555.96

20(a) Other current liabilities

Statutory dues	805.85	634.01	483.82
Advance from customers	826.07	386.77	352.08
Other advances	50.00	50.00	-
	1,681.92	1,070.78	835.90

20(b) Liabilities directly associated with assets classified as held for sale

Advance against asset held for sale	972.00	972.00	-
	972.00	972.00	-

	Year ended 31 March 2018	Year ended 31 March 2017
21 Revenue from operations		
Sale of products	37,667.44	36,037.31
	37,667.44	36,037.31
Other operating revenues		
Tea board subsidy (Refer note (a) below)	300.15	273.69
Export entitlements	193.33	186.70
Others	170.44	166.32
	663.92	626.71
	38,331.36	36,664.02
Note (a): The subsidy relates to the manufacture of orthodox tea. There are no unfulfilled conditions or other contingencies attaching to these grants.		
22 Other income		
Interest income on bank deposits and other deposits	13.23	25.97
Profit on sale of fixed assets	59.33	4.64
Net gain on foreign currency transactions and translation	-	20.78
Fair value gain on foreign exchange forward contracts	-	1.49
Liability no longer required written back	-	26.34
Other non-operating income	800.09	459.19
	872.65	538.41
23 Cost of materials consumed (all indigenous)		
Inventory at the beginning of the year	15.23	-
Add: Purchases	10,777.26	11,462.58
Less: Inventory at the end of the year	(24.92)	(15.23)
Cost of materials consumed	10,767.57	11,447.35
24 Purchase of stock-in-trade		
Cenex / TSR	727.01	430.75
Fruits, spices and others	6.46	7.53
	733.47	438.28
25 Changes in inventories		
Inventory at the beginning of the year		
Tea	944.46	1,050.45
Rubber	585.78	247.41
	1,530.24	1,297.86
Inventory at the end of the year		
Tea	1,122.11	944.46
Rubber	425.74	585.78
	1,547.85	1,530.24
	(17.61)	(232.38)
26 Employee benefits expense		
Salaries and wages	12,728.64	12,149.63
Contribution to provident fund	1,310.00	1,306.45
Contribution to superannuation fund	91.48	77.44
Gratuity (Refer note 43)	662.26	579.38
Staff welfare expenses	414.46	354.33
Employee training expense	32.73	28.48
	15,239.57	14,495.71
Less: Discontinuing operation (Refer note 34)	-	(7.75)
	15,239.57	14,487.96



		Year ended 31 March 2018	Year ended 31 March 2017
27 Finance costs			
Finance charges		1,237.49	1,368.64
Other borrowing cost		30.12	18.57
		1,267.61	1,387.21
28 Depreciation and amortisation expense			
Depreciation of property, plant and equipment (Refer note 3)		402.93	488.00
Amortisation of intangible assets (Refer note 3)		13.31	13.32
		416.24	501.32
29 Other expenses			
Consumption of stores and spare parts		1,655.00	1,636.90
Consumption of packing material		916.39	904.40
Contract costs		1,582.92	1,021.07
Power and fuel		2,229.78	2,027.00
Rent		120.55	117.02
Rates and taxes		229.44	213.02
Repairs and maintenance			
- Buildings		310.03	339.40
- Plant and machinery		355.95	310.75
- Others		92.56	102.09
Insurance		100.93	67.95
Tea cess		20.30	67.63
Travelling and conveyance		555.03	413.74
Legal and Professional charges		585.83	598.46
Brokerage and discount		167.89	149.05
Commission to selling agent		16.75	31.60
Freight, shipping, transport and other charges		873.09	685.92
Directors' sitting fees		5.10	7.40
Provision for doubtful debts/advances		-	45.29
Fair value loss on foreign exchange forward contracts		1.64	-
Miscellaneous expenses		532.92	482.49
		10,352.10	9,221.18
Less: Discontinuing operation (Refer note 34)		-	(27.80)
		10,352.10	9,193.38
30 Exceptional items			
Compensation received for loss of revenue due to felling of trees for drawing electric transmission lines across certain rubber estates		-	465.56
		-	465.56

32 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories were as follows:

Particulars	Note	As on 31 March 2018			As on 31 March 2017			As on 01 April 2016		
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:										
Investments	4	16.01	-	-	16.01	-	-	16.02	-	-
Cash and cash equivalents	9	230.34	-	-	126.34	-	-	736.18	-	-
Bank balances other than cash and cash equivalents	5, 10	230.22	-	-	217.15	-	-	234.99	-	-
Trade receivable	8	1,438.57	-	-	759.37	-	-	693.63	-	-

Loans									
Other financial assets	11			-	1.49	-	-	1.49	-
Advances to employees		110.24	-	-	130.73	-	-	135.51	-
Claims recoverable		60.86	-	-	1.83	-	-	0.50	-
Subsidy receivable		688.75	-	-	448.80	-	-	309.91	-
Unbilled revenue		28.48	-	-	28.48	-	-	28.48	-
Export entitlement		122.44	-	-	80.49	-	-	96.41	-
Interest accrued on bank deposits		8.05	-	-	14.08	-	-	9.01	-
Total		2,933.96	-	-	1,823.28	1.49	-	2,260.64	1.49
Liabilities:									
Borrowings	15	9,552.93	-	-	9,521.64	-	-	11,218.55	-
Trade payable	17	3,793.10	-	-	3,226.44	-	-	2,802.06	-
Other financial liabilities	18								-
Unpaid dividend		26.60	-	-	37.73	-	-	44.61	-
Interest accrued but not due on borrowings		43.28	-	-	30.73	-	-	30.92	-
Employee benefits payable		3,227.31	-	-	2,788.13	-	-	3,009.31	-
Derivative - Foreign exchange forward contracts		-	1.64	-	-	-	-	-	-
Security deposits		143.16	-	-	142.27	-	-	135.31	-
Total		16,786.38	1.64	-	15,746.94	-	-	17,240.76	-

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Derivatives measured at fair value					
Foreign exchange forward contracts	18	-	1.64	-	1.64
As at 31 March 2017	Notes	Level 1	Level 2	Level 3	Total
Derivatives measured at fair value					
Foreign exchange forward contracts	11	-	1.49	-	1.49
As at 1 April 2016	Notes	Level 1	Level 2	Level 3	Total
Derivatives measured at fair value					
Foreign exchange forward contracts	11	-	1.49	-	1.49

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.



33 Scheme of Amalgamation ('Scheme')

The Company has entered into a composite scheme of arrangement and amalgamation amongst Harrisons Malayalam Limited (HML) and Enchanting Plantations Limited (100% subsidiary of HML) and Malayalam Plantations Limited (100% subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100% subsidiary of HML) and their respective shareholders and their creditors ("the Scheme"). The Scheme has been approved by the Board of Directors and sanctioned by the shareholders of the Company and the Company has intimated to the Stock Exchanges in which the Company's shares are listed. As per the Scheme interalia certain Tea and Rubber estates would be transferred/ demerged to its subsidiaries. The Scheme was pending before the High Court of Kerala and now before the National Company Law Tribunal, Chennai, as directed vide order dated 9 March 2017.

34 Discontinuing operations

The Company in its Board meeting dated 15 May 2012 had approved the plan for transferring its Engineering division to one of its wholly owned subsidiary and had also obtained the consent of its shareholders by way of postal ballot. The Engineering division is a separate segment as per Ind AS 108 "Operating Segments". The decision was consistent with the Company's long term strategy to focus on core plantation activity. The Company has stopped quoting for new projects and the existing projects are nearing completion. During the financial year 2015-16, the Board in its meeting held on 28 September 2015 had decided to discontinue the engineering business itself and the aforesaid transfer was no longer warranted.

The operating activities of the Company's discontinuing operations are summarised as follows:

a) The carrying amounts of the total assets and liabilities to be disposed of are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total assets	161.48	161.48	184.69
Total liabilities	246.84	246.84	203.05
Net assets	(85.36)	(85.36)	(18.36)

b) The revenue and expenses in respect of ordinary activities attributable to the discontinuing operations:

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations (Sale of services)	-	-
Other income	-	-
Total revenue	-	-
Employee benefits expenses	-	7.75
Other expenses	-	27.80
Total expense	-	35.55
Loss from discontinuing operations before taxes	-	(35.55)
Tax expenses of discontinuing operations	-	-
Loss from discontinuing operations after tax	-	(35.55)

(c) The net cash flows attributable to the discontinuing operations are as follows:

Operating activities	-	(4.15)
Investing activities	-	-
Financing activities	-	-
Net cash flows	-	(4.15)

35 Contingent liabilities and commitments

a) Contingent liabilities

1 Claims against the Company not acknowledged as debt

i) Employee related	423.16	423.54
ii) Disputed income tax matters	1,204.23	1,237.22
iii) Sales tax matters	117.32	117.32
iv) The Government of Kerala had issued a notification in February 2006, enhancing the minimum wages of plantation workers which has been challenged by the Association of Planters of Kerala of which the Company was a member and an interim stay was granted by the High Court of Kerala. As the Company resigned from Association of Planters of Kerala with effect from 12 th February 2007, a separate writ petition was filed and an interim stay of the Government Notification was obtained.	205.47	205.47

2 Others

i) Outstanding bills discounted with bank	206.62	227.60
	2,156.80	2,211.15

b) Commitments

i) Estimated amount of contracts remaining to be executed on capital Account and not provided for, net of advance payments of ₹ 31.39 lakhs (31 March 2017: ₹ 16.81 lakhs)	139.16	60.58
	139.16	60.58

		Year ended 31 March 2018	Year ended 31 March 17
36 Earnings/(loss) per share			
a) Basic earnings per share			
From continuing operations attributable to the equity holders of the Company		2.41	2.41
From discontinuing operations		-	(0.19)
Total basic earnings per share attributable to the equity holders of the Company		2.41	2.22
b) Diluted earnings/(loss) per share			
From continuing operations attributable to the equity holders of the Company		2.41	2.41
From discontinuing operations		-	(0.19)
Total basic earnings per share attributable to the equity holders of the Company		2.41	2.22
c) Reconciliation of earnings/(loss) used in calculating earnings/(loss) per share			
Basic earnings per share			
Profit attributable to equity holders of the Company used in calculating basic earnings per share		445.06	444.87
- From continuing operations		-	(35.55)
- From discontinuing operations		-	(35.55)
		445.06	409.32
Dilutive earnings/(loss) per share			
Profit attributable to equity holders of the Company used in calculating basic earnings/(loss) per share		-	444.87
- From continuing operations		-	(35.55)
- From discontinuing operations		-	(35.55)
		-	409.32
	No. of shares	No. of shares	
d) Weighted average number of share used as the denominator			
Weighted average number of equity share used as the denominator in calculating basic earnings per share		18,455,405	18,455,405
Adjustments for calculation of dilutive earnings per share:			
Weighted average number of equity share and potential equity shares used as the denominator in calculating dilutive earnings per share		18,455,405	18,455,405
37 Remuneration to auditors			
As auditor			
Audit fee (including audit of consolidated financial statements)		14.00	34.00
Tax audit fee		-	5.00
Limited review fee		6.00	9.75
Other services		0.60	1.10
Reimbursement of expenses		3.41	1.10
		24.01	50.95
38 Related party disclosures			
a) Names of related parties and nature of relationship:			
Nature of relationship	Name of related party		
Wholly owned subsidiaries	Enchanting Plantations Limited (EPL)		
	Harmony Plantations Limited (HPL)		
	Malayalam Plantations Limited (MPL) (100% subsidiary of EPL)		
Key management personnel	Mr. V. Venugopal (Manager)		
	Mr. N. Dharmaraj (Whole Time Director)		
b) Transactions with related parties			
Transaction	Related Party	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration to key managerial personnel	Mr. V. Venugopal	52.30	44.46
	Mr. N. Dharmaraj	91.04	86.33



c) Balances with related parties

Transaction	Related Party	As at 31 March 2018	As at 31 March 2017
Investment in subsidiaries	Enchanting Plantations Limited (EPL)	10.00	10.00
	Harmony Plantations Limited (HPL)	5.00	5.00
Remuneration payable	Mr. V. Venugopal	2.99	2.04
	Mr. N. Dharmaraj	6.15	5.50

39 Deferred/Current tax

- (i) No provision towards agricultural income tax has been considered necessary in view of the carry forward losses.
- (ii) The Company has not recognised any deferred tax asset in respect of unabsorbed depreciation/ brought forward losses and other timing differences in accordance with Ind AS 12 "Income Taxes" in the absence of virtual/ reasonable certainty that probable taxable profit will be available against which the deductible temporary difference can be utilised.
- (iii) The Company has not recognised MAT credit on a prudent basis in the absence of reasonable certainty that sufficient future tax profit against which such credit could be realised.

Unused tax losses for which no deferred tax asset has been recognised:

The Company has unabsorbed business loss of ₹ 1,109.61 lakhs under the provisions of Income-tax Act, 1961 and ₹ 9,914.57 lakhs the provisions of Kerala Agricultural Income Tax Act, 1991 which expires on the 8th year from the end of the relevant assessment year.

The Company has unabsorbed depreciation loss under the provisions of Income-tax Act, 1961 amounting to ₹ 1,832.21 lakhs, which has no limit for expiry.

40 Details of security, repayment terms, applicable interest rates

Term loan from banks

- a Loan availed ₹ 6,000.00 lakhs during 2010 - 11 and 2011 - 12 repayable in 17 quarterly instalments of ₹ 333.30 lakhs commencing from September 2012 and final quarterly instalment of ₹ 333.90 lakhs is secured by equitable mortgage of immovable properties of the Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 3% per annum payable on a monthly basis from disbursement of the loan. During March 2014, the Company has revised the terms of repayment of the loan outstanding of ₹ 1,500 lakhs (balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of ₹ 166.67 lakhs and ₹ 333.33 lakhs for the balance 4 instalments upto December 2016. Year end balance is ₹ Nil (as at 31 March 2017 ₹ Nil, as at 31 March 2016 ₹ 1,000.00 lakhs).
- b Loan availed of ₹ 1,173.61 lakhs during 2012 - 13 is repayable in 31 quarterly instalments of ₹ 36.69 lakhs commencing from July 2014 and final quarterly instalment of ₹ 36.22 lakhs, is secured by equitable mortgage to be created on immovable property of the Company situated in Mayfield Estate. The loan carries an interest rate of base rate plus 2.75% per annum payable on a monthly basis from disbursement of the loan. Year end balance is ₹ Nil (as at 31 March 2017 ₹ 770.18 lakhs, as at 31 March 2016 ₹ 916.89 lakhs)
- c Loan availed of ₹ 4,000.00 lakhs during the 2013 - 14 is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of ₹ 50.00 lakhs commencing from June 2015 upto September 2016, 4 quarterly instalments of ₹ 100.00 lakhs from December 2016 to September 2017, 8 quarterly instalment of ₹ 200.00 lakhs from December 2017 to September 2019, 4 quarterly instalments of ₹ 250.00 lakhs from December 2019 to September 2020 and 2 quarterly final instalments of ₹ 350 lakhs from December 2020 to March 2021, is secured by equitable mortgage of immovable properties of the Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 2% per annum payable on a monthly basis from disbursement of the loan. Year end balance is ₹ 2,900.00 lakhs (as at 31 March 2017 ₹ 3,500.00 lakhs, as at 31 March 2016 ₹ 3,800.00 lakhs).
- d Loan availed of ₹ 1,163.70 lakhs net of processing fee during 2017 - 18 is repayable in 24 equal quarterly instalments commencing from June 2019, is secured by equitable mortgage to be created on immovable properties of the Company situated in Kollam, Fort Kochi and Coimbatore. The loan carries an interest rate of 1 year MCLR plus 1.45% per annum payable on a monthly basis from disbursement of the loan. Year end balance is ₹ 1163.70 lakhs (as at 31 March 2017 ₹ Nil, as at 31 March 2016 ₹ Nil)

Term loan from others

- e Term loan from others are secured by hypothecation of assets acquired out of these loans which are repayable in equated monthly instalments (ranging between 3 to 5 years) along with the applicable interest rates (ranging between 10.75% to 13.00%).

41 Capital management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Long term borrowings	3,407.03	3,569.99	4,419.56
Current maturities of long-term debt	905.72	858.57	1,595.20
Short term borrowings	5,240.18	5,093.08	5,203.79
Less: Cash and cash equivalents	(230.34)	(126.34)	(736.18)
Less: Bank balances other than cash and cash equivalents	(216.52)	(148.78)	(203.98)
Net debt (A)	9,106.07	9,246.52	10,278.39
Equity	1,845.43	1,845.43	1,845.43
Other equity (excluding revaluation reserve)	8,533.03	8,399.97	8,350.92
Equity (B)	10,378.46	10,245.40	10,196.35
Capital and net debt (A + B)	19,484.53	19,491.92	20,474.74
Gearing ratio (A/(A+B))	47%	47%	50%

42 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as summarised below:

Assets under credit risk	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments	16.01	16.01	16.02
Bank balances	13.70	68.37	31.01
Trade receivables	1,438.57	759.37	693.63
Cash and cash equivalents	230.34	126.34	736.18
Bank balances other than cash and cash equivalents	216.52	148.78	203.98
Other financial assets	1,018.82	705.90	581.31
Total	2,933.96	1,824.77	2,262.13

A1 Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Company's historical experience for customers.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loss allowance as at the beginning	509.75	464.45	388.50
Changes in loss allowance	-	45.30	75.95
Loss allowance as at the end	509.75	509.75	464.45

Financial assets that are neither past due nor impaired

Cash and cash equivalents, loans and advances to employees and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There are no other classes of financial assets that is past due but not impaired.



42 Financial risk management (Continued)

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows on a day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Maturities of financial liabilities

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,096.17	3,690.01	437.68	11,223.86
Trade payable	-	-	-	-
Other financial liabilities	3,442.09	-	-	3,442.09
Total	10,538.26	3,690.01	437.68	14,665.95

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	6,904.44	4,157.84	-	11,062.28
Trade payable	-	-	-	-
Other financial liabilities	2,998.86	-	-	2,998.86
Total	9,903.30	4,157.84	-	14,061.14

As at 31 March 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	8,012.92	5,478.59	-	13,491.51
Trade payable	-	-	-	-
Other financial liabilities	3,220.15	-	-	3,220.15
Total	11,233.07	5,478.59	-	16,711.66

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

(i) Foreign currency sensitivity

The Company operates internationally and has transactions in USD, Euro and GBP currency and consequently the Company is exposed to foreign exchange risk through its sales to overseas customers. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets which expose the Company to currency risk are disclosed below. These include unhedged foreign currency exposures.

Particulars Included in	Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets							
Trade receivables (Unhedged)	USD	-	-	0.24	15.54	-	-
Conversion rates							
			Financial assets				
			USD				
As at 31 March 2018			65.04				
As at 31 March 2017			66.08				

42 Financial risk management (Continued)

(ii) Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ weakens 1% against the relevant currency. For a 1% strengthening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase	Decrease	Increase	Decrease
	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
Sensitivity				
INR/USD	-	-	0.16	(0.16)

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Forward contracts (Denominated in foreign currency, value presented in ₹ lakhs)			
In USD	309.36	60.05	878.11
In EURO	-	58.72	29.74
In GBP	-	-	29.42

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

USD			
Particulars (Denominated in foreign currency, value presented in ₹ lakhs)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not later than one month	122.91	33.67	90.30
Later than one month and not later than three months	186.45	26.38	134.38
Later than three months and not later a year	-	-	653.42
EURO			
Particulars (Denominated in foreign currency, value presented in ₹ lakhs)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not later than one month	-	-	-
Later than one month and not later than three months	-	58.72	29.74
Later than three months and not later a year	-	-	-
GBP			
Particulars (Denominated in foreign currency, value presented in ₹ lakhs)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not later than one month	-	-	-
Later than one month and not later than three months	-	-	29.42
Later than three months and not later a year	-	-	-

(iii) Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, Financial Instruments - Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

43 Employee benefit obligations

The Company has provided for the gratuity liability and leave encashment liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.



a) Defined contribution Plan

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. Also the Company makes contribution to superannuation fund for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ₹ 1,401.48 lakhs (31 March 2017: ₹ 1,383.89 lakhs).

b) Defined benefit plans

The Company has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of Defined Benefit Obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this Act.

c) Sensitivity analysis

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

i) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

ii) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

iii) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

iv) Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v) Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

	As at 31 March 2018	As at 31 March 2017
Changes in the present value of the defined benefit obligation are as follows		
Projected benefit obligation at the beginning of the year	4,923.35	4,664.68
Interest cost	348.24	313.53
Current service cost	314.02	265.85
Benefits paid	(801.54)	(680.98)
Actuarial (gain) / loss	312.00	360.27
Projected benefit obligation at the end of the year	5,096.07	4,923.35
Unfunded	5,096.07	4,923.35
Components of net gratuity costs are:		
Current service cost	314.02	265.85
Interest cost	348.24	313.53
Net amount recognised in the income statement	662.26	579.38
Remeasurements		
Net actuarial (gain)/ loss	312.00	360.27
Net amount recognised in other comprehensive income	312.00	360.27
Total gratuity cost recognised	974.26	939.65
Principal actuarial assumptions used:		
a) Discount rate	7.70%	7.25%
b) Long-term rate of compensation increase	5.00%	5.00%
c) Attrition rate	3.00%	3.00%
d) Mortality rate	Indian Assured Lives Mortality (2006-2008)	

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

43 Employee benefit obligations (Continued)

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability as at 31 March 2018.

Gratuity

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 0.5%)	4,956.18	5,243.16	4,780.03	5,074.27
Salary Growth Rate (- / + 0.5%)	5,248.34	4,950.16	5,077.82	4,775.52
Attrition rate (- / + 0.5%)	5,107.70	5,084.42	4,935.01	4,911.68
Mortality rate (- / + 10%)	5,120.88	5,071.24	4,948.28	4,898.41

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The method and type of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

44 No adjustment is required to be made in the accounts in respect of :

- An area of 807 hectares (approximately) [31 March 2017: 807 hectares (approximate)], which is on a leasehold tenure falls under the provisions of the Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969. Company's appeal challenging the Order of the Settlement Officer rejecting its application for Patta was allowed by the District Court, Ooty and the matter is now remanded for de novo enquiry and is pending. Meanwhile, Madras High Court held that out of this area, the notification of 335 Hectares (31 March 2017: 335 Hectares) as forest by the Settlement Officer is valid and has directed that in the event of patta being granted in respect of the notified areas the same will stand modified to that extent.
- An area of 178 hectares (approximately) [31 March 2017: 178 hectares (approximate)] deemed to have been vested with the Government of Kerala pursuant to Kerala Private Forests (Vesting and Assignment) Act, 1971, as the Company's claim for the exclusion of the area from the purview of the Act is pending decision of the Forest Tribunal, Palghat and restoration by the Forest Department.
- An area of 2588 hectares (approximately) [31 March 2017: 2588 hectares (approximate)] liable to be surrendered to the Government of Kerala under the Kerala Private Forests (Vesting and Assignment) Act, 1971, as the appeals relating to this area are pending in the High Court of Kerala.
- The Vythiri Taluk Land Board's order directing the Company to surrender 707 hectares (approximately) [31 March 2017: 707 hectares (approximate)] as excess land under the Kerala Land Reforms Act, 1963 has been set aside by the High Court of Kerala on a revision petition filed by the Company and the matter has been remanded to the Vythiri Taluk Land Board for fresh consideration and disposal.
- An area of 415 hectares (approximately) [31 March 2017: 415 hectares (approximate)] held to be surplus under the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 as the Special Land Tribunal, Madras has remanded the matter for fresh consideration by the Authorised Officer, Coimbatore.
- An area of 1722 hectares (approximate) [31 March 2017: 1187 hectares (approximate)] in respect of which cases filed by Janmies (original owners) of Lahai, Koney and Arrapetta Estates challenging the validity of the lease is pending before the Sub-Court, Pathanamthitta, Sub-Court, Sulthan Bathery and High Court of Kerala.
- An area of 304 hectares (approximately) [31 March 2017: 304 hectares (approximate)] re-notified as vested forests by the Government of Kerala as the Company's writ petition challenging the notification is pending before the High Court of Kerala.
- An area of 1982.45 hectares (31 March 2017: 1982.45 hectares) of Mooply Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalakuda.
- An area of 336.64 hectares (31 March 2017: 336.64 hectares) of rubber field of Koney estate in respect of which the Writ Petition filed by the Company has been allowed by the Hon'ble High Court setting aside the proceedings initiated by the Government of Kerala to resume such lands.



- j. An area of 12154 hectares (31 March 2017: 12154 hectares) in respect of which the Government of Kerala had issued resumption proceedings under the Kerala Land Conservancy Act claiming it to be Government Lands, has been set aside by the Hon'ble High Court on HML's Writ Petition challenging the proceedings.

45 Segment information

Management currently identifies the Company's three business lines as its operating segments: Tea, Rubber and others. Other Segment comprise of Fruits, Spices and others and Wyand Medical Fund.

Segment information for the reporting period is as follows:

A	Segment revenues and profits	Year ended 31 March 2018			Year ended 31 March 2017		
		Tea	Rubber	Others	Tea	Rubber	Others
	Revenue						
	From external customers	20,090.18	17,885.18	356.00	18,060.00	18,164.00	440.02
	Other income	404.02	72.85	86.17	386.67	18.46	14.99
	Exceptional item Considered for segment	-	-	-	-	465.56	-
	Segment revenues	20,494.20	17,958.03	442.17	18,446.67	18,648.02	455.01
	Cost of material consumed	3,371.83	7,395.74	-	3,037.92	8,409.43	-
	Purchases of stock-in-trade	-	733.47	-	-	438.28	-
	Changes in inventories	(177.63)	160.02	-	105.42	(337.80)	-
	Employee benefits expense	9,287.99	5,855.58	96.00	8,908.32	5,024.93	52.00
	Depreciation and amortisation expense	254.19	109.05	53.00	368.73	118.88	13.71
	Other expenses	7,271.62	3,013.31	67.17	6,235.61	3,373.95	122.00
	Segment profits/(losses)	486.20	690.86	226.00	(209.33)	1,620.35	267.30

B	Segment assets and liabilities	As at 31 March 2018			
		Tea	Rubber	Others	Unallocated
	Segment assets	27,662.55	9,654.63	257.36	489.92
	Segment liabilities	8,683.68	8,706.01	92.60	10,203.71

		As at 31 March 2017			
		Tea	Rubber	Others	Unallocated
	Segment assets	27,252.48	8,388.80	73.11	374.50
	Segment liabilities	8,392.68	7,044.42	188.20	10,218.19

		As at 1 April 2016			
		Tea	Rubber	Others	Unallocated
	Segment assets	27,846.98	7,076.93	172.68	996.19
	Segment liabilities	7,217.18	6,610.21	127.35	11,941.69

Income / expenses of a financial nature, and the assets / liabilities they are attributable to, have not been allocated to any segment as they are managed on a group basis. Current taxes, deferred taxes and items of income and expense reported under paragraph 97 of Ind AS 1, presentation of financial statements ("exceptional items") have not been allocated to any segment since these items are also managed on a group basis. Net defined benefit obligation and the expenditure pertaining to such plan constitutes provision for gratuity payable.

45 Segment information (Cont'd)

C The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

C1	Reconciliation of profit	Year ended 31 March 2018	Year ended 31 March 2017
	Segment profit	1,403.06	1,678.32
	Add / (less):		
	Other income (excluding foreign exchange gain)	-	-
	Loss from discontinued Operations	-	-
	Finance costs	(1,237.00)	(1,369.00)
	Unallocable Income	309.00	119.00
	Unallocable Expenditure	(30.00)	(19.00)
	Profit before tax	445.06	409.32

C2 Reconciliation of segment assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total reportable segment assets	37,574.54	35,714.39	35,096.59
Cash and cash equivalents	230.34	126.34	736.18
Bank balances other than cash and cash equivalents	216.52	148.78	203.98
Current investments	15.00	15.00	15.00
Non-current investments	1.01	1.01	1.02
Non-current bank balances	13.70	68.37	31.01
Other-current assets	13.35	15.00	9.00
Total assets	38,064.46	36,088.89	36,092.78

C3 Reconciliation of segment liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total reportable segment liabilities	17,482.29	15,625.30	13,954.74
Non-current borrowings including current maturities	4,312.75	4,428.56	6,014.76
Non-current borrowings	5,240.18	5,093.09	5,203.79
Provisions	613.04	628.41	678.54
Other current liabilities	37.74	68.13	44.60
Total liabilities	27,686.00	25,843.49	25,896.43

D The revenues from external customers are divided into the following geographical areas:

	Year ended 31 March 2018	Year ended 31 March 2017
India (country of domicile)	33,986.86	31,697.67
Outside India	4,344.50	4,966.35
	38,331.36	36,664.02

E Non-current assets are divided into the following geographical areas (Refer note below):

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
India (country of domicile)	29,632.46	29,259.10	29,243.91
Outside India	-	-	-
	29,632.46	29,259.10	29,243.91

Reportable assets for the purpose of this note constitute non-current assets other than financial assets, deferred tax assets and other tax assets.

F Revenue from major customers

There are no customers contributing to 10 percent or more of Company's revenues from product sale.

46 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

Accordingly, the Company has prepared financial statements for the comparative period for the year ended 31 March 2017 that comply with the Ind AS applicable, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

i) Ind AS optional exemptions

a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.



b) Deemed cost for investments in subsidiaries

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for investments in subsidiaries as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure its investments in subsidiaries in the standalone financial statements at their previous GAAP carrying value.

c) Lease

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

ii) Ind AS mandatory exemptions

a) Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

b) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- The effects of the retrospective application or retrospective restatement are not determinable; or
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
- The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

c) De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

iii) Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

46 First time adoption of Ind AS (Continued)

a) Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

	Note	As at 31 March 2017	As at 1 April 2016	
Equity as per previous GAAP		9,618.92	24,097.89	
Adjustments on account of:				
i) carrying value of land adjusted against the Fixed Asset Revaluation Reserve			(13,957.19)	
ii) Impact of change in fair valuation of biological assets, representing standing crops recorded:				
a) Tea	(iv)	85.83	47.32	
b) Rubber	(iv)	8.57	8.33	
iii) Capitalisation of replanting expenses towards bearer plants	(v)	532.08	-	
Equity as per Ind AS		10,245.40	10,196.35	
b) Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)				
	Note	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	(viii)	42,324.44	(13,957.19)	28,367.25
Capital work-in-progress		82.64	-	82.64
Intangible assets		52.15	-	52.15
Financial assets				
- Investments		1.02	-	1.02
- Bank balances		31.01	-	31.01
Other non-current assets		741.87	-	741.87
		43,233.13	(13,957.19)	29,275.94
Current assets				
Inventories	(iv)	2,218.69	55.65	2,274.34
Financial assets				-
- Investments		15.00	-	15.00
- Trade receivables		693.63	-	693.63
- Cash and cash equivalents		736.18	-	736.18
- Bank balances other than those mentioned in cash and cash equivalents		203.98	-	203.98
- Other financial assets		581.31	-	581.31
Other current assets		2,312.40	-	2,312.40
		6,761.19	55.65	6,816.84
Total assets		49,994.32	(13,901.54)	36,092.78
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,845.43	-	1,845.43
Other equity	(iv), (v), (viii), (ix)	22,252.46	(13,901.54)	8,350.92
Total Equity		24,097.89	(13,901.54)	10,196.35
Non-current liabilities				
Financial liabilities				
-Borrowings		4,419.56	-	4,419.56
Provisions		4,996.55	-	4,996.55
		9,416.11	-	9,416.11
Current liabilities				
Financial liabilities				
- Borrowings		5,203.79	-	5,203.79
- Trade payables				
(i) Dues to micro and small enterprises		128.37	-	128.37
(ii) Dues to others		2,673.69	-	2,673.69
- Other financial liabilities		4,815.35	-	4,815.35
Provisions		2,267.26	-	2,267.26
Current tax liabilities (net)		555.96	-	555.96
Other current liabilities		835.90	-	835.90
		16,480.32	-	16,480.32
Total liabilities		25,896.43	-	25,896.43
Total equity and liabilities		49,994.32	(13,901.54)	36,092.78



46 First time adoption of Ind AS (Continued)

c) Reconciliation of equity as at 31 March 2017

	Note	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	(viii)	27,669.75	-	27,669.75
Capital work-in-progress	(v)	258.77	532.08	790.85
Intangible assets		38.83	-	38.83
Financial assets				
- Investments		1.01	-	1.01
- Bank balances		68.37	-	68.37
Other non-current assets		759.67	-	759.67
		28,796.40	532.08	29,328.48
Current assets				
Inventories	(iv)	2,406.32	94.40	2,500.72
Financial assets				
- Investments		15.00	-	15.00
- Trade receivables		759.37	-	759.37
- Cash and cash equivalents		126.34	-	126.34
- Bank balances other than those mentioned in cash and cash equivalents		148.78	-	148.78
- Other financial assets		705.90	-	705.90
Asset held for sale		119.00	-	119.00
Other current assets		2,385.30	-	2,385.30
		6,666.01	94.40	6,760.41
Total assets		35,462.41	626.48	36,088.89
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,845.43	-	1,845.43
Other Equity	(iv), (v), (viii), (ix)	7,773.49	626.48	8,399.97
Total Equity		9,618.92	626.48	10,245.40
Non-current liabilities				
Financial liabilities				
- Borrowings		3,569.99	-	3,569.99
Provisions		4,900.46	-	4,900.46
		8,470.45	-	8,470.45
Current liabilities				
Financial liabilities				
- Borrowings		5,093.08	-	5,093.08
- Trade payables				
(i) Dues to micro and small enterprises		161.24	-	161.24
(ii) Dues to others		3,065.20	-	3,065.20
- Other financial liabilities		3,857.43	-	3,857.43
Liabilities directly associated with assets classified as held for sale		972.00	-	972.00
Provisions		2,647.69	-	2,647.69
Current tax liabilities (net)		505.62	-	505.62
Other current liabilities		1,070.78	-	1,070.78
		17,373.04	-	17,373.04
Total liabilities		25,843.49	-	25,843.49
Total equity and liabilities		35,462.41	626.48	36,088.89

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

First time adoption of Ind AS (Continued)

d) Reconciliation of profit or loss for the year ended 31 March 2017	Note	Previous GAAP *	Adjustments	Ind AS
Income				
Revenue from operations		36,664.02	-	36,664.02
Other income		538.41	-	538.41
Total revenue		37,202.43	-	37,202.43
Expenses				
Cost of materials consumed		11,447.35	-	11,447.35
Purchases of stock-in-trade		438.28	-	438.28
Changes in inventories of finished goods	(iv)	(193.63)	(38.75)	(232.38)
Employee benefits expense	(v), (vi)	14,773.80	(285.84)	14,487.96
Finance costs		1,387.21	-	1,387.21
Depreciation and amortisation expense		501.32	-	501.32
Other expenses	(v)	9,799.67	(606.29)	9,193.38
Total expenses		38,154.00	(930.88)	37,223.12
Profit / (loss) before exceptional items and tax		(951.57)	930.88	(20.69)
Exceptional items		465.56	-	465.56
Profit / (loss) before tax		(486.01)	930.88	444.87
Tax expense		-	-	-
Profit / (loss) for the year from continuing operations		(486.01)	930.88	444.87
Discontinued operations				
(Loss) from discontinuing operations		(35.55)	-	(35.55)
Tax expense of discontinuing operations		-	-	-
(Loss) from discontinuing operations after tax		(35.55)	-	(35.55)
Profit / (loss) for the year		(521.56)	930.88	409.32
Other comprehensive income				
Items that will not be reclassified to profit and loss				
- Re-measurement (losses) on defined benefit plans	(vi)	-	(360.27)	(360.27)
- Income tax relating to items that will not be reclassified to profit and loss		-	-	-
Other comprehensive loss for the year, net of tax		-	(360.27)	(360.27)
Total comprehensive income / (loss) for the year		(521.56)	570.61	49.05
e) Reconciliation of cash flow statement for the year ended 31 March 2017				
Net cash generated from operating activities	(v)	1,579.30	532.08	2,111.38
Net used in investing activities	(v)	902.05	(532.08)	369.97
Net cash generated from financing activities		(3,091.19)	-	(3,091.19)
Net increase/(decrease) in cash and cash equivalents		(609.84)	-	(609.84)
Cash and cash equivalents at the beginning of the year		736.18	-	736.18
Cash and cash equivalents at the end of the year		126.34	-	126.34

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

46 First time adoption of Ind AS (cont'd)

Notes

iv) Fair valuation of standing crops

Ind AS 2 'Inventories' does not envisage any change in the existing system of valuation of Inventories of finished products of tea and rubber from Accounting Standard 2 'Valuation of Inventories' followed by the Company during prior years. However Ind AS 2 'Inventories' does not apply to valuation of Agricultural Produce, but will continue to apply to valuation of Inventory of finished products of Tea and rubber. Ind AS 41 'Agriculture' deals with the recognition and valuation of Agricultural Produce viz. standing crop of tea and rubber as Biological assets. The Company has valued its standing crops for tea and rubber as at Ind AS transition date (1 April 2016) and adjusted the same in the retained earnings. Further movement in valuation at the reporting dates were routed through the Statement of Profit and Loss.

v) Capitalisation of replanting expenses towards bearer plants

Under the previous GAAP all the replanting expenses consequent to replacement were charged to revenue as and when incurred. No adjustments have been made to the value of bearer plants existing as at 31 March 2016 on account of the replanting expenses of prior years. However all the replanting expenses incurred from the Ind AS transition date (1 April 2016) have been identified and capitalised.



vi) Defined benefit obligation

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognised in the OCI net of tax.

vii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes re-measurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

viii) Property, plant and equipment

As the Company decided to adopt the cost model, ₹ 13,957.19 lakhs being the revaluation amount included in the carrying value of land has been adjusted against the related Fixed Asset Revaluation Reserve as on 1 April 2016, effected as at the transition date in these standalone financial statements.

(ix) Other Equity

Adjustments to retained earnings as at 1 April 2016 and 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

per Aasheesh Arjun Singh

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Mumbai
25 May 2018

INDEPENDENT AUDITORS' REPORT

To the Members of Harrissons Malayalam Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Harrissons Malayalam Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 4.92 lakhs and net assets of ₹ 4.58 lakhs as at 31 March 2018, total revenues of ₹ 0.38 lakhs and net cash outflows amounting to ₹ 0.50 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.



10. The Company had prepared separate sets of consolidated financial statements for the year ended 31 March 2017 and 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 29 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those consolidated financial statements. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the Directors of the Group Companies covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 35 and 44 to the consolidated financial statements;
 - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act; and
 - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mumbai
25 May 2018

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Annexure I to the Independent Auditor's Report of even date to the members of Harrissons Malayalam Limited on the consolidated financial statements for the year ended 31 March 2018

Annexure I

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Harrissons Malayalam Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') ('the framework'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the framework.

Other Matter

9. We did not audit the IFCoFR insofar as it relates to three subsidiaries, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 4.92 lakhs and net assets of ₹ 4.58 lakhs as at 31 March 2018, total revenues of ₹ 0.38 lakhs and net cash outflows amounting to ₹ 0.50 lakhs for the year ended on that date, as considered in the consolidated financial statements. The audit of IFCoFR of these subsidiary companies, which are companies covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Our opinion is not modified in respect of the above matter.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Mumbai
25 May 2018



Consolidated Balance Sheet as at 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	27,663.92	27,669.75	28,367.25
Capital work-in-progress	3	1,109.39	790.85	82.64
Intangible assets	3	25.52	38.83	52.15
Financial assets				
- Investments	4	1.01	1.01	1.02
- Bank balances	5	13.70	68.37	31.01
Other non-current assets	6	833.63	759.67	741.87
		29,647.17	29,328.48	29,275.94
Current assets				
Inventories	7	2,806.71	2,500.72	2,274.34
Financial assets				
- Trade receivables	8	1,438.57	759.37	693.63
- Cash and cash equivalents	9	233.20	129.41	739.25
- Bank balances other than cash and cash equivalents	10	218.58	151.14	206.70
- Other financial assets	11	1,018.82	705.90	581.31
Other current assets	12	2,572.33	2,385.30	2,312.40
		8,288.21	6,631.84	6,807.63
Assets classified as held for sale	13	119.00	119.00	-
Total assets		38,054.38	36,079.32	36,083.57
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14(a)	1,845.43	1,845.43	1,845.43
Other equity	14(b)	8,522.60	8,389.83	8,341.14
Total equity		10,368.03	10,235.26	10,186.57
Non-current liabilities				
Financial liabilities				
- Borrowings	15	3,407.03	3,569.99	4,419.56
Provisions	16	5,371.67	4,900.46	4,996.55
		8,778.70	8,470.45	9,416.11
Current liabilities				
Financial liabilities				
- Borrowings	15	5,240.18	5,093.08	5,203.79
- Trade payables				
(i) Dues to micro and small enterprises	17	137.51	161.24	128.37
(ii) Dues to others	17	3,655.94	3,065.77	2,674.25
- Other financial liabilities	18	4,347.71	3,857.43	4,815.35
Provisions	16	2,372.90	2,647.69	2,267.26
Current tax liabilities (net)	19	499.49	505.62	555.96
Other current liabilities	20(a)	1,681.92	1,070.78	835.91
		17,935.65	16,401.61	16,480.89
Liabilities directly associated with assets classified as held for sale	20(b)	972.00	972.00	-
		18,907.65	17,373.61	16,480.89
Total equity and liabilities		38,054.38	36,079.32	36,083.57

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants

per **Aasheesh Arjun Singh**

Mumbai
25 May 2018

For and on behalf of the Board of Directors of **Harrisons Malayalam Limited**

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	21	38,331.36	36,664.02
Other income	22	873.03	538.62
Total income		39,204.39	37,202.64
Expenses			
Cost of materials consumed	23	10,767.57	11,447.35
Purchases of stock-in-trade	24	733.47	438.28
Changes in inventories	25	(17.61)	(232.38)
Employee benefits expense	26	15,239.57	14,487.96
Finance costs	27	1,267.61	1,387.21
Depreciation and amortisation expense	28	416.24	501.32
Other expenses	29	10,352.77	9,193.95
Total expenses		38,759.62	37,223.69
Profit / (loss) before exceptional items and tax		444.77	(21.05)
Exceptional items	30	-	465.56
Profit before tax from continuing operations		444.77	444.51
Income tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit for the year from continuing operations		444.77	444.51
Discontinuing operations			
Loss from discontinuing operations	34	-	(35.55)
Tax expense of discontinuing operations	34	-	-
Loss from discontinuing operations after tax		-	(35.55)
Profit for the year		444.77	408.96
Other comprehensive income / (loss)			
Items that will not be reclassified to profit and loss			
a) Re-measurement gains / (losses) in defined benefit plans		(312.00)	(360.27)
Income tax effect		-	-
		(312.00)	(360.27)
Other comprehensive loss, net of tax		(312.00)	(360.27)
Total comprehensive income for the year		132.77	48.69
Earnings per equity share for continuing operations			
Basic (in ₹)	36	2.41	2.41
Diluted (in ₹)	36	2.41	2.41
Earnings / (loss) per equity share for discontinuing operations			
Basic (in ₹)	36	-	(0.19)
Diluted (in ₹)	36	-	(0.19)
Earnings per equity share for continuing operations and discontinuing operations			
Basic (in ₹)	36	2.41	2.22
Diluted (in ₹)	36	2.41	2.22

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors of Harrissons Malayalam Limited

For **Walker Chandio & Co LLP**
Chartered Accountants

N. Dharmaraj
Whole Time Director
DIN: 00912004

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per **Aasheesh Arjun Singh**

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Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Mumbai
25 May 2018



Consolidated Statement of Cash Flows for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit for the year before exceptional item and tax	444.77	408.96
Adjustments for:		
Depreciation and amortisation expense	416.24	501.32
Interest income on bank deposits and other deposits	(13.39)	(26.18)
Finance costs	1,267.61	1,387.21
Provision for doubtful debts / advances	-	45.29
Liability no longer required written back	(0.22)	(26.34)
Fair value gain on foreign exchange forward contracts	-	(1.49)
Profit on sale of fixed assets	(59.33)	(4.64)
Operating profit before working capital changes	2,055.68	2,284.13
Adjustments for working capital changes:		
Increase in inventories	(305.99)	(226.38)
Increase in trade receivables	(679.20)	(111.03)
Increase in loans and advances and other current and non current assets	(578.13)	(183.71)
Increase in trade payables, other current liabilities and provisions	1,503.93	398.50
Cash generated from operating activities	1,996.29	2,161.51
Direct taxes paid, net	(6.13)	(50.34)
Net cash generated from operating activities	1,990.16	2,111.17
B. Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(271.09)	(112.62)
Replanting expenses	(483.42)	(532.08)
Sale of fixed assets	83.61	21.76
Sale of non current investments	-	0.01
Advance received against asset held for sale	-	972.00
Interest received	19.42	21.11
Net cash (used) in generated from investing activities	(651.48)	370.18
C. Cash flow from financing activities		
Proceeds from long-term borrowings	1,360.08	10.30
Repayment of long-term borrowings	(1,475.89)	(1,596.50)
Proceeds from / (repayments of) working capital loans, net	117.10	(155.71)
Proceeds from other short-term borrowings	5,597.50	4,520.00
Repayment of other short-term borrowings	(5,567.50)	(4,475.00)
Interest paid	(1,224.94)	(1,368.83)
Other borrowing costs paid	(30.11)	(18.56)
Transfer of unpaid Dividend to Investor Education Protection Fund	(11.13)	(6.89)
Net cash used in financing activities	(1,234.89)	(3,091.19)
D. Net change in cash and cash equivalents	103.79	(609.84)
E. Cash and cash equivalents at the beginning of the year	129.41	739.25
F. Cash and cash equivalents at the end of the year	233.20	129.41
Cash and cash equivalents include		
Cash on hand	14.40	14.71
Balances with banks		
- in current accounts	218.80	114.70
Cash and cash equivalents as per note 9	233.20	129.41

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For and on behalf of the Board of Directors of Harrisons Malayalam Limited

For Walker Chandio & Co LLP
Chartered Accountants

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
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per Aasheesh Arjun Singh

Ravi A.
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Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Mumbai
25 May 2018

Consolidated Statements of Changes in Equity for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares	
	Number (in lakhs)	Amount
As at 1 April 2016	184.55	1,845.43
Changes in equity share capital during the year	-	-
As at 31 March 2017	184.55	1,845.43
Changes in equity share capital during the year	-	-
As at 31 March 2018	184.55	1,845.43

B. Other equity

Particulars	Reserves and surplus						Total
	General reserve	Securities premium	Fixed assets revaluation reserve	Reserve arising from amalgamation	Housing subsidy reserve	Retained earnings	
Balance as at 1 April 2016	1,687.82	5,002.91	-	291.33	5.26	1,353.82	8,341.14
Profit for the year	-	-	-	-	-	408.96	408.96
Re-measurement gains/ (losses) in defined benefit plans, net of tax	-	-	-	-	-	(360.27)	(360.27)
Reversal of revaluation reserve due to change in accounting policy	-	-	-	-	-	-	-
Balance as at 31 March 2017	1,687.82	5,002.91	-	291.33	5.26	1,402.51	8,389.83
Profit for the year	-	-	-	-	-	444.77	444.77
Re-measurement gains/ (losses) in defined benefit plans, net of tax	-	-	-	-	-	(312.00)	(312.00)
Balances at 31 March 2018	1,687.82	5,002.91	-	291.33	5.26	1,535.28	8,522.60

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statements of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors of Harrisons Malayalam Limited

For **Walker Chandio & Co LLP**
Chartered Accountants

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

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per **Aasheesh Arjun Singh**

Ravi A.
Chief Financial Officer

G. Satish Pillai
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Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Mumbai
25 May 2018



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

1. Principles of Consolidation

The consolidated financial statements relate to Harrisons Malayalam Limited, the parent company and its subsidiary (the 'Group'). The Consolidated financial statements are in conformity with the Accounting Standards on "Consolidated financial Statements" (IndAS-110) prescribed under Section 133 of the Companies Act, 2013 of India (the 'Act') and are prepared as set out below:

- The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions and resulting unrealised profits or losses on intra-group transactions.
- The Consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the parent Company's separate financial Statements.

Following Subsidiaries including (step down subsidiary) of the Parent Company have been considered in the preparation of these Consolidated financial Statements

Enchanting Plantations Limited - Indian Entity

Harmony Plantations Limited - Indian Entity

Malayalam Plantations Limited (Step down) - Indian Entity (Subsidiary of Enchanting Plantations Limited)

Name of the Company	% of share holding and voting power	
	As at 31st March, 2018	As at 31st March, 2017
Subsidiary Company		
Enchanting Plantations Limited - Indian Entity	100%	100%
Harmony Plantations Limited - Indian Entity	100%	100%

Name of the Company	Net Assets (Total Assets- Total Liabilities)		Share in Profit / loss	
Parent	10378.46	100%	445.06	100%
Subsidiary				
Enchanting Plantations Limited	(6.91)	0%	(0.12)	0%
Harmony Plantations Limited	(3.52)	0%	(0.17)	0%
	10368.03		444.77	

2. Summary of significant accounting policies

a) Basis of preparation and presentation of Consolidated Financial Statements

i) Statement of compliance with Indian Accounting Standards (Ind AS)

The Consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 25 May 2018.

For all periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS financial statements of the Group. The date of transition to Ind AS is 1 April 2016. Refer note 46 for the details of first-time adoption exemptions availed by the Group, reconciliations and descriptions of the effect of the transition. Amendments to the financial statements are permitted after approval.

ii) Basis of accounting and measurement

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group is required to prepare its financial statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April 2017. Accordingly, the Group has prepared these financial statements which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2018, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

The financial Statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All amounts included in the financial statements are reported in Indian Rupees (₹) lakhs and have been rounded off to nearest decimal of ₹ lakhs.

b) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at the end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Contingent Liability

Management reviews its estimate of the financial impact of the contingent liability at each reporting date, based on the demands received from various Departmental authorities.

Litigations

Management reviews its estimate of the impact of the litigations liability at each reporting date, based on the land matters pending with various Courts

Defined benefit obligation (DBO)



Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as 12 months.

d) Property, plant and equipment

The Group has opted to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost includes inward freight, non refundable duties/ taxes and expenses incidental to acquisition / installation.

Expenses relating to new planting and further expenditure incurred at the replanted fields are capitalised.

Property, plant and equipment [other than freehold land and lease hold land (perpetual lease)] are depreciated under the written down value method [other than bearer plants (rubber trees and tea bushes) which are depreciated using straight line method] over the estimated useful lives of the assets, which are different from the lives prescribed under Schedule II to the Companies Act, 2013.

Freehold land and leasehold land (perpetual lease) are not depreciated.

Useful life adopted by the Group for various class of assets is as follows:

Asset category	Useful lives (in years)
Factory buildings	30
Non factory buildings	60
Plant and machinery (including agricultural assets)	3/20
Furniture and fittings	6
Water supply	20/30/60
Vehicles	10
Bearer plants - Rubber trees	28
Bearer plants - Tea bushes	80

e) Bearer Plants

Under the previous GAAP all the replanting expenses consequent to replacement were charged to revenue as and when

incurred. No adjustments have been made to the value of bearer plants existing as at 31 March 2016 on account of the replanting expenses of prior years. However all the replanting expenses incurred from the Ind AS transition date (1 April 2016) have been identified and capitalised.

f) Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Computer software is capitalised in the period in which the software is implemented for use, where it is expected to provide future enduring economic benefits; such capitalisation costs include license fees and cost of implementation / system integration services.

Computer software capitalised are amortised on a straight line basis over a period of five years from the date of capitalisation. License Fees is amortised at lower of the license period and five years.

g) Impairment of property, plant and equipment and intangible assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of fixed assets of cash generating unit exceeds the recoverable amount (i.e. higher of net selling price and value in use). In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amounts of the assets over their remaining useful lives.

h) Assets held for sale

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Assets classified as held for sale'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

i) Revenue recognition

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of tea at auction is recognised on receipt of the sale note from the brokers. Revenue from sale of tea other than at auction and sale of rubber is recognised on transfer of significant risks and rewards of ownership in goods in accordance with the terms of sale. Revenue from sale of rubber / grevillea trees is recognised at the point of felling and removing the trees from the estates.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "Other income" in the Statement of Profit and Loss.

j) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average basis and includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable. Inventories are written down for obsolete / slow moving / non moving items wherever necessary.

k) Standing crops

Ind AS 2 'Inventories' does not envisage any change in the existing system of valuation of Inventories of finished products of tea and rubber from Accounting Standard 2 'Valuation of Inventories' followed by the Group during prior years. However Ind AS 2 'Inventories' does not apply to valuation of Agricultural Produce, but will continue to apply to valuation of Inventory of finished products of tea and rubber. Ind AS 41 'Agriculture' deals with the recognition and valuation of Agricultural Produce viz. standing crop of tea and rubber as Biological assets. The Group has valued its standing crops for tea and rubber as at Ind AS transition date (1 April 2016) and adjusted the same in the retained earnings. Further movement in valuation at the reporting dates were routed through the Statement of Profit and Loss.

l) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.



Defined contribution plan

(i) **Provident fund**

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Group has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

(ii) **Superannuation**

This is a defined contribution plan. The Group contributes as per the scheme to superannuation fund administered by Life Insurance Corporation of India (LIC). The Group has no further obligations for future superannuation benefits other than its annual contributions and recognises such contributions as expense in the period in which the related employee services are rendered.

Defined benefit plan

(i) **Gratuity**

This is a defined benefit plan. Provision is based on year-end actuarial valuation using projected unit credit method. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss as income or expense.

(ii) **Compensated absences**

This is a defined benefit plan. Provision is based on year-end actuarial valuation using projected unit credit method. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss as income or expense.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognised in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognised in other comprehensive income to retained earnings in the statement of changes in equity and balance sheet."

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee."

m) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These financial statements are presented in Indian Rupees (₹).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss.

n) Investments in subsidiaries

The Group's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss.

o) Government Grants

Revenue subsidy receivable from Tea Board towards manufacture of orthodox tea is accrued on production of orthodox tea. Revenue subsidy receivable from Tea Board towards replanting activities undertaken is accounted on sanction of such subsidy by the Tea Board. Capital subsidy from Tea Board and Rubber Board is adjusted against the cost of specific depreciable assets on receipt of such subsidy.

p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

q) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

r) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets (other than trade receivables) are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognised at their transaction price as the same do not contain significant financing component.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortised cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit or Loss (FVTPL)"

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. “

(ii) *Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)*

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(iii) *Financial assets at Fair Value Through Profit or Loss (FVTPL)*

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in the statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.”

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognised in OCI. These gains / loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Group tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.



ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.”

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

u) Assets held for sale

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head ‘Assets classified as held for sale’. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

v) Segment reporting

The Group is engaged in plantations having tea and rubber estates. The business segments identified for segment reporting are Tea, Rubber and Others.

w) Earnings / (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from 1 April 2018.

Ind AS 115, Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ended 31 March 2018 will not be retrospectively adjusted.

3 Property, plant and equipment and Intangible assets

Particulars	Property, plant and equipment								Intangible assets	Capital work-in-progress
	Land and Development - Freehold and leasehold (Note 1 below)	Bearer plants	Buildings	Plant and machinery	Furniture and fittings	Water supply	Vehicles	Total	Computer software	
Gross carrying amount										
Deemed cost as at 1 April 2016	22,921.48	2,503.62	1,367.27	1,162.12	25.30	216.25	171.21	28,367.25	52.15	82.64
Additions	-	204.98	-	8.02	3.83	-	8.01	224.84	-	799.72
Transfer on capitalisation	-	-	27.30	57.43	0.21	6.58	-	91.52	-	(91.51)
Disposals	-	(389.66)	(119.07)	(7.02)	(0.59)	(0.87)	(8.65)	(525.86)	-	-
Balance as at 31 March 2017	22,921.48	2,318.94	1,275.50	1,220.55	28.75	221.96	170.57	28,157.75	52.15	790.85
Additions	-	-	-	9.60	3.40	-	0.35	13.35	-	726.58
Transfer on capitalisation	-	214.41	0.82	184.94	7.08	0.79	-	408.04	-	(408.04)
Disposals	-	-	(0.20)	(9.86)	(0.43)	(7.17)	(14.32)	(31.98)	-	-
Balance as at 31 March 2018	22,921.48	2,533.35	1,276.12	1,405.23	38.80	215.58	156.60	28,547.16	52.15	1,109.39
Accumulated depreciation/ amortisation										
Depreciation/amortisation expense for the year	-	39.00	97.08	276.48	6.94	24.31	44.19	488.00	13.32	-
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	39.00	97.08	276.48	6.94	24.31	44.19	488.00	13.32	-
Depreciation/amortisation charge during the year	-	43.81	90.03	212.39	6.07	20.99	29.64	402.93	13.31	-
Reversal on disposal of assets	-	-	(0.01)	(3.12)	(0.14)	(0.71)	(3.71)	(7.69)	-	-
Balance as at 31 March 2018	-	82.81	187.10	485.75	12.87	44.59	70.12	883.24	26.63	-
Net carrying amount										
Balance as at 1 April 2016	22,921.48	2,503.62	1,367.27	1,162.12	25.30	216.25	171.21	28,367.25	52.15	82.64
Balance as at 31 March 2017	22,921.48	2,279.94	1,178.42	944.07	21.81	197.65	126.38	27,669.75	38.83	790.85
Balance as at 31 March 2018	22,921.48	2,450.54	1,089.02	919.48	25.93	170.99	86.48	27,663.92	25.52	1,109.39



Notes

- 1 Land and development includes certain leasehold lands the value of which is not separately ascertainable. Also refer Note 44 to the Consolidated Financial Statements
- 2 Title deeds of the immovable properties set out in the above table are in the name of Malayalam Plantations Limited (MPL)/Harrisons Crossfield Ltd (HCL) except as set out below which are in the name of the Group. Inter alia, the immovable properties of MPL got transferred to and vested in Malayalam Plantations (India) Limited (MPIL) vide a Scheme of Arrangement and Amalgamation in 1978. Further, inter alia the immovable properties of Harrisons Crossfield (India) Limited got transferred and vested in MPIL vide a Scheme of Arrangement and Amalgamation in 1984. The name of MPIL a Group incorporated in 1978 got changed to Harrisons Malayalam Limited in 1984.

Title deeds of the immovable properties set out in the above table, which are in the name of the Company as at 31 March 2018 are:

	Gross block	Net block
Land and building	136.72	28.97

3 Deemed carrying cost

For property, plant and equipment and intangible assets existing as on the date of transition to Ind AS, i.e., 1 April 2016, the Group has used previous GAAP carrying value as deemed costs.

4 Property, plant and equipment pledged as security

Details of properties pledged are as per Note 40.

5 Capital work in progress

Capital work in progress mainly represents the bearer plants

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financials assets			
4 Investments			
Non-current			
Investment in equity instruments(fully paid-up)			
(i) Unquoted - At cost			
Subsidiaries			
Investment in 49,993 equity shares of ₹ 10 each of HML Engineering Company Limited (Dissolved effective 1 June 2016)	-	-	5.00
Less: Provision for diminution in value of investment	-	-	(5.00)
(ii) Others			
Investment in Government Securities			
National Savings Certificate	0.01	0.01	0.02
Treasury Savings Account	1.00	1.00	1.00
	1.01	1.01	1.02
Aggregate amount of:			
- Quoted investments and market value thereof	-	-	-
- Unquoted investments	1.01	1.01	6.02
- Provision for diminution in value of investments other than temporary	-	-	(5.00)
5 Bank balances			
Margin money deposit with banks having maturity more than 12 months	11.97	66.64	29.28
Bank deposit on lien	1.73	1.73	1.73
	13.70	68.37	31.01
6 Other non-current assets			
(Unsecured, considered good)			
Capital advances	31.39	16.81	7.01
Electricity and other deposits	310.96	251.63	243.63
Advance to workers	491.28	491.23	491.23
	833.63	759.67	741.87

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7 Inventories			
(valued at lower of cost and net realisable value)			
Finished goods	1,547.85	1,530.24	1,297.86
Stores and spares *	1,216.03	934.27	955.83
Nurseries	17.91	20.98	20.65
Raw materials (Latex)	24.92	15.23	-
	2,806.71	2,500.72	2,274.34
* Stores and spares includes packing materials of ₹ 417.00 (31 March 2017: ₹ 370.70).			
8 Trade receivables			
Unsecured			
Considered Good	1,438.57	759.37	693.63
Considered Doubtful	509.75	509.75	464.45
Less: Provision for doubtful debts	(509.75)	(509.75)	(464.45)
	1,438.57	759.37	693.63
9 Cash and cash equivalents			
Balance with banks			
- In Current accounts	218.80	114.70	719.46
Cash on hand	14.40	14.71	19.79
	233.20	129.41	739.25
10 Bank balances other than cash and cash equivalents			
Deposits with maturity more than 3 months but less than 12 months	191.98	113.41	162.09
Unpaid dividend account	26.60	37.73	44.61
	218.58	151.14	206.70
	451.78	280.55	945.95
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:			
Balance with banks			
- In current accounts	218.80	114.70	719.46
Cash on hand	14.40	14.71	19.79
	233.20	129.41	739.25
11 Other financial assets			
(Unsecured, considered good)			
Derivative			
- Foreign exchange forward contracts	-	1.49	1.49
Advances to employees	110.24	130.73	135.51
Claims recoverable	60.86	1.83	0.50
Subsidy receivable	688.75	448.80	309.91
Unbilled revenue	28.48	28.48	28.48
Export entitlement	122.44	80.49	96.41
Interest accrued on bank deposits	8.05	14.08	9.01
	1,018.82	705.90	581.31
(Unsecured, considered doubtful)			
Export entitlement	13.54	13.54	13.54
Less: provision for doubtful advances	(13.54)	(13.54)	(13.54)
	1,018.82	705.90	581.31



	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12 Other current assets			
(Unsecured, considered good)			
Advance to suppliers	406.94	257.18	222.53
Balances with government authorities	2,014.53	2,017.48	1,992.73
Prepayments	150.86	110.64	97.14
	2,572.33	2,385.30	2,312.40
(Unsecured, considered doubtful)			
Balances with government authorities	27.14	27.14	27.14
Advance to suppliers	26.09	26.09	26.09
Advances to body corporates	189.64	189.64	189.64
	242.87	242.87	242.87
Less: Provision for doubtful advances	(242.87)	(242.87)	(242.87)
	2,572.33	2,385.30	2,312.40

13 Assets classified as held for sale			
Disposal group	119.00	119.00	-
Asset held for sale represents WDV of building which is prepared to be sold by the Group.	119.00	119.00	-

14(a) Equity share capital	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorized						
3,00,00,000 Equity Shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up						
1,84,55,405 Equity Shares of ₹ 10 each fully paid up	18,455,405	1,845.54	18,455,405	1,845.54	18,455,405	1,845.54
Less: Allotment Money in Arrears	-	(0.11)	-	(0.11)	-	(0.11)
	18,455,405	1,845.43	18,455,405	1,845.43	18,455,405	1,845.43

i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs	No. of shares	₹ lakhs
Equity share of ₹ 10 each						
Opening balance	18,455,405	1,845.43	18,455,405	1,845.43	18,455,405	1,845.43
Issue of shares during the year	-	-	-	-	-	-
Closing balance	18,455,405	1,845.43	18,455,405	1,845.43	18,455,405	1,845.43

ii) **Terms/right attached to equity shares**

The Group has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group, in proportion to their shareholding.

iii) **Shareholders holding more than 5% of the aggregate shares in the Group**

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10 each						
Rainbow Investments Limited	4,471,063	24.23%	4,471,063	24.23%	4,471,063	24.23%
Vayu Udaan Aircraft LLP	2,720,100	14.74%	-	-	-	-
Swallow Associates LLP	1,010,722	5.48%	1,190,722	6.45%	1,190,722	6.45%
Instant Holdings Limited	-	-	1,420,200	7.70%	1,420,200	7.70%
Carnival Investments Limited	-	-	1,121,230	6.08%	1,121,230	6.08%

iv) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2018.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
14(b) Other equity			
General reserve	1,687.82	1,687.82	1,687.82
Securities premium account	5,002.91	5,002.91	5,002.91
Fixed assets revaluation reserve	-	-	-
Reserve arising from amalgamation	291.33	291.33	291.33
Housing subsidy reserve	5.26	5.26	5.26
Retained earnings	1,535.28	1,402.51	1,353.82
	8,522.60	8,389.83	8,341.14
15 Borrowings (Refer note 40)			
Non-current			
Secured			
Term loan			
-from banks	4,063.70	4,270.18	5,716.88
-from others	249.05	158.38	297.88
	4,312.75	4,428.56	6,014.76
Less: Current maturities of long-term debt	(905.72)	(858.57)	(1,595.20)
	3,407.03	3,569.99	4,419.56
Repayment terms for term loans from others			
Payable in 0-1 year	105.72	111.87	148.50
Payable in 1-2 years	88.53	31.50	108.71
Payable in 2-3 years	52.81	14.32	28.93
Payable in 3-4 years	1.99	0.69	11.74
	249.05	158.38	297.88
Current			
Secured			
Cash credit from banks repayable on demand *	3,565.18	3,448.08	3,603.79
	3,565.18	3,448.08	3,603.79
Unsecured			
From banks	500.00	500.00	1,000.00
From others	1,175.00	1,145.00	600.00
	1,675.00	1,645.00	1,600.00
	5,240.18	5,093.08	5,203.79
* Cash credit from banks			
Secured by equitable mortgage of immovable property of the Group situated in Arapetta Estate, hypothecation of standing crop in all estates, stocks of tea, rubber, stores and spares, book debts and other movable assets both present and future.			
16 Provisions			
Non-current			
Provisions for employee benefits			
Gratuity (Refer note 43)	4,777.33	4,306.12	4,423.94
Compensated absence	102.34	102.34	80.61
	4,879.67	4,408.46	4,504.55
Other provisions:			
Contingency reserve *	492.00	492.00	492.00
	492.00	492.00	492.00
	5,371.67	4,900.46	4,996.55
Current			
Provisions for employee benefits			
Gratuity (Refer note 43)	318.74	617.23	240.74
Compensated absence	52.51	28.81	26.58
Contingency reserve *	1,879.01	1,879.01	1,877.30
	2,250.26	2,525.05	2,144.62
Other provisions :			
Fringe benefit tax (Net of advance tax of ₹ 92.42, 31 March 2017: ₹ 92.42)	122.64	122.64	122.64
	122.64	122.64	122.64
	2,372.90	2,647.69	2,267.26



	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
* Provision for contingency represents the potential exposure on account of legal dispute. However the nature of the provision has not been disclosed in detail on the grounds that it is expected to prejudice the interests of the Group.			
17 Trade payables			
Dues to micro enterprises and small enterprises (Refer Note (a) below)	137.51	161.24	128.37
Dues to creditors other than micro enterprises and small enterprises	3,655.94	3,065.77	2,674.25
	3,793.45	3,227.01	2,802.62
The carrying values of trade payables are considered to be a reasonable approximation of fair value.			
a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Principal amount remaining unpaid	73.85	113.27	93.22
ii) Interest due thereon	5.08	4.73	1.68
iii) Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
iv) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	10.59	8.09	9.14
v) Interest accrued and remaining unpaid as at the year end	63.66	47.98	35.15
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	15.68	12.83	10.82
The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.			
18 Other financial liabilities			
Current maturities of long-term debt	905.72	858.57	1,595.20
Interest accrued but not due on borrowings	43.28	30.73	30.92
Unpaid dividends	26.60	37.73	44.61
Employee benefits payable	3,227.31	2,788.13	3,009.31
Derivative - Foreign exchange forward contracts	1.64	-	-
Security deposits	143.16	142.27	135.31
	4,347.71	3,857.43	4,815.35
19 Current tax liabilities (Net)			
Provision for income tax (net of advance tax ₹ 13,948.42, 31 March 2017: ₹ 13,942.29, 1 April 2016: ₹ 13,891.95)	499.49	505.62	555.96
	499.49	505.62	555.96
20(a) Other current liabilities			
Statutory dues	805.85	634.01	483.82
Advance from customers	826.07	386.77	352.09
Other advances	50.00	50.00	-
	1,681.92	1,070.78	835.91
20(b) Liabilities directly associated with assets classified as held for sale			
Advance against asset held for sale	972.00	972.00	-
	972.00	972.00	-

	Year ended 31 March 2018	Year ended 31 March 2017
21 Revenue from operations		
Sale of products	37,667.44	36,037.31
	37,667.44	36,037.31
Other operating revenues		
Tea board subsidy (Refer note (a) below)	300.15	273.69
Export entitlements	193.33	186.70
Others	170.44	166.32
	663.92	626.71
	38,331.36	36,664.02
Note (a): The subsidy relates to the manufacture of orthodox tea. There are no unfulfilled conditions or other contingencies attaching to these grants.		
22 Other income		
Interest income on bank deposits and other deposits	13.39	26.18
Profit on sale of fixed assets	59.33	4.64
Net gain on foreign currency transactions and translation	-	20.78
Fair value gain on foreign exchange forward contracts	-	1.49
Liability no longer required written back	0.22	26.34
Other non-operating income	800.09	459.19
	873.03	538.62
23 Cost of materials consumed (all indigenous)		
Inventory at the beginning of the year	15.23	-
Add: Purchases	10,777.26	11,462.58
Less: Inventory at the end of the year	(24.92)	(15.23)
Cost of materials consumed	10,767.57	11,447.35
24 Purchase of stock-in-trade		
Genex / TSR	727.01	430.75
Fruits, spices and others	6.46	7.53
	733.47	438.28
25 Changes in inventories		
Inventory at the beginning of the year		
Tea	944.46	1,050.45
Rubber	585.78	247.41
	1,530.24	1,297.86
Inventory at the end of the year		
Tea	1,122.11	944.46
Rubber	425.74	585.78
	1,547.85	1,530.24
	(17.61)	(232.38)
26 Employee benefits expense		
Salaries and wages	12,728.64	12,149.63
Contribution to provident fund	1,310.00	1,306.45
Contribution to superannuation fund	91.48	77.44
Gratuity (Refer note 43)	662.26	579.38
Staff welfare expenses	414.46	354.33
Employee training expense	32.73	28.48
	15,239.57	14,495.71
Less: Discontinuing operation (Refer note 34)	-	(7.75)
	15,239.57	14,487.96



		Year ended 31 March 2018	Year ended 31 March 2017							
27 Finance costs										
Finance charges		1,237.49	1,368.64							
Other borrowing cost		30.12	18.57							
		1,267.61	1,387.21							
28 Depreciation and amortisation expense										
Depreciation of property, plant and equipment (Refer note 3)		402.93	488.00							
Amortisation of intangible assets (Refer note 3)		13.31	13.32							
		416.24	501.32							
29 Other expenses										
Consumption of stores and spare parts		1,655.00	1,636.90							
Consumption of packing material		916.39	904.40							
Contract costs		1,582.92	1,021.07							
Power and fuel		2,229.78	2,027.00							
Rent		120.55	117.02							
Rates and taxes		229.44	213.02							
Repairs and maintenance										
- Buildings		310.03	339.40							
- Plant and machinery		355.95	310.75							
- Others		92.56	102.09							
Insurance		100.93	67.95							
Tea cess		20.30	67.63							
Travelling and conveyance		555.03	413.74							
Legal and Professional charges		586.50	599.03							
Brokerage and discount		167.89	149.05							
Commission to selling agent		16.75	31.60							
Freight, shipping, transport and other charges		873.09	685.92							
Directors' sitting fees		5.10	7.40							
Provision for doubtful debts / advances		-	45.29							
Fair value loss on foreign exchange forward contracts		1.64	-							
Miscellaneous expenses		532.92	482.49							
		10,352.77	9,221.75							
Less: Discontinuing operation (Refer note 34)		-	(27.80)							
		10,352.77	9,193.95							
30 Exceptional items										
Compensation received for loss of revenue due to felling of trees for drawing electric transmission lines across certain rubber estates		-	465.56							
		-	465.56							
32 Fair value measurements										
(i) Financial instruments by category										
The carrying value and fair value of financial instruments by categories were as follows:										
Particulars	Note	As on 31 March 2018	As on 31 March 2017	As on 01 April 2016						
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:										
Investments	4	1.01	-	-	1.01	-	-	1.02	-	-
Cash and cash equivalents	9	233.20	-	-	129.41	-	-	739.25	-	-
Bank balances other than cash and cash equivalents	5, 10	232.28	-	-	219.51	-	-	237.71	-	-
Trade receivable	8	1,438.57	-	-	759.37	-	-	693.63	-	-

Loans									
Other financial assets	11			-	1.49	-	-	1.49	-
Advances to employees		110.24	-	-	130.73	-	-	135.51	-
Claims recoverable		60.86	-	-	1.83	-	-	0.50	-
Subsidy receivable		688.75	-	-	448.80	-	-	309.91	-
Unbilled revenue		28.48	-	-	28.48	-	-	28.48	-
Export entitlement		122.44	-	-	80.49	-	-	96.41	-
Interest accrued on bank deposits		8.05	-	-	14.08	-	-	9.01	-
Total		2,923.88	-	-	1,813.71	1.49	-	2,251.43	1.49
Liabilities:									
Borrowings	15	9,552.93	-	-	9,521.64	-	-	11,218.55	-
Trade payable	17	3,793.45	-	-	3,227.01	-	-	2,802.62	-
Other financial liabilities	18								
Unpaid dividend		26.60	-	-	37.73	-	-	44.61	-
Interest accrued but not due on borrowings		43.28	-	-	30.73	-	-	30.92	-
Employee benefits payable		3,227.31	-	-	2,788.13	-	-	3,009.31	-
Derivative - Foreign exchange forward contracts		-	1.64	-	-	-	-	-	-
Security deposits		143.16	-	-	142.27	-	-	135.31	-
Total		16,786.73	1.64	-	15,747.51	-	-	17,241.32	-

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Derivatives measured at fair value					
Foreign exchange forward contracts	18	-	1.64	-	1.64
As at 31 March 2017	Notes	Level 1	Level 2	Level 3	Total
Derivatives measured at fair value					
Foreign exchange forward contracts	11	-	1.49	-	1.49
As at 1 April 2016	Notes	Level 1	Level 2	Level 3	Total
Derivatives measured at fair value					
Foreign exchange forward contracts	11	-	1.49	-	1.49

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.



33 Scheme of Amalgamation ('Scheme')

The Group has entered into a composite scheme of arrangement and amalgamation amongst Harrison's Malayalam Limited (HML) and Enchanting Plantations Limited (100% subsidiary of HML) and Malayalam Plantations Limited (100% subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100% subsidiary of HML) and their respective shareholders and their creditors ("the Scheme"). The Scheme has been approved by the Board of Directors and sanctioned by the shareholders of the Group and the Group has intimated to the Stock Exchanges in which the Group's shares are listed. As per the Scheme inter alia certain Tea and Rubber estates would be transferred/ demerged to its subsidiaries. The Scheme was pending before the High Court of Kerala and now before the National Group Law Tribunal, Chennai, as directed vide order dated 9 March 2017.

34 Discontinuing operations

The Group in its Board meeting dated 15 May 2012 had approved the plan for transferring its Engineering division to one of its wholly owned subsidiary and had also obtained the consent of its shareholders by way of postal ballot. The Engineering division is a separate segment as per Ind AS 108 "Operating Segments". The decision was consistent with the Group's long term strategy to focus on core plantation activity. The Group has stopped quoting for new projects and the existing projects are nearing completion. During the financial year 2015-16, the Board in its meeting held on 28 September 2015 had decided to discontinue the engineering business itself and the aforesaid transfer was no longer warranted.

The operating activities of the Group's discontinuing operations are summarised as follows:

a) The carrying amounts of the total assets and liabilities to be disposed of are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total assets	161.48	161.48	184.69
Total liabilities	246.84	246.84	203.05
Net assets	(85.36)	(85.36)	(18.36)

b) The revenue and expenses in respect of ordinary activities attributable to the discontinuing operations:

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations (Sale of services)	-	-
Other income	-	-
Total revenue	-	-
Employee benefits expenses	-	7.75
Other expenses	-	27.80
Total expense	-	35.55
Loss from discontinuing operations before taxes	-	(35.55)
Tax expenses of discontinuing operations	-	-
Loss from discontinuing operations after tax	-	(35.55)

(c) The net cash flows attributable to the discontinuing operations are as follows:

Operating activities	-	(4.15)
Investing activities	-	-
Financing activities	-	-
Net cash flows	-	(4.15)

35 Contingent liabilities and commitments

a) Contingent liabilities

1 Claims against the Company not acknowledged as debt

i) Employee related	423.16	423.54
ii) Disputed income tax matters	1,204.23	1,237.22
iii) Sales tax matters	117.32	117.32
iv) The Government of Kerala had issued a notification in February 2006, enhancing the minimum wages of plantation workers which has been challenged by the Association of Planters of Kerala of which the Group was a member and an interim stay was granted by the High Court of Kerala. As the Group resigned from Association of Planters of Kerala with effect from 12 February 2007, a separate writ petition was filed and an interim stay of the Government Notification was obtained.	205.47	205.47

2 Others

i) Outstanding bills discounted with bank	206.62	227.60
	2,156.80	2,211.15

b) Commitments

i) Estimated amount of contracts remaining to be executed on capital Account and not provided for, net of advance payments of ₹ 31.39 lakhs (31 March 2017: ₹ 16.81 lakhs)	139.16	60.58
	139.16	60.58

	Year ended 31 March 2018	Year ended 31-Mar-17	
36 Earnings/(loss) per share			
a) Basic earnings per share			
From continuing operations attributable to the equity holders of the Group	2.41	2.41	
From discontinuing operations	-	(0.19)	
Total basic earnings per share attributable to the equity holders of the Group	2.41	2.22	
b) Diluted earnings / (loss) per share			
From continuing operations attributable to the equity holders of the Group	2.41	2.41	
From discontinuing operations	-	(0.19)	
Total basic earnings per share attributable to the equity holders of the Group	2.41	2.22	
c) Reconciliation of earnings / (loss) used in calculating earnings / (loss) per share			
Basic earnings per share			
Profit attributable to equity holders of the Group used in calculating basic earnings per share			
- From continuing operations	444.77	444.51	
- From discontinuing operations	-	(35.55)	
	444.77	408.96	
Dilutive earnings / (loss) per share			
Profit attributable to equity holders of the Group used in calculating basic earnings/(loss) per share			
- From continuing operations	-	444.51	
- From discontinuing operations	-	(35.55)	
	-	408.96	
	No. of shares	No. of shares	
d) Weighted average number of share used as the denominator			
Weighted average number of equity share used as the denominator in calculating basic earnings per share	18,455,405	18,455,405	
Adjustments for calculation of dilutive earnings per share:			
Weighted average number of equity share and potential equity shares used as the denominator in calculating dilutive earnings per share	18,455,405	18,455,405	
37 Remuneration to auditors			
As auditor			
Audit fee (including audit of consolidated financial statements)	14.24	34.22	
Tax audit fee	-	5.00	
Limited review fee	6.00	9.75	
Other services	0.67	1.17	
Reimbursement of expenses	3.41	1.10	
	24.32	51.24	
38 Related party disclosures			
a) Names of related parties and nature of relationship:			
Nature of relationship	Name of related party		
Wholly owned subsidiaries	Enchanting Plantations Limited (EPL) Harmony Plantations Limited (HPL) Malayalam Plantations Limited (MPL) (100% subsidiary of EPL)		
Key management personnel	Mr. V. Venugopal (Manager) Mr. N. Dharmaraj (Whole Time Director)		
b) Transactions with related parties			
Transaction	Related Party	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration to key managerial personnel	Mr. V. Venugopal	52.30	44.46
	Mr. N. Dharmaraj	91.04	86.33



c) Balances with related parties

Transaction	Related Party	As at 31 March 2018	As at 31 March 2017
Investment in subsidiaries	Enchanting Plantations Limited (EPL)	10.00	10.00
	Harmony Plantations Limited (HPL)	5.00	5.00
Remuneration payable	Mr. V. Venugopal	2.99	2.04
	Mr. N. Dharmaraj	6.15	5.50

39 Deferred/Current tax

- (i) No provision towards agricultural income tax has been considered necessary in view of the carry forward losses.
- (ii) The Group has not recognised any deferred tax asset in respect of unabsorbed depreciation / brought forward losses and other timing differences in accordance with Ind AS 12 "Income Taxes" in the absence of virtual / reasonable certainty that probable taxable profit will be available against which the deductible temporary difference can be utilised.
- (iii) The Group has not recognised MAT credit on a prudent basis in the absence of reasonable certainty that sufficient future tax profit against which such credit could be realised.

Unused tax losses for which no deferred tax asset has been recognised:

The Group has unabsorbed business loss of ₹ 1,109.61 under the provisions of Income-tax Act, 1961 and ₹ 9,914.57 the provisions of Kerala Agricultural Income Tax Act, 1991 which expires on the 8th year from the end of the relevant assessment year.

The Group has unabsorbed depreciation loss under the provisions of Income-tax Act, 1961 amounting to ₹ 1,832.21, which has no limit for expiry.

40 Details of security, repayment terms, applicable interest rates

Term loan from banks

- a Loan availed ₹ 6,000.00 during 2010 - 11 and 2011 - 12 repayable in 17 quarterly instalments of ₹ 333.30 commencing from September 2012 and final quarterly instalment of ₹ 333.90 is secured by equitable mortgage of immovable properties of the Group situated in Kumbazha estate. The loan carries an interest rate of base rate plus 3% per annum payable on a monthly basis from disbursement of the loan. During March 2014, the Group has revised the terms of repayment of the loan outstanding of ₹ 1,500 (balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of ₹ 166.67 and ₹ 333.33 for the balance 4 instalments upto December 2016. Year end balance is ₹ Nil (as at 31 March 2017 ₹ Nil, as at 31 March 2016 ₹ 1,000.00).
- b Loan availed of ₹ 1,173.61 during 2012 - 13 is repayable in 31 quarterly instalments of ₹ 36.69 commencing from July 2014 and final quarterly instalment of ₹ 36.22, is secured by equitable mortgage to be created on immovable property of the Group situated in Mayfield Estate. The loan carries an interest rate of base rate plus 2.75% per annum payable on a monthly basis from disbursement of the loan. Year end balance is ₹ Nil (as at 31 March 2017 ₹ 770.18, as at 31 March 2016 ₹ 916.89)
- c Loan availed of ₹ 4,000.00 during the 2013 - 14 is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of ₹ 50.00 commencing from June 2015 upto September 2016, 4 quarterly instalments of ₹ 100.00 from December 2016 to September 2017, 8 quarterly instalment of ₹ 200.00 from December 2017 to September 2019, 4 quarterly instalments of ₹ 250.00 from December 2019 to September 2020 and 2 quarterly final instalments of ₹ 350 from December 2020 to March 2021, is secured by equitable mortgage of immovable properties of the Group situated in Kumbazha estate. The loan carries an interest rate of base rate plus 2% per annum payable on a monthly basis from disbursement of the loan. Year end balance is ₹ 2,900.00 (as at 31 March 2017 ₹ 3,500.00, as at 31 March 2016 ₹ 3,800.00).
- d Loan availed of ₹ 1,163.70 net of processing fee during 2017 - 18 is repayable in 24 equal quarterly instalments commencing from June 2019, is secured by equitable mortgage to be created on immovable properties of the Group situated in Kollam, Fort Kochi and Coimbatore. The loan carries an interest rate of 1 year MCLR plus 1.45% per annum payable on a monthly basis from disbursement of the loan. Year end balance is ₹ 1163.70 (as at 31 March 2017 ₹ Nil, as at 31 March 2016 ₹ Nil)

Term loan from others

- e Term loan from others are secured by hypothecation of assets acquired out of these loans which are repayable in equated monthly instalments (ranging between 3 to 5 years) along with the applicable interest rates (ranging between 10.75% to 13.00%).

41 Capital management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Long term borrowings	3,407.03	3,569.99	4,419.56
Current maturities of long-term debt	905.72	858.57	1,595.20
Short term borrowings	5,240.18	5,093.08	5,203.79
Less: Cash and cash equivalents	(233.20)	(129.41)	(739.25)
Less: Bank balances other than cash and cash equivalents	(218.58)	(151.14)	(206.70)
Net debt (A)	9,101.15	9,241.09	10,272.60
Equity	1,845.43	1,845.43	1,845.43
Other equity (excluding revaluation reserve)	8,522.60	8,389.83	8,341.14
Equity (B)	10,368.03	10,235.26	10,186.57
Capital and net debt (A + B)	19,469.18	19,476.35	20,459.17
Gearing ratio (A/(A + B))	47%	47%	50%

42 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables as summarised below:

Assets under credit risk	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments	1.01	1.01	1.02
Bank balances	13.70	68.37	31.01
Trade receivables	1,438.57	759.37	693.63
Cash and cash equivalents	233.20	129.41	739.25
Bank balances other than cash and cash equivalents	218.58	151.14	206.70
Other financial assets	1,018.82	705.90	581.31
Total	2,923.88	1,815.20	2,252.92

A1 Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Group's historical experience for customers.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loss allowance as at the beginning	509.75	464.45	388.50
Changes in loss allowance	-	45.30	75.95
Loss allowance as at the end	509.75	509.75	464.45

Financial assets that are neither past due nor impaired

Cash and cash equivalents, loans and advances to employees and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There are no other classes of financial assets that is past due but not impaired.



42 Financial risk management (Continued)

(B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows on a day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Maturities of financial liabilities

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,096.17	3,690.01	437.68	11,223.86
Trade payable	-	-	-	-
Other financial liabilities	3,442.09	-	-	3,442.09
Total	10,538.26	3,690.01	437.68	14,665.95

As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	6,904.44	4,157.84	-	11,062.28
Trade payable	-	-	-	-
Other financial liabilities	2,998.86	-	-	2,998.86
Total	9,903.30	4,157.84	-	14,061.14

As at 31 March 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	8,012.92	5,478.59	-	13,491.51
Trade payable	-	-	-	-
Other financial liabilities	3,220.15	-	-	3,220.15
Total	11,233.07	5,478.59	-	16,711.66

(C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

(i) Foreign currency sensitivity

The Group operates internationally and has transactions in USD, Euro and GBP currency and consequently the Group is exposed to foreign exchange risk through its sales to overseas customers. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets which expose the Group to currency risk are disclosed below. These include unhedged foreign currency exposures.

Particulars	Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
Included in		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets							
Trade receivables (Unhedged)	USD	-	-	0.24	15.54	-	-

Conversion rates	Financial assets
	USD
As at 31 March 2018	65.04
As at 31 March 2017	66.08

(ii) Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ weakens 1% against the relevant currency. For a 1% strengthening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase As at 31 March 2018	Decrease As at 31 March 2018	Increase As at 31 March 2017	Decrease As at 31 March 2017
Sensitivity				
INR/USD	-	-	0.16	(0.16)

42 Financial risk management

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Forward contracts (Denominated in foreign currency, value presented in ₹)			
In USD	309.36	60.05	878.11
In EURO	-	58.72	29.74
In GBP	-	-	29.42

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

USD			
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Denominated in foreign currency, value presented in ₹)			
Not later than one month	122.91	33.67	90.30
Later than one month and not later than three months	186.45	26.38	134.38
Later than three months and not later a year	-	-	653.42
EURO			
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Denominated in foreign currency, value presented in ₹)			
Not later than one month	-	-	-
Later than one month and not later than three months	-	58.72	29.74
Later than three months and not later a year	-	-	-
GBP			
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Denominated in foreign currency, value presented in ₹)			
Not later than one month	-	-	-
Later than one month and not later than three months	-	-	29.42
Later than three months and not later a year	-	-	-

(iii) Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, Financial Instruments - Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



43 Employee benefit obligations

The Group has provided for the gratuity liability and leave encashment liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

a) Defined contribution Plan

The Group makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. Also the Group makes contribution to superannuation fund for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ₹ 1,401.48 lakhs (31 March 2017: ₹ 1,383.89 lakhs).

b) Defined benefit plans

The Group has provided for gratuity and leave encashment liability, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of Defined Benefit Obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this Act.

c) Sensitivity analysis

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

i) Interest rate risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

ii) Liquidity risk

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

iii) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

iv) Demographic risk

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v) Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

	As at 31 March 2018	As at 31 March 2017
Changes in the present value of the defined benefit obligation are as follows		
Projected benefit obligation at the beginning of the year	4,923.35	4,664.68
Interest cost	348.24	313.53
Current service cost	314.02	265.85
Benefits paid	(801.54)	(680.98)
Actuarial (gain) / loss	312.00	360.27
Projected benefit obligation at the end of the year	5,096.07	4,923.35
Unfunded	5,096.07	4,923.35
Components of net gratuity costs are:		
Current service cost	314.02	265.85
Interest cost	348.24	313.53
Net amount recognised in the income statement	662.26	579.38
Remeasurements		
Net actuarial (gain) / loss	312.00	360.27
Net amount recognised in other comprehensive income	312.00	360.27
Total gratuity cost recognised	974.26	939.65

Principal actuarial assumptions used:

- a) Discount rate
- b) Long-term rate of compensation increase
- c) Attrition rate
- d) Mortality rate

7.70%	7.25%
5.00%	5.00%
3.00%	3.00%

Indian Assured Lives Mortality
(2006-2008)

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

43 Employee benefit obligations

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2018.

Gratuity

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 0.5%)	4,956.18	5,243.16	4,780.03	5,074.27
Salary Growth Rate (- / + 0.5%)	5,248.34	4,950.16	5,077.82	4,775.52
Attrition rate (- / + 0.5%)	5,107.70	5,084.42	4,935.01	4,911.68
Mortality rate (- / + 10%)	5,120.88	5,071.24	4,948.28	4,898.41

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and type of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

44 No adjustment is required to be made in the accounts in respect of :

- a. An area of 807 hectares (approximately) [31 March 2017: 807 hectares (approximate)], which is on a leasehold tenure falls under the provisions of the Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969. Group's appeal challenging the Order of the Settlement Officer rejecting its application for Patta was allowed by the District Court, Ooty and the matter is now remanded for de novo enquiry and is pending. Meanwhile, Madras High Court held that out of this area, the notification of 335 Hectares (31 March 2017: 335 Hectares) as forest by the Settlement Officer is valid and has directed that in the event of patta being granted in respect of the notified areas the same will stand modified to that extent.
- b. An area of 178 hectares (approximately) [31 March 2017: 178 hectares (approximate)] deemed to have been vested with the Government of Kerala pursuant to Kerala Private Forests (Vesting and Assignment) Act, 1971, as the Group's claim for the exclusion of the area from the purview of the Act is pending decision of the Forest Tribunal, Palghat and restoration by the Forest Department.
- c. An area of 2588 hectares (approximately) [31 March 2017: 2588 hectares (approximate)] liable to be surrendered to the Government of Kerala under the Kerala Private Forests (Vesting and Assignment) Act, 1971, as the appeals relating to this area are pending in the High Court of Kerala.
- d. The Vythiri Taluk Land Board's order directing the Group to surrender 707 hectares (approximately) [31 March 2017: 707 hectares (approximate)] as excess land under the Kerala Land Reforms Act, 1963 has been set aside by the High Court of Kerala on a revision petition filed by the Group and the matter has been remanded to the Vythiri Taluk Land Board for fresh consideration and disposal.
- e. An area of 415 hectares (approximately) [31 March 2017: 415 hectares (approximate)] held to be surplus under the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 as the Special Land Tribunal, Madras has remanded the matter for fresh consideration by the Authorised Officer, Coimbatore.
- f. An area of 1722 hectares (approximate) [31 March 2017: 1187 hectares (approximate)] in respect of which cases filed by Janmies (original owners) of Lahai, Koney and Arrapetta Estates challenging the validity of the lease is pending before the Sub-Court, Pathanamthitta, Sub-Court, Sulthan Bathery and High Court of Kerala.
- g. An area of 304 hectares (approximately) [31 March 2017: 304 hectares (approximate)] re-notified as vested forests by the Government of Kerala as the Group's writ petition challenging the notification is pending before the High Court of Kerala.



- h. An area of 1982.45 hectares (31 March 2017: 1982.45 hectares) of Mooply Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalakuda.
- i. An area of 336.64 hectares (31 March 2017: 336.64 hectares) of rubber field of Koney estate in respect of which the Writ Petition filed by the Group has been allowed by the Hon'ble High Court setting aside the proceedings initiated by the Government of Kerala to resume such lands.
- j. An area of 12154 hectares (31 March 2017: 12154 hectares) in respect of which the Government of Kerala had issued resumption proceedings under the Kerala Land Conservancy Act claiming it to be Government Lands, has been set aside by the Hon'ble High Court on HML's Writ Petition challenging the proceedings.

45 Segment information

Management currently identifies the Company's three business lines as its operating segments: Tea, Rubber and others. Other Segment comprise of Fruits, Spices and others and Wyand Medical Fund.

Segment information for the reporting period is as follows:

A Segment revenues and profits	Year ended 31 March 2018			Year ended 31 March 2017		
	Tea	Rubber	Others	Tea	Rubber	Others
Revenue						
From external customers	20,090.18	17,885.18	356.00	18,060.00	18,164.00	440.02
Other income	404.02	72.85	86.55	386.67	18.46	15.20
Exceptional item Considered for segment	-	-	-	-	465.56	-
Segment revenues	20,494.20	17,958.03	442.55	18,446.67	18,648.02	455.22
Cost of material consumed	3,371.83	7,395.74	-	3,037.92	8,409.43	-
Purchases of stock-in-trade	-	733.47	-	-	438.28	-
Changes in inventories	(177.63)	160.02	-	105.42	(337.80)	-
Employee benefits expense	9,287.99	5,855.58	96.00	8,908.32	5,024.93	52.00
Depreciation and amortisation expense	254.19	109.05	53.00	368.73	118.88	13.71
Other expenses	7,271.62	3,013.31	67.84	6,235.61	3,373.95	122.57
Segment profits / (losses)	486.20	690.86	225.71	(209.33)	1,620.35	266.94

B Segment assets and liabilities

	As at 31 March 2018			
	Tea	Rubber	Others	Unallocated
Segment assets	27,662.55	9,654.63	257.36	479.84
Segment liabilities	8,683.68	8,706.01	92.60	10,204.06

	As at 31 March 2017			
	Tea	Rubber	Others	Unallocated
Segment assets	27,252.48	8,388.80	73.11	364.93
Segment liabilities	8,392.68	7,044.42	188.20	10,218.77

	As at 1 April 2016			
	Tea	Rubber	Others	Unallocated
Segment assets	27,846.98	7,076.93	172.68	986.98
Segment liabilities	7,217.18	6,610.21	127.35	11,942.26

Income / expenses of a financial nature, and the assets / liabilities they are attributable to, have not been allocated to any segment as they are managed on a group basis. Current taxes, deferred taxes and items of income and expense reported under paragraph 97 of Ind AS 1, presentation of financial statements ("exceptional items") have not been allocated to any segment since these items are also managed on a group basis. Net defined benefit obligation and the expenditure pertaining to such plan constitutes provision for gratuity payable.

45 Segment information

C The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

C1 Reconciliation of profit	Year ended 31 March 2018	Year ended 31 March 2017
Segment profit	1,402.77	1,677.96
Add / (less):		
Other income (excluding foreign exchange gain)	-	-
Loss from discontinued Operations	-	-
Finance costs	(1,237.00)	(1,369.00)
Unallocable Income	309.00	119.00
Unallocable Expenditure	(30.00)	(19.00)
Profit before tax	444.77	408.96

C2 Reconciliation of segment assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total reportable segment assets	37,574.54	35,714.39	35,096.59
Cash and cash equivalents	233.20	129.41	739.25
Bank balances other than cash and cash equivalents	218.58	151.14	206.70
Non-current investments	1.01	1.01	1.02
Non-current bank balances	13.70	68.37	31.01
Other-current assets	13.35	15.00	9.00
Total assets	38,054.38	36,079.32	36,083.57

C3 Reconciliation of segment liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total reportable segment liabilities	17,482.29	15,625.30	13,954.74
Non-current borrowings including current maturities	4,312.75	4,428.56	6,014.76
Non-current borrowings	5,240.18	5,093.09	5,203.79
Provisions	613.04	628.41	678.54
Other current liabilities	38.09	68.71	45.17
Total liabilities	27,686.35	25,844.07	25,897.00

D The revenues from external customers are divided into the following geographical areas:

	Year ended 31 March 2018	Year ended 31 March 2017
India (country of domicile)	33,986.86	31,697.67
Outside India	4,344.50	4,966.35
	38,331.36	36,664.02

E Non-current assets are divided into the following geographical areas (Refer note below):

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
India (country of domicile)	29,632.46	29,259.10	29,243.91
Outside India	-	-	-
	29,632.46	29,259.10	29,243.91

Reportable assets for the purpose of this note constitute non-current assets other than financial assets, deferred tax assets and other tax assets.

F Revenue from major customers

There are no customers contributing to 10 percent or more of the Group's revenues from product sale.

46 First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

Accordingly, the Group has prepared financial statements for the comparative period as at and for the year ended 31 March 2017 that comply with the Ind AS applicable, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

i) Ind AS optional exemptions

a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.



b) Lease

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101

First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts / arrangements.

ii) Ind AS mandatory exemptions

a) Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition this was not required under the previous GAAP.

b) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- The effects of the retrospective application or retrospective restatement are not determinable; or

- The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

- The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

c) De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

iii) Reconciliations between previous GAAP and Ind AS

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

46 First time adoption of Ind AS

a) Reconciliation of other equity

The Group has also prepared a reconciliation of equity as at 31 March 2017 and 1 April 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

	Note	As at 31 March 2017	As at 1 April 2016
Equity as per previous GAAP		9,608.78	24,088.11
Adjustments on account of:			
i) carrying value of land adjusted against the Fixed Asset Revaluation Reserve			(13,957.19)
ii) Impact of change in fair valuation of biological assets, representing standing crops recorded:			
a) Tea	(iv)	85.83	47.32
b) Rubber	(iv)	8.57	8.33
iii) Capitalisation of replanting expenses towards bearer plants	(v)	532.08	-
Equity as per Ind AS		10,235.26	10,186.57
b) Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)			
	Note	Previous GAAP *	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment		42,324.44	(13,957.19) 28,367.25
Capital work-in-progress		82.64	- 82.64
Intangible assets		52.15	- 52.15
Financial assets			
- Investments		1.02	- 1.02
- Bank balances		31.01	- 31.01
Other non-current assets		741.87	- 741.87
		43,233.13	(13,957.19) 29,275.94
Current assets			
Inventories	(iv)	2,218.69	55.65 2,274.34
Financial assets			
- Investments		-	- -
- Trade receivables		693.63	- 693.63
- Cash and cash equivalents		739.25	- 739.25
- Bank balances other than those mentioned in cash and cash equivalents		206.70	- 206.70
- Other financial assets		581.31	- 581.31
Other current assets		2,312.40	- 2,312.40
		6,751.98	55.65 6,807.63
Total assets		49,985.11	(13,901.54) 36,083.57
EQUITY AND LIABILITIES			
Equity			
Equity share capital		1,845.43	- 1,845.43
Other equity	(iv), (v), (viii), (ix)	22,242.68	(13,901.54) 8,341.14
Total Equity		24,088.11	(13,901.54) 10,186.57
Non-current liabilities			
Financial liabilities			
- Borrowings		4,419.56	- 4,419.56
Provisions		4,996.55	- 4,996.55
		9,416.11	- 9,416.11
Current liabilities			
Financial liabilities			
- Borrowings		5,203.79	- 5,203.79
- Trade payables			
(i) Dues to micro and small enterprises		128.37	- 128.37
(ii) Dues to others		2,674.25	- 2,674.25
- Other financial liabilities		4,815.35	- 4,815.35
Provisions		2,267.26	- 2,267.26
Current tax liabilities (net)		555.96	- 555.96
Other current liabilities		835.91	- 835.91
		16,480.89	- 16,480.89
Total liabilities		25,897.00	- 25,897.00
Total equity and liabilities		49,985.11	(13,901.54) 36,083.57



46 First time adoption of Ind AS (Continued)

c) Reconciliation of equity as at 31 March 2017

	Note	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	(viii)	27,669.75	-	27,669.75
Capital work-in-progress	(v)	258.77	532.08	790.85
Intangible assets		38.83	-	38.83
Financial assets				
- Investments		1.01	-	1.01
- Bank balances		68.37	-	68.37
Other non-current assets		759.67	-	759.67
		28,796.40	532.08	29,328.48
Current assets				
Inventories	(iv)	2,406.32	94.40	2,500.72
Financial assets				
- Investments		-	-	-
- Trade receivables		759.37	-	759.37
- Cash and cash equivalents		129.41	-	129.41
- Bank balances other than those mentioned in cash and cash equivalents		151.14	-	151.14
- Other financial assets		705.90	-	705.90
Asset held for sale		119.00	-	119.00
Other current assets		2,385.30	-	2,385.30
		6,656.44	94.40	6,750.84
Total assets		35,452.84	626.48	36,079.32
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,845.43	-	1,845.43
Other Equity	(iv), (v)	7,763.35	626.48	8,389.83
Total Equity		9,608.78	626.48	10,235.26
Non-current liabilities				
Financial liabilities				
-Borrowings		3,569.99	-	3,569.99
Provisions		4,900.46	-	4,900.46
		8,470.45	-	8,470.45
Current liabilities				
Financial liabilities				
- Borrowings		5,093.08	-	5,093.08
- Trade payables				
(i) Dues to micro and small enterprises		161.24	-	161.24
(ii) Dues to others		3,065.77	-	3,065.77
- Other financial liabilities		3,857.43	-	3,857.43
Liabilities directly associated with assets classified as held for sale		972.00	-	972.00
Provisions		2,647.69	-	2,647.69
Current tax liabilities (net)		505.62	-	505.62
Other current liabilities		1,070.78	-	1,070.78
		17,373.61	-	17,373.61
Total liabilities		25,844.06	-	25,844.06
Total equity and liabilities		35,452.84	626.48	36,079.32

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

First time adoption of Ind AS (Continued)

d) Reconciliation of profit or loss for the year ended 31 March 2017	Note	Previous GAAP *	Adjustments	Ind AS
Income				
Revenue from operations		36,664.02	-	36,664.02
Other income		538.62	-	538.62
Total revenue		37,202.64	-	37,202.64
Expenses				
Cost of materials consumed		11,447.35	-	11,447.35
Purchases of stock-in-trade		438.28	-	438.28
Changes in inventories of finished goods	(iv)	(193.63)	(38.75)	(232.38)
Employee benefits expense	(v), (vi)	14,773.80	(285.84)	14,487.96
Finance costs		1,387.21	-	1,387.21
Depreciation and amortisation expense		501.32	-	501.32
Other expenses	(v)	9,800.24	(606.29)	9,193.95
Total expenses		38,154.57	(930.88)	37,223.69
Profit / (loss) before exceptional items and tax		(951.93)	930.88	(21.05)
Exceptional items		465.56	-	465.56
Profit / (loss) before tax		(486.37)	930.88	444.51
Tax expense		-	-	-
Profit / (loss) for the year from continuing operations		(486.37)	930.88	444.51
Discontinued operations				
(Loss) from discontinuing operations		(35.55)	-	(35.55)
Tax expense of discontinuing operations		-	-	-
(Loss) from discontinuing operations after tax		(35.55)	-	(35.55)
Profit / (loss) for the year		(521.92)	930.88	408.96
Other comprehensive income				
Items that will not be reclassified to profit and loss				
- Re-measurement (losses) on defined benefit plans	(vi)	-	(360.27)	(360.27)
- Income tax relating to items that will not be reclassified to profit and loss		-	-	-
Other comprehensive loss for the year, net of tax		-	(360.27)	(360.27)
Total comprehensive income / (loss) for the year		(521.92)	570.61	48.69

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

e) Reconciliation of cash flow statement for the year ended 31 March 2017				
Net cash generated from operating activities	(v)	1,579.30	531.87	2,111.17
Net used in investing activities	(v)	902.05	(531.87)	370.18
Net cash generated from financing activities		(3,091.19)	-	(3,091.19)
Net increase/(decrease) in cash and cash equivalents		(609.84)	-	(609.84)
Cash and cash equivalents at the beginning of the year		739.25	-	739.25
Cash and cash equivalents at the end of the year		129.41	-	129.41

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

46 First time adoption of Ind AS

Notes

iv) Fair valuation of standing crops

Ind AS 2 'Inventories' does not envisage any change in the existing system of valuation of Inventories of finished products of tea and rubber from Accounting Standard 2 'Valuation of Inventories' followed by the Group during prior years. However Ind AS 2 'Inventories' does not apply to valuation of Agricultural Produce, but will continue to apply to valuation of Inventory of finished products of Tea and rubber. Ind AS 41 'Agriculture' deals with the recognition and valuation of Agricultural Produce viz. standing crop of tea and rubber as Biological assets. The Group has valued its standing crops for tea and rubber as at Ind AS transition date (1 April 2016) and adjusted the same in the retained earnings. Further movement in valuation at the reporting dates were routed through the Statement of Profit and Loss.

v) Capitalisation of replanting expenses towards bearer plants

Under the previous GAAP all the replanting expenses consequent to replacement were charged to revenue as and when incurred. No adjustments have been made to the value of bearer plants existing as at 31 March 2016 on account of the replanting expenses of prior years. However all the replanting expenses incurred from the Ind AS transition date (1 April 2016) have been identified and capitalised.



vi) Defined benefit obligation

Both under Previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognised in the OCI net of tax.

vii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes re-measurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

viii) Property, plant and equipment

As the Company decided to adopt the cost model, ₹ 13,957.19 lakhs being the revaluation amount included in the carrying value of land has been adjusted against the related Fixed Asset Revaluation Reserve as on 1 April 2016, effected as at the transition date in these consolidated financial statements.

(ix) Other Equity

Adjustments to retained earnings as at 1 April 2016 and 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

N. Dharmaraj
Whole Time Director
DIN: 00912004

Kaushik Roy
Director
DIN: 06513489

Sachin Nandgaonkar
Director
DIN: 03410739

per Aasheesh Arjun Singh

Ravi A.
Chief Financial Officer

G. Satish Pillai
Chief Financial Officer

Binu Thomas
Company Secretary
M. No. 41851

Mumbai
25 May 2018

Mumbai
25 May 2018

Form AOC - 1

(Pursuant to first proviso to sub section(3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing the salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to presented with amounts in ₹ Lakhs)

1	SI No.	1	2	3
2	Name of the Subsidiary	Enchanting Plantations Limited	Harmony Plantations Limited	Malayalam Plantations Limited
3	Date since when subsidiary was acquired	-	-	-
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform Reporting Period	Uniform Reporting Period	Uniform Reporting Period
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	-	-	-
5	Equity Share Capital	10.00	5.00	5.00
6	Other Equity	(3.44)	(3.39)	(3.58)
7	Total Assets	1.66	1.72	1.54
8	Total Liabilities	0.11	0.11	0.12
9	Investments	5.00	-	-
10	Turnover	0.05	0.06	0.27
11	Profit before taxation	(0.17)	(0.16)	.05
12	Provision for taxation	-	-	-
13	Profit after taxation	(0.17)	(0.16)	.05
14	Proposed Dividend	-	-	-
15	% of shareholding	-	-	-

1 All subsidiaries are yet to commence operations

2 HML Engineering Company Limited stuck off with effect from June 1, 2016.



HARRISONS MALAYALAM LIMITED

CIN:L01119KL1978PLC002947

Regd Office: 24/1624, Bristow Road, Willingdon Island, Cochin – 682003

Email:hmlcorp@harrisonsmalayalam.com Website: www.harrisonsmalayalam.com Phone:0484-2668023 Fax:0484-2668024

PROXY FORM

(Form No. MGT – 11)

[Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

E-mail ID:

Folio No./DP ID and Client ID

Name and Address of the Shareholder(s)

I/We, being the member(s) holding shares of the above named company, hereby appoint

(1) Name Address.....

Email-id..... Signature..... or failing him/her

(2) Name Address.....

Email-id..... Signature..... or failing him/her

(3) Name Address.....

Email-id..... Signature..... or failing him/her

As my / our Proxy to attend and vote (on a Poll) for me / us on my /our behalf at the 41st Annual General Meeting of the Company to be held on Wednesday, the 26th day of September, 2018 at 11.00 a.m. at Kerala Fine Arts hall, Fine Arts Avenue, Foreshore Road, Cochin – 682016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS
Ordinary Business	
1	Adoption of audited financial statements including Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the report of the Directors and Auditors thereon.
2	Appointment of a Director in place of Mr. P. Rajagopalan (DIN 02817068) who retires by rotation and being eligible offers himself for re-appointment
3	Appointment of Auditors and fix their remuneration.
Special Business	
4	Continuance of Directorship of Mr. Golam Momen (DIN:00402662) Independent Director of the Company.
5.	Continuance of Directorship of Mr. J.M. Kothary (DIN: 00015254) Independent Director of the Company.
6	Re-Appointment and payment of remuneration to Mr. V. Venugopal, Manager of the Company
7.	Ratification of Cost Auditors remuneration for financial year 2018-19.

Signed this _____ day of September 2018

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory statement and Notes, please refer to the Notice of the Forty First Annual General Meeting.
3. A shareholder may vote either for or against this resolutions.



ROUTE MAP



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