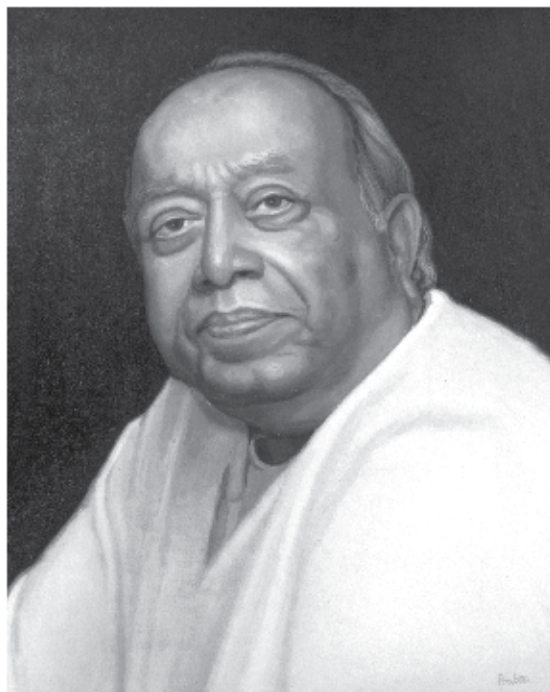




HARRISONS MALAYALAM LIMITED

Annual Report 2012 - 2013



Rama Prasad Goenka

March 01, 1930 – April 14, 2013

It is with profound sorrow we record the passing away of Dr. Rama Prasad Goenka in Kolkata on April 14, 2013. Belonging to the well-known Goenka family whose business activities began in Calcutta way back in 1820, Rama Prasad graduated in History from the famed Presidency College Calcutta and thereafter joined Duncan Brothers, which had a major involvement in jute mills, tea plantations, as also carbon black.

In 1979, K.P. Goenka, RP's father divided his business amongst his three sons and thus Rama Prasad set up RPG Enterprises with a modest annual turnover of Rs.100 crore. Initially, he inherited four companies – Agarpara Jute Mill, Phillips Carbon Black, Asian Cables, as also Murphy India.

During a difficult period of history, Rama Prasad showed remarkable foresight and acquired a number of well-known companies active in tyres, power, music, life sciences, IT and others. The Goenka association with Harrisons Malayalam began in 1989 and soon his experience, foresight and leadership became an invaluable resource to HML.

A legend in his life, R P Goenka will continue to be a source of inspiration to Indian businessmen and entrepreneurs.



Board of Directors

Sanjiv Goenka
(Chairman)

Haigreve Khaitan

P K Chowdhary (resigned on May 3, 2013)

G Momen

Umang Kanoria

Ajit Singh Chouhan

Ashok Goyal

J. M. Kothary (w.e.f. May 30, 2013)

P. Rajagopalan (w.e.f. May 30, 2013)

Manager

V. Venugopal

Company Secretary & General Manager - Finance & Treasury

Ravi A

Registered Office

24/1624, Bristow Road

Willingdon Island

Cochin - 682 003

Phone: 0484 2668023

E-mail: hmlcorp@harrisonsmalayalam.com

Website: www.harrisonsmalayalam.com

Activities

Plantations - Tea, Rubber, Fruits, Spices & other Crops
Structural, Civil, Mechanical and Electrical Engineering
Trading & Exports in Tea and Rubber

Auditors

Price Waterhouse

Chartered Accountants

8th Floor, Prestige Palladium Bayan

129 - 140, Greams Road

Chennai - 600 006

Bankers

ICICI Bank

IDBI Bank

State Bank of Hyderabad

Legal Advisors

Menon & Pai

Advocates

I.S. Press Road

Cochin - 682 018

Registrar & Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

Surya, 35, Mayflower Avenue

Behind Senthil Nagar

Sowripalayam Road

Coimbatore - 641 028

Tel. No.: 0422-2314792

E-mail: coimbatore@linkintime.co.in

Financial Performance 10 year track record

Rs. Crore

	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
Profit & Loss Account										
Total Income	139.10	147.22	151.39	208.56	209.14	292.58	350.66	366.55	368.91	334.59
Personnel cost	62.44	60.51	62.66	65.69	70.01	89.33	103.14	107.15	111.41	115.21
Raw materials & Purchases	7.46	7.33	13.41	50.95	52.69	92.62	126.45	115.94	93.83	89.07
Power & Fuel	9.57	9.55	10.51	11.20	11.05	14.12	12.43	14.91	16.60	19.62
Cultivation & Other Operating Expenses	32.31	35.48	38.35	41.33	42.74	58.10	68.71	94.75	103.88	77.34
Depreciation	3.00	2.69	3.04	2.97	3.00	3.42	4.40	6.11	6.49	6.51
	114.78	115.56	127.97	172.14	179.49	257.59	315.13	338.86	332.21	307.75
Selling Expenses	8.67	9.01	8.66	10.47	12.09	15.61	10.62	10.62	9.37	8.35
Cost of Sales	123.45	124.57	136.63	182.61	191.58	273.20	325.75	349.48	341.58	316.10
PBIT @	15.65	22.65	14.76	25.95	17.56	19.38	24.91	17.07	27.33	18.49
PBT @	5.23	15.77	5.31	15.06	6.99	8.01	12.36	5.26	10.46	3.90
Earnings per Share of Rs 10/-	Rs 2.83	Rs 8.12	Rs 2.50	Rs 7.65	Rs 3.35	Rs 3.27	Rs 5.37	Rs 2.14	Rs 2.55	Rs 1.24
Dividend per Share of Rs 10/-		Re 1.00	Re 1.00	Rs 1.50	Rs 1.50	Rs 1.50	Rs 2.00	Rs 1.50	Rs 1.50	Re 0.75
Balance Sheet										
Fixed Assets	206.06	203.47	184.11	182.44	181.92	183.33	421.58	425.52	426.67	433.07
Investments	49.81	49.59	12.11	12.10	12.10	12.10	0.01	0.01	0.21	0.21
Net Current Assets	20.15	40.92	203.23	194.68	196.97	205.03	(0.54)	5.23	(6.65)	(15.76)
Misc. Exps to the extent not written off	0.40									
	276.42	293.98	399.45	389.22	390.99	400.46	421.05	430.76	420.23	417.52
Share Capital	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45
Reserves & Surplus	190.20	226.76	283.24	294.11	287.05	289.85	298.31	299.03	300.53	301.21
Loan Funds	67.77	48.77	97.76	76.66	85.49	92.16	104.29	113.28	101.25	97.86
	276.42	293.98	399.45	389.22	390.99	400.46	421.05	430.76	420.23	417.52

@ Before Exceptional / Extra ordinary Items



NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Company will be held at 11.00 A.M on Monday, September 23, 2013 at Durbar Hall, Casino Hotel, Willingdon Island, Cochin – 682 003, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013, the statement of Profit & Loss for the year ended on that date and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Sanjiv Goenka who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Haigreva Khaitan who retires by rotation and is eligible for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.
“RESOLVED THAT Mr. J.M.Kothary who was appointed as an Additional Director of the Company with effect from May 30, 2013 and who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member in terms of Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby appointed as a Director of the Company liable to retirement by rotation.”

By Order of the Board

Ravi A.
Company Secretary

August 14, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. 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.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
4. Pursuant to Clause 49 of the Listing Agreement, particulars of Directors seeking appointment / re-appointment at this meeting are mentioned elsewhere in the Annual Report.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 14, 2013 to September 23, 2013 (both days inclusive)
6. Members are requested to:
 - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Hall will be on the basis of the Attendance slip.
7. The dividend recommended by the Directors, if approved by the Members, will be paid on or before October 22, 2013 to those members whose names appear in the Company's Register of Members, or, who are notified as beneficiaries by the Depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited at the close of business on September 13, 2013.
8. Members holding shares in electronic form are hereby informed that the Company or its Registrar and Share Transfer Agent cannot act on any request received directly from them in respect of change of address or bank mandate. Such requests for changes are to be communicated to their Depository Participant who shall make the necessary change.

9. Members holding shares in physical form are requested to notify the change, if any, in their address or bank mandate to the Company's Registrar and Share Transfer Agent 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. Members who have not encashed their dividend warrant for the previous years, may approach the Company and submit their claim for the said dividend. The amount of dividend remaining unclaimed for a period of seven (7) years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the Fund, no claim shall lie in respect thereof.

Explanatory Statement

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

Item No.6

Mr. J.M. Kothary was appointed as an Additional Director of the Company with effect from May 30, 2013 pursuant to the provisions of Article 93 of the Articles of Association of the Company and in terms of the provisions of Section 260 of the Companies Act, 1956. He vacates his office at the ensuing Annual General Meeting. Pursuant to Section 257 of the Act, the Company has received a notice in writing from a member signifying his intention to propose the appointment of Mr. J.M. Kothary as a Director of the Company at the ensuing Annual General Meeting.

Yours Directors believe that continued association of Mr. J.M. Kothary would be immensely beneficial to the Company and accordingly recommend the resolution for the approval of the members.

Profile of Mr. J.M. Kothary

Mr. Kothary is a graduate in Commerce and also holds a degree in Law. He has also done his Masters in Business Administration, USA. He has extensive experience of managing industrial and marketing enterprises. He is the former Managing Director of Murphy India Ltd. Mr. Kothary is currently in the Board of RPG Enterprises, Indian Card Clothing Limited, Instant Holdings Limited.

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

Except Mr. J.M. Kothary no other Director is concerned or interested in the resolution.

By Order of the Board

Ravi A.

Company Secretary

August 14, 2013

PLEASE REFER PAGE NO. 69 FOR ATTENDANCE SLIP AND PROXY FORM

Important Communication - Support Green Initiative

The Ministry of Corporate Affairs, New Delhi ('MCA') has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies vide its Circular No.17/2011 dated 21st April, 2011 and Circular No.18/2011 dated April 29, 2011 and clarified that the service of documents by a Company can be made through electronic mode instead of sending the physical copy of the document(s) to its shareholders.

Keeping in view the underlying theme and the circulars issued by MCA, we have been sending all communications/documents including the Notice calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode. Shareholders who are yet to register their E-mail IDs, we request them to register the same with the concerned Depository Participant (incase shares are held in demat form). The Shareholders holding shares in physical mode are requested to register their email id with Link Intime India Private Limited (Registrar and Share Transfer Agent of the Company by sending a request letter duly signed by the first/sole shareholder.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2013.

Financial Highlights

	Rs. in lacs	
Year ended	31.03.2013	31.03.2012
Profit before Tax	348.03	1045.55
Profit after Tax	229.76	471.37
Surplus brought forward from previous year	9108.65	8982.60
Profit available for appropriation	9338.41	9453.97
Appropriations		
General Reserve	-	23.57
Proposed Dividend	138.42	276.83
Dividend Tax	23.52	44.92
Balance carried forward	9176.47	9108.65

Dividend

Your Directors recommend for approval of shareholders a dividend of 7.50% (Re.0.75 per equity share of Rs. 10 each).

Update on the Composite Scheme of Arrangement and Amalgamation

The Board at its meeting held on February 10, 2012 approved the Composite Scheme of Arrangement in accordance with the provisions of Section 391 – 394, read with Sections 78, 100 – 103 of the Companies Act, 1956.

The Scheme provides for the demerger and vesting of Venture, Isfield, Koney, Lahai, Kaliyar and Palapilly rubber estates as also Achoor, Chundale, Sentinel Rock, Touramulla, Arrapetta, Mayfield and Upper Surianallie tea estates, of the Company into Harmony Plantations Limited (HPL), either directly or indirectly, with effect from April 1, 2012.

The Chairman, appointed by the High Court, presided over the meetings of Members, Secured creditors and Un-secured creditors which were held on 17th and 18th August 2012 and subsequently filed his report, detailing the proceedings of the meetings, which has been taken on record by the High Court. The Miscellaneous Company Petitions filed by the Company in the High Court have been kept in abeyance, pending disposal of OP 3508/2011 filed by the Government of Kerala, the arguments of which have been completely heard by the Division Bench of the High Court and the same reserved for Orders.

Performance

Your Company achieved a turnover of Rs.34,992.66 lakhs for the financial year under review (Previous year Rs.36,891.40 lakhs). Rubber prices (RSS VI) fluctuated widely between a high of Rs.201 during April 2012 and a low of Rs.156.50 during February 2013. The average RSS IV price for the industry was Rs.176.85 which is lower by Rs.30.98, as compared to the previous year on a per kilo basis. The average HML Rubber price was Rs.191.23, as against Rs.213.89 of the previous year.

Tea industry experienced buoyancy after a long time. During the year, the auction averages registered an upward movement. HML Tea prices in Auction at Rs.100.50 per kilo were higher than Rs.77.94 per kilo of last year. The average price realisation for Tea was Rs.97.88 per kilo (previous year Rs.76.07).

Your Company made substantial progress in Bought Operations in Tea & Rubber which has contributed in improving capacity utilisation of the factories. The Company's efforts in improving labour productivity through incentive schemes and reorganised work continued to yield positive results. Your company made substantial investments in bringing larger areas under replanting in Rubber and infilling in Tea. Also, substantial improvements were made in upgrading the Tea and Rubber factories, resulting in lowering costs and improving product quality. We believe, these investments would give us long term benefits.

Subsidiaries

As at March 31, 2013 the Company had three wholly owned subsidiary companies, namely HML Engineering Company Limited, Enchanting Plantations Limited (EPL) and Harmony Plantations Limited (HPL). As EPL and HPL were incorporated specifically to facilitate the Composite Scheme of Arrangement and Amalgamation, the investments held by the Company in these companies are treated as current investments, and hence have not been considered in the consolidation of financial statements.

In accordance with the general exemption granted by Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, the accounts of HML Engineering Company Limited for the year 2012-13 and the related detailed information will be made available to shareholders seeking such information which are not attached. The consolidated financial statements for the year 2012-13 form part of the Annual Report and Accounts.

During July 2012, consent of members through Postal Ballot was obtained for transfer of the Projects Division of the Company to HML Engineering Company Limited. As the management is evaluating the various options available, operations of the Projects Division have been considered as that of Discontinuing Operations and accordingly dealt with in the accounts. Note no. 44 may be referred to.

Corporate Social Responsibility

The philosophy of the Company towards fair governance, going hand in hand with social responsibility, is deeply embedded in its day to day working. Over the years, the Company has successfully formulated a methodology aimed at improving the environment which surrounds the units of the Company and thereby enriching the society. The Company has continued and improved upon already commendable standard of medical care for families and employees, as also the population residing around its estates.

Your Company in a small way has also established an organization which is providing service in the form of education and health care for mentally challenged children.

The Plantations of your Company have schools of varying capacities both in terms of numbers and quality. Your Company also gives importance to the preservation of natural habitants of the plantations and engages in self-development programs and initiatives to preserve the bio diversities in surrounding areas. Your company also has a commendable soil preservation and water management programme.

Directors

In accordance with the provisions of Articles of Association of the Company Mr. Sanjiv Goenka and Mr. Haigreve Khaitan will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. P.K. Chowdhary, Director of the Company resigned from the services of the Company with effect from May 3, 2013. The Board of Directors places on record its appreciation of the valuable contribution and guidance provided by Mr. Chowdhary during his tenure as Director of the Company. The casual vacancy created has been filled by Mr. P Rajagopalan who was inducted into the Board on May 30, 2013. Mr. Rajagopalan would hold office up to September 2015.

The Board at its meeting held on May 30, 2013 appointed Mr. J M Kothary as an Additional Director of the Company. Mr. Kothary, who holds office up to the conclusion of this Annual General Meeting, and being eligible, offers himself for appointment as a director of the Company liable to retire by rotation.

Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is given in the Annexure to the Annual Report.

Auditors

The Auditors Messrs Price Waterhouse, Chartered Accountants, Chennai retire at the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment.

Cost Audit

For the year under review Messrs. Shome & Banerjee, Cost Accountants were appointed as Cost Auditors of the Company for conducting Cost Audit for the financial year ended March 31, 2013. The Central Government has duly approved their appointment.

Cost Audit Report for the financial year ended March 31, 2012 has been filed with the Central Government on December 29, 2012. The due date for filing the Cost Audit Report was December 31, 2012.

Other Information

The Audit Committee of the Company reviewed the audited financial statements for the year under review at its meeting held on May 30, 2013 and recommended the same for approval of the Board of Directors.

Information regarding Conservation of Energy etc.

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, forms part of this Report.

Export & Foreign Exchange Outgo

Details of foreign exchange earnings and outgo are set out in note nos. 33 – 36 of the Notes on Accounts.

Employee Relation

The Company has a large work force employed in its Tea and Rubber plantations. The welfare and well being of the workers are monitored closely and harmonious relations are being maintained. Industrial relations remained cordial throughout the year.

The Board of Directors places on record its appreciation for the dedicated services rendered by the Executives, Staff and Workers at all levels and for the smooth functioning of all estates. The policy of transparency and recognition inspired employees to contribute their best to the Company.

Information as per Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975, is annexed.



Fixed Deposits

The Company does not have any Fixed Deposit scheme. Matured deposits amounting to Rs.68000 lying unclaimed were transferred to the Investor Education and Protection Fund on March 27, 2013 as per provisions of Section 205 C of the Companies Act, 1956. As on March 31, 2013 there is no Fixed Deposit with the Company.

Prospects

Plantation business is largely influenced by external factors like weather and volatility of primary markets. Your company continues to be a strong player in the South Indian plantation industry and hopes to grow its operations through processing-purchased raw material and trading in both tea and rubber. The efforts to improve labour productivity should to some extent alleviate escalating labour cost - a major concern for all Plantations.

Realisations from both tea and rubber are expected to improve further in view of the Company's focus on product quality, coupled with encouraging market outlook for tea and rubber prices in the next twelve months. Financial Year 13-14 is expected to be significantly better in terms of performance, as initiatives started earlier should start making positive contributions.

Directors' Responsibility Statement

The Directors confirm having:

1. in the preparation of annual accounts for the financial year ended March 31, 2013, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;
2. selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors take this opportunity to thank the Central and State Governments, Banks, Suppliers, Business Associates, Shareholders and Customers who continue to repose their trust in the Company.

On behalf of the Board of Directors

Kolkata
August 14, 2013

Ajit Singh Chouhan
Director

G. Momen
Director

Annexure to the Directors' Report

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2013.

Name	Age	Designation	Qualification & Experience (in years)	Gross remuneration (Rs.)	Date of Employment	Last Employment
Mr. Pankaj Kapoor (upto June 30, 2012)	50	Managing Director	M.Sc., (Agri Economics) PG Diploma in Management from IIM, Ahmedabad (25)	39,50,567	24-04-2008	Jubliant Organosys Ltd
Mr. C. Vinayaraghavan	57	President	B. Sc. (Botany) (34)	82,47,502	01-04-1977	-

Note:

1. The remuneration includes salary, allowances, value of perquisites, gratuity, Company's contribution to provident fund & superannuation fund.
2. None of the above employees are related to any Director of the Company and their employment is contractual in nature.

On behalf of the Board of Directors

Kolkata
August 14, 2013

Ajit Singh Chouhan
Director

G. Momen
Director

REPORT ON CORPORATE GOVERNANCE

1. Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is aimed at effective conduct of its operations and in meeting its obligation towards various stake holders such as vendors, employees, shareholders, customers and to the society at large. The Company is in the business of cultivation and production of tea and rubber and is one of the major producers in the country. The Company endeavors 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 strives for successful management of contingencies like drought. While the Company continues to produce quality products to the satisfaction of its customers it also gives due importance to its obligation to large work force that it employs on the plantations. The Company runs a business that has a 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, professionalisation and accountability.

2. Board of Directors

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the listing agreement entered into with the stock exchanges, in which the Company's shares are listed.

a) The Composition of the Board of Directors as on March 31, 2013 is given below:

Name of Director	Executive / Non- Executive	No. of Outside Directorships*	Total number of Committee Memberships in other Companies**	Total number of Committee Chairmanships in other Companies**	No. of Shares Held
Mr. Sanjiv Goenka	Non- Executive	12	2	2	35000
Mr. Haigreve Khaitan	Non – Executive & Independent	14	9	-	-
Mr. P.K. Chowdhary #	Non – Executive	5	2	-	-
Mr. G. Momen	Non – Executive & Independent	8	6	1	560
Mr. Umang Kanoria	Non-Executive & Independent	4	3	-	-
Mr. Ajit Singh Chouhan	Non-Executive	2	1	-	-
Mr. Ashok Bachan Goyal	Non-Executive	2	1	-	-
Mr. Pankaj Kapoor (up to June 30, 2012)	Executive	-	-	-	78774

* Excludes Directorships in Indian Pvt. Ltd. Companies, Foreign Companies and Alternate Directorships.

** Represents Memberships / Chairmanships of Audit Committee and Investor Grievance Committee.

Mr. P K Chowdhary resigned from the Board w.e.f May 3, 2013. The casual vacancy created has been filled by Mr. P Rajagopalan who was inducted into the Board on May 30, 2013. Mr. J M Kothary was appointed as an Additional Director of the Company on May 30, 2013.

b) Board Procedure

The Board meets at least once in a quarter to consider among other business, the quarterly performance of the Company and financial results. Four Board Meetings were held during the financial year 2012-13 on 15.05.2012, 14.08.2012, 09.11.2012 and 08.02.2013. The attendance of each Director at the Board Meeting and the last AGM is as given below:

Name of Director	Number of Board Meetings attended	Attendance at last AGM
Mr. Sanjiv Goenka	1	-
Mr. Haigreve Khaitan	1	-
Mr. P. K. Chowdhary	1	-
Mr. G. Momen	4	-
Mr. Umang Kanoria	4	-
Mr. Ajit Singh Chouhan	4	-
Mr. Ashok B Goyal	3	-
Mr. Pankaj Kapoor (upto June 30, 2012)	1	-



c) Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company which is posted on the website of the Company. All Board members and senior management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Manager of the Company forms part of this Annual Report.

3. Committees of the Board

a) Audit Committee

The Audit Committee comprises of four Directors of which three are Independent Directors. The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Four Audit Committee Meetings were held during the financial year 2012-13 on 15.05.2012, 14.08.2012, 09.11.2012 and 08.02.2013. The composition of the Audit Committee and the attendance of each Member of the Committee are as below:

Composition	Mr. Haigreve Khaitan	Mr. Umang Kanoria	Mr. G. Momen	Mr. Ajit Singh Chouhan
No. of meetings Attended	1	4	4	4

b) Investors' Grievance Committee

The Investors' Grievance Committee oversees the redressal of investors' complaints relating to share transfers/ transmission, non receipt of Annual Reports, dividend warrants etc. The Committee was reconstituted on 14.8.2012 to include Mr. V Venugopal, Manager, consequent to the resignation of Mr. Pankaj Kapoor. The Committee met once during the financial year 2012-13 on 08.02.2013.

The composition and the attendance of each Member of the Committee are as below:

Composition	Mr. G. Momen	Mr. Umang Kanoria	Mr. V Venugopal
No. of Meetings attended	1	1	-

Mr. Ravi A., Company Secretary is the Compliance Officer of the Investors' Grievance Committee.

The Status of Investor Complaints is as below:

No. of Investor queries/ complaints received (01.04.2012 to 31.03.2013)	No. of complaints pending at the end of the Financial Year
23	1 (since resolved)

There were no pending share transfers pertaining to the Financial Year ended March 31, 2013.

c) Remuneration Committee

The Remuneration Committee is responsible for recommending the fixation and periodic revision of remuneration of the Managing Director / Manager of the Company. The Committee presently comprises of Messrs. Haigreve Khaitan, G. Momen and Umang Kanoria. During the financial year 2012-13 the committee met once on 14.8.2012.

The details of remuneration paid to directors / manager is given below:

Figures in Rs.

Name of the Director	Salary & Perquisites	Sitting Fees	Total
Mr. Haigreve Khaitan	-	25000	25000
Mr. P.K. Chowdhary	-	20000	20000
Mr. G. Momen	-	100000	100000
Mr. Umang Kanoria	-	100000	100000
Mr. Ajit Singh Chouhan	-	100000	100000
Mr. Ashok Bachan Goyal	-	60000	60000
Mr. Pankaj Kapoor*	3950567	-	3950567
Mr. V. Venugopal - Manager #	2494228	Not applicable	2494228

* Break up of Salary & Perquisites of Managing Director paid for the period 1.04.2012 to 30.06.2012

Figures in Rs.

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
693726	2321362	54448	881031	3950567

Break up of Salary & Perquisites of Manager paid for the period 14.08.2012 to 31.03.2013

Figures in Rs.

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
1022819	1080442	114805	276163	2494228

d) Share Transfer Committee

The Board has delegated the powers relating to the approval of share transfers to a committee consisting of Manager, Company Secretary and Chief Financial Officers of the Company. The Committee generally meets at least once in a fortnight. To ensure compliance with SEBI Circular No.CIR/MIRSD/8/2012 dated 8th July, 2012, which is effective from October 1, 2012, the members of the share transfer committee meets on a weekly basis for approval of the share transfers by the Company thus ensuring smooth processing and completion of dispatch of the share certificates within 15 days from the lodgment of the share transfer documents. During the financial year 2012-13 Thirty one (31) meetings were held.

4. Management

Management Discussion and Analysis

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

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 211(3C) of the Companies Act, 1956 and the relevant provisions of the said Act. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

Code for Prevention of Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, the 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.

Mr. Ravi A, Company Secretary is the Compliance Officer.

Certificate from CEO/ CFO

The CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May 30, 2013, as required by the Listing Agreement.

5. Annual General Meetings

Location, date and time of the General Meetings held in last three years

Sl. No.	AGM	Year	Date	Time	Location
1.	35th	2012	27.09.2012	10.00 a.m.	Durbar Hall, Casino Hotel, Willingdon Island, Cochin – 682003
2.	34th	2011	19.09.2011	10.00 a.m.	
3.	33rd	2010	30.09.2010	10.30 a.m.	

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

No special resolution was passed in the previous three Annual General Meetings.



Postal Ballot

During the year 2012-2013 the approval of the shareholders was obtained through Postal Ballot for one ordinary resolution under Section 293(1) (a) and other applicable provisions of the Companies Act, 1956 to transfer the Projects Division (Engineering Activities) of the Company to its Wholly Owned Subsidiary viz., HML Engineering Company Limited.

The Company complied with the procedure for the postal ballot in terms of the Companies(Passing of Resolution by Postal Ballot) Rules, 2011 and the amendments thereto. Mr. P Sivakumar, M.Com, ACMA, FCS, CMA, Managing partner of SVJS, Companies Secretaries, Padmam Apartments, Manikkath Road, Ravipuram, Cochin 682 016 was the scrutinizer for the conduct of the Postal Ballot. The details of the resolution passed is as under.

Sl. No.	Last date for despatch of Postal Ballot Forms to the shareholders	Date of passing of resolution	Type of resolution
1	June 5, 2012	July 10, 2012	Ordinary

6. Disclosures

There were no significant related party transactions during the financial year having conflict with the interest of the Company.

The Company has complied with the requirements of the Listing Agreement with Stock Exchanges and the regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

7. Means of Communication to the Shareholders

The quarterly, half yearly and annual results are published in Business Line (English), and Deshabhimani (Malayalam) newspapers in the form prescribed in clause 41 of the Listing Agreement with the Stock Exchanges. These results are also displayed in the Company's web site www.hml.co.in. Hence, they are not separately sent to the shareholders. However, the Company furnishes the quarterly results on receipt of a request from any shareholder.

8. Investor grievances and Shareholder Redressal

M/s.Link Intime India Private Ltd., Registrar and Share Transfer Agent, of the Company is fully equipped to carry out share transfer related activities and redress investor complaints. Mr. Ravi A., Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

During the year, the Company has not made any presentation to Institutional Investors or Analysts.

9. SEBI Complaints redress System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

10. General Shareholders' Information

a) Annual General Meeting

Date and Time : September 23, 2013 11.00 AM

Venue : Durbar Hall, Casino Hotel, Willingdon Island, Cochin – 682 003.

b) Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company.

Mr. Sanjiv Goenka

Mr. Sanjiv Goenka (52) is the Chairman of RP-Sanjiv Goenka Group, one of the leading industrial houses in India having a turnover of Rs 15,000 crores per annum. He is also the Vice Chairman of RPG Enterprises.

Currently he is:

- Honorary Consul of Canada in Kolkata
- Member, Indo-French Forum, New Delhi
- Member, Board of Governors, International Management Institute, New Delhi, Kolkata and Bhubaneswar.
- Member, Indo-China Eminent Persons' Group.
- Member, National Integration Council

He has held the position as the:

- President, Confederation of Indian Industry (CII)
- Member, Prime Minister's Council on Trade and Industry
- Director, Indian Airlines & Air India
- President, All India Management Association (AIMA)
- Chairman, Board of Governors, Indian Institute of Technology, Kharagpur
- President of Indian Chamber of Commerce
- Member, Board of Trade, Government of India

He is a Director in the following Companies:

- CESC Limited
- Spencer International Hotels Limited
- STEL Holdings Limited
- Woodlands Multi-speciality Hospital Limited
- Philips Carbon Black Limited
- Spencer and Company Limited
- First Source Solutions Limited
- Graphite India Limited
- Saregama India Limited
- Eveready Industries India Limited
- Noida Power Company Limited
- RPG Enterprises Limited

Mr. Goenka holds 35,000 shares in the Company as on March 31, 2013.

Mr. Haigreve Khaitan

Mr. Haigreve Khaitan (43) is an Advocate practicing since 1995 with specialization in Commercial & Corporate Laws, Tax Laws, Mergers & Acquisitions, Restructuring, Foreign Collaboration and Licensing.

He is a Director in the following Companies:

- Ambuja Cements Limited
- Firstsource Solutions Limited
- Jindal Steel & Power Limited
- The West Coast Paper Mills Limited
- AVTEC Limited
- Bajaj Corp Limited
- Inox Leisure Limited
- National Engineering Industries Limited
- Torrent Pharmaceuticals Limited
- Great Eastern Energy Corporation Limited
- Ceat Limited
- JSW Ispat Steel Limited
- Sterlite Technologies Limited
- Xpro India Limited

Mr. Khaitan does not hold any shares in the Company as on March 31, 2013.

c) Financial Calendar (Tentative)

Quarter ending June 30, 2013	Second week of August 2013
Quarter ending September 30, 2013	Second week of November 2013
Quarter ending December 31, 2013	Second week of February 2014
Year ending March 31, 2014 (Audited)	Fourth week of May 2014

d) Date of Book Closure : September 14, 2013 to September 23, 2013 (both days inclusive)

e) Details of Stock Exchanges where listed

- Bombay Stock Exchange Ltd., Mumbai (BSE)
- National Stock Exchange of India Ltd., Mumbai (NSE)
- Cochin Stock Exchange Ltd., Cochin (CSE)

The Company has remitted the listing fees payable to the Stock Exchanges.

f) Market Price Data

Market Price and volume of the Company's shares traded in the major stock exchanges during the financial year 2012-13:

Year -2012/13	BSE		NSE		Volume (Nos)	
Months	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	BSE	NSE
April	84.80	70.50	84.80	67.55	781134	2409104
May	79.50	66.00	79.35	66.10	229835	533815
June	71.25	64.10	71.75	64.40	267560	519141
July	74.10	66.20	83.90	66.70	408245	1001775
August	69.45	59.70	69.35	58.75	183453	361282
September	67.20	58.80	67.40	59.00	252539	544788
October	69.50	59.05	69.40	58.15	195625	397818
November	71.30	60.15	71.30	60.10	819689	1950623
December	67.25	60.25	67.20	60.50	219040	431126
January	65.65	56.50	65.65	55.50	261619	712569
February	59.90	53.00	60.45	51.70	137977	238775
March	57.00	45.55	56.00	45.30	95636	194300



g) Shareholding Pattern as on March 31, 2013

Category	Shares held (nos)	% of holding
Promoter Holdings (Indian and Foreign)	9283655	50.30
Mutual Funds	7020	0.04
Banks, Financial Institutions, Insurance Companies and others	48363	0.26
Foreign Institutional Investors	-	-
Non Resident Indians	138553	0.75
Corporate Bodies, Indian Public and others	8977814	48.65
TOTAL	18455405	100.00

h) Distribution of Shareholding as on March 31, 2013

No of Equity Shares held	No of Shareholders	No of shares held	% Shareholding
Up to 500	31437	3666394	19.87
501 to 1000	1168	907938	4.91
1001 to 2000	487	717650	3.89
2001 to 3000	151	384985	2.09
3001 to 4000	81	289399	1.57
4001 to 5000	42	199282	1.08
5001 to 10000	89	616671	3.34
10001 and above	79	11673086	63.25
TOTAL	33534	18455405	100.00

i) Share Transfer Process

Share Transfer in physical form is normally effected within a period of thirty days of receipt of documents complete in all respects. All share transfers are approved by the Share Transfer Committee which meets at least once in a fortnight. Effective from October 1, 2012, the members of the share transfer committee meet on a weekly basis for approval of the share transfers by the Company thus ensuring smooth processing and completion of dispatch of the share certificates within 15 days from the lodgment of the share transfer documents. Request for de-materialisation of shares are processed and confirmed to the respective depositories within 15 days.

j) De-materialisation of Shares

The Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide trading of shares in de-materialised form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE544A01019. As on March 31, 2013, 13525043 (73.28%) shares were in de-materialised form.

k) Share Transfer Agents

M/s Link Intime India Pvt. Ltd., Coimbatore is the Registrar and Share Transfer Agent of the Company both for the physical and electronic segments. The Company records share transfers through its Registrar and Share Transfer Agent. Their 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

l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

Not Applicable

m) Plant Locations

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

Rubber Estates : Eleven Estates located in Kerala

n) Address for Correspondence

Harrisons Malayalam Ltd.

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

Telephone No: 0484-2668023, E-Mail : secretarial@harrisonsmalayalam.com

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

During the Financial Year 2012-13, an amount of Rs. 4,25,162/- lying in the unpaid dividend account as unclaimed dividend was transferred to the 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 from the Company before these due dates:

Dividend for Year	Declared on	Dividend %	Amount lying unpaid / unclaimed as on 31 March 2013 (Rs)	Due date for credit to IEPF
2005-06	29.09.2006	10%	352085	28.10.2013
2006-07	28.09.2007	15%	575109	27.10.2014
2007-08	18.09.2008	15%	760584	17.10.2015
2008-09	30.09.2009	15%	726072	29.10.2016
2009-10	30.09.2010	20%	1101316	29.10.2017
2010-11	19.09.2011	15%	804112	18.10.2018
2011-12	27.09.2012	15%	912607	26.10.2019

Compliance of Non Mandatory requirements

- 1) **Remuneration Committee**
Details of the composition and function of the Remuneration Committee are given in the section "Committees of the Board."
- 2) **Shareholder Rights – Furnishing of quarterly results.**
Details of the shareholders' rights in this regard are given in the Section "Means of Communication to Shareholders".
- 3) **Audit Qualification**
During the current financial year, there are no audit qualifications in the financial statements. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.
- 4) **Training of Board Members**
The Company has not yet adopted any training programme for its Directors.
- 5) **Whistle Blower Policy**
The Company does not have a Whistle Blower Policy as of now. However the Company has adopted an Open Door Policy for employees, customers and vendors to report to the management, instances of unethical behavior, actual or suspected fraud or actions that are not in line with the applicable Company policy.

Practicing Company Secretary's certificate on Corporate Governance.

The Company has obtained a Certificate from the Practicing Company Secretary regarding compliance of corporate governance, as mandated in Clause 49 of the Listing Agreement with the Stock Exchanges. The certificate is annexed to this report.

PRACTICING COMPANY SECRETARY'S CERTIFICATE

AS PER CLAUSE 49 OF THE LISTING AGREEMENT

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 under Clause 49 of the Listing Agreement.

I state that as per the records maintained by the Company and certified by the Registrar and Share Transfer Agent of the Company, there were no investors' grievances remaining unattended/pending for more than 30 days as at March 31, 2013.

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

Cochin
May 6, 2013

Company Secretary in Practice
CP 4251



DECLARATION – CODE OF CONDUCT

All Board members and senior management personnel of the Company have, for the year ended March 31, 2013 affirmed compliance with the Code of Conduct laid down by the Board of Directors in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

for **HARRISONS MALAYALAM LIMITED**

V. Venugopal
Manager

May 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

TEA

Overview

The Indian tea industry is the second largest producer of tea in the world. In Calendar Year 2011, total tea production in India crossed 1,000 million kg mark and stood at 1,116 million kg. However, in Calendar Year 2012, domestic tea production dropped marginally by less than 1% on a Y-o-Y basis to reach 1,112 million kg. While North Indian crop was higher by 4.53 million kg, South Indian crop was lower by 8.49 million kg. In the global scenario, Sri Lanka & Kenyan crops were also marginally lower as compared to previous year. Tea produced by these countries were – Kenya 370 million kg, Sri Lanka 326 million kg.

Export of Indian tea upto December, 2012 at 156.38 million kg was lower by 13.27 million kg vis-a-vis previous year. South Indian tea exports were significantly lower at 60.20 million kg as compared to 75.98 million kg in the previous year. Import of tea upto December, 2012 was at 16.94 million kg which was 5.26% lower than the previous year. Domestic consumption of tea as estimated by Tea Board for financial year 2012-13 was approx. 890 million kg.

Owing to inclement weather, the crop pattern altered during the year – while there was a huge inflow of crop in the first quarter, the latter half of the year had extremely low crops. This led to dwindling of buffer /pipeline stocks and sharp market response from major packers leading to an upsurge in domestic prices. Exports declined with most markets being out-priced by the strong domestic demand.

Outlook

Demand for tea in the domestic market having increased over the years and with domestic prices having moved upwards, there is considerable potential for the Company to respond to the market with better quality teas. The superior quality teas produced by the Company have already found great acceptance and are fetching remunerative prices.

Strengthening of the domestic prices could put pressure on Indian Tea exports, coupled with higher shipping costs could lead to increase in inventories of medium and plainer teas.

RUBBER

Overview

Global Natural Rubber production in Calendar Year 2012 of 11.4 million tonnes is higher by 3.52 million tonnes when compared to the 2011. Production may rise further to 12.5 million tonnes in 2013 and 14.9 million tonnes in 2014. The global scenario for natural rubber appears to be an increasing demand till the year 2020 and possibly beyond.

There are indications that the natural rubber (NR) share of the total elastomers consumed globally will increase from its present level of 40 %. It has also been projected that the prices for natural rubber will remain promising with prices likely to only fluctuate within a narrow band from prevailing prices.

Outlook

The Company's rubber production would remain at the current levels during 13-14. The massive replanting exercise initiated by the Company five years ago, would start yielding results in coming years, in the process making HML as one of the companies having the highest land productivity in the Rubber Plantation Sector. Also, HML by virtue of its strong brand image of manufacturing quality rubber, realises high premium for its produce in the market, nationally and internationally.

OPPORTUNITIES AND THREATS

Tea and Rubber plantations are largely dependant on the vagaries of the nature. The industry is highly labour intensive and is subject to stringent labour laws. Higher costs of inputs with global increase in crude oil along with inflationary pressures could affect margins. Shortage of labour during peak season in some pockets is also a cause for concern.

Rationalising the manpower and with continued focus on improving labour productivity, coupled with various energy conservation measures initiated, the Company should alleviate some of the problems. Improved water and soil management measures initiated would also help the Company in mitigating such biotic and abiotic stress caused by hostile weather conditions.

Also with the expected increase in tea and rubber prices, the Company will be able to perform well by increasing the volume through bought operations, in addition to improving crop from own plantations. Your Company efforts in the Development activities in the Plantations over the past 4 – 5 years would result in the yield levels going up in the coming years.

INTERNAL CONTROL SYSTEM

The Company has in place adequate system of Internal Control commensurate to its size and nature of its 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 ensure compliance of Corporate policies. The Internal control is supplemented by regular review by management, documented policies and procedures and internal audits. The Company has an Audit Committee, the details of which have been provided in the Corporate Governance report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time. The Risk Management Policy adopted by the Company has further strengthened the internal control system.

HUMAN RESOURCES

The Industry is highly labour intensive. The Company employs over 12,000 persons at its tea and rubber plantations. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation of the whole hearted support and dedication received from the employees at all levels in maintaining smooth production from all the tea and rubber plantations.

FINANCE

The total income of the Company during the year stood at Rs. 334.58 cr, while the profit after tax was Rs. 2.30 cr. The Company has repaid long term borrowings to an extent of Rs. 6.84 cr during the financial year. The operations of the company has been affected by the ongoing protracted legal issues with the government of Kerala which is being contested by the company in the Kerala High Court.

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, the commodity prices, changes in the 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 be assured.



Independent Auditors' Report to the Members of Harrisons Malayalam Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Harrisons Malayalam Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Kolkata
May 30, 2013

[Pinaki Chowdhury]
Partner
Membership Number : 057572

Annexure to Independent Auditors' Report

**Referred to in paragraph 7 of the Auditors' Report of even date to the members
of Harrisons Malayalam Limited on the financial statements as of and for the year ended March 31, 2013**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax, service tax and other material statutory dues [other than arrears of Rs 35.70 lacs relating to plantation tax (under The Kerala Plantations (Additional Tax) Act, 1960), arrears of Rs 22.77 lacs relating to Land Tax (under The Kerala Land Tax Act, 1961), arrears of Rs 0.51 lacs relating to Rubber Cess (under The Rubber Act, 1947), arrears of Rs 0.48 lacs relating to Municipal Tax (under The Kolkata Municipal Corporation Act, 1980) and Rs 3.66 lacs relating to Agricultural Income Tax (under The Tamil Nadu Agricultural Income Tax Act, 1955) which are outstanding for a period of more than six months as on the Balance Sheet date], as applicable, with the appropriate authorities, though there have been slight delays in a few cases, and is regular in depositing undisputed statutory dues in respect of provident fund, employees state insurance investor education and protection fund, wealth tax, customs duty and excise duty, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2013 which have not been deposited on account of a dispute are as follows:



Name of the statute	Nature of dues	Amount (Rs lacs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	863.01	2006-07, 2007-08, 2008-09, 2009-10, 2010-11	Commissioner of Income Tax, Appeals
		215.86	2006-07, 2011-12	Assessing Officer
Kerala Agricultural Income Tax Act, 1950/1991	Tax on Agricultural Income, interest and penalty thereon.	394.32	1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1994-95, 1995-96, 1996-97, 1998-99	Assessing Officer
		6.03	1995-96	Inspecting Assistant Commissioner, Department of Commercial Taxes

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that funds raised on short term basis aggregating to Rs 2,909.17 lacs have been used for long term investment in non current assets.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

[Pinaki Chowdhury]
Partner
Membership Number: 057572

Kolkata
May 30, 2013

Balance Sheet as at March 31, 2013

	Note	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	1,845.43	1,845.43
Reserves and Surplus	3	30,120.98	30,053.16
		<u>31,966.41</u>	<u>31,898.59</u>
Non-current Liabilities			
Long term borrowings	4	5,228.32	6,300.86
Long term provisions	5	2,965.40	2,819.87
		<u>8,193.72</u>	<u>9,120.73</u>
Current Liabilities			
Short term borrowings	6	4,558.02	2,710.42
Trade payables	7	1,636.64	1,229.38
Other current liabilities	8	5,281.58	4,974.51
Short term provisions	9	1,373.21	1,610.41
		<u>12,849.45</u>	<u>10,524.72</u>
Total		<u>53,009.58</u>	<u>51,544.04</u>
ASSETS			
Non current assets			
Fixed assets	10		
Tangible assets		42,848.78	42,614.13
Capital Work in progress		457.91	53.35
Non current investments	11	6.02	6.04
Long term loans and advances	12	745.71	804.36
Other non current assets	13	513.84	313.28
		<u>44,572.26</u>	<u>43,791.16</u>
Current assets			
Current investments	14	15.04	15.05
Inventories	15	2,059.93	1,889.35
Trade receivables	16	818.25	1,285.38
Cash and bank balances	17	2,025.24	1,438.86
Short term loans and advances	18	2,304.76	1,760.99
Other current assets	19	1,214.10	1,363.25
		<u>8,437.32</u>	<u>7,752.88</u>
Total		<u>53,009.58</u>	<u>51,544.04</u>

The notes are an integral part of these financial statements

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

For and on behalf of the Board

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Ajit Singh Chouhan
Director

Haigreave Khaitan
Director

Pinaki Chowdhury
Partner
Membership No. 057572

Ravi A.
Company Secretary

Kolkata
May 30, 2013

Kolkata
May 30, 2013



Statement of Profit and Loss for the year ended March 31, 2013

	Note	Year ended March 31, 2013 Rs. Lacs	Year ended March 31, 2012 Rs. Lacs
Revenue from operations	20	33,212.33	34,266.47
Other income	21	246.38	392.49
Total revenue		33,458.71	34,658.96
Expenses			
Cost of materials consumed	22	8,141.60	7,482.43
Purchases of stock in trade	23	766.62	1,901.40
Changes in inventories of finished goods	24	(94.88)	596.94
Employee benefits expenses	25	11,521.57	11,007.52
Other expenses	26	10,623.14	10,342.85
Depreciation expenses	10	651.45	622.85
Finance cost	27	1,458.73	1,688.42
Total expenses		33,068.23	33,642.41
Profit before tax		390.48	1,016.55
Tax expenses			
Current tax			
For current year		(105.00)	(491.80)
For earlier years		(13.27)	(69.18)
Profit for the year from continuing operations		272.21	455.57
Profit/ (loss) from discontinuing operations		(42.45)	29.00
Tax expense of discontinuing operations		-	(13.20)
Profit/ (loss) from discontinuing operations after tax		(42.45)	15.80
Profit for the year		229.76	471.37
Earnings per equity share	40		
Equity shares of par value Rs.10/- each			
Basic and diluted		1.24	2.55

The notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our Report of even date.

For and on behalf of the Board

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreave Khaitan
Director

Ravi A.
Company Secretary

Kolkata
May 30, 2013

Cash Flow Statement for the year ended March 31, 2013

	For the year ended March 31, 2013 (Rs. Lacs)	For the year ended March 31, 2012 (Rs.Lacs)
Cash Flow from Operating Activities		
Profit Before Tax	348.03	1,045.55
Adjustments for:		
Depreciation	676.08	649.19
Dividend Income	-	(0.05)
Interest Income	(52.87)	(122.64)
Interest expense etc.	1,458.73	1,646.68
Provision for Doubtful Debts/ Advances (net of recovery)	72.90	31.39
Provisions no longer required written back	-	(27.74)
Provision for Warranty	3.00	-
Unrealised foreign currency gain	-	(10.43)
(Profit)/Loss on Sale of Fixed Assets (net)	(7.23)	3.16
	<u>2,150.61</u>	<u>2,169.56</u>
Operating Profit before Working Capital changes	2,498.64	3,215.11
(Increase)/ Decrease in Inventories	(170.58)	696.44
(Increase)/ Decrease in Trade Receivables	405.23	(81.06)
(Increase) in Loans and Advances/ Other Current Assets	(990.74)	(428.70)
Increase in Trade payables and Other Current Liabilities	464.10	1,365.65
	<u>(291.99)</u>	<u>1,552.33</u>
Cash Generated from Operations	2,206.65	4,767.44
Income Tax (net of refund)	(184.91)	(558.63)
Net Cash from Operating Activities (A)	<u>2,021.74</u>	<u>4,208.81</u>
Cash Flow from Investing Activities		
Purchase of Tangible Assets	(1,325.17)	(884.52)
Sale of Tangible Assets	57.67	41.01
Purchase of non-current Investments	-	(5.00)
Purchase of current Investments	-	(20.01)
Interest Received	36.33	100.32
Dividend Income from Investments	-	0.05
Maturity proceeds from non-current Investments	0.02	0.04
Maturity proceeds from current Investments	0.01	5.00
Net Cash (used in) Investing Activities (B)	<u>(1,231.14)</u>	<u>(763.11)</u>
Cash Flow from Financing Activities		
Proceeds from Long-term Borrowings	1,642.26	2,137.32
Repayment of Long-term Borrowings	(2,326.37)	(3,268.12)
Net increase/ (decrease) in Short-term Borrowings	1,847.60	(60.68)
Interest etc. Paid	(1,469.21)	(1,679.40)
Dividend Paid (including tax on dividend Rs.44.92 Lacs, previous year 45.98 lacs)	(317.69)	(315.35)
Net Cash (used in) Financing Activities (C)	<u>(623.41)</u>	<u>(3,186.23)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	167.19	259.47
Cash and Cash Equivalents at the beginning of the year	1,073.37	813.90
Cash and Cash Equivalents at the close of the year (Note 2 below)	1,240.56	1,073.37

Notes :

- The above Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Cash and Cash Equivalents (Refer note 17 to financial statements) include Unpaid Dividend not available for use by the Company of Rs.52.32 Lacs (31.03.2012 - Rs.48.26 Lacs)
- Refer Note 44 to the financial statements for information relating to net cash flows attributable to discontinuing operations included above.
- Previous year's figures have been regrouped/ rearranged where considered necessary.

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

For and on behalf of the Board

For Price Waterhouse

Firm Registration No. 301112E

Chartered Accountants

Pinaki Chowdhury

Partner

Membership No. 057572

Kolkata

May 30, 2013

Ajit Singh Chouhan

Director

Haigreve Khaitan

Director

Ravi A.

Company Secretary

Kolkata

May 30, 2013



Notes to financial statements for the year ended March 31, 2013

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts (refer note 1.3). These financial statements have been prepared to comply, in all material respects, with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

1.3 Fixed Assets and Depreciation

Revalued fixed assets (land and development) are stated at revalued amounts (market value as on June 30, 1990 and April 1, 2009 based on revaluation carried out by independent valuers) and additions/deletions thereto since then at cost, less accumulated depreciation and impairment losses, if any.

Other fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

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 of tea are capitalised.

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

Fixed assets other than land and development are depreciated under the written down value method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956, except for Furniture and Fittings which are depreciated at 33.33%. Assets costing individually Rs.5000 and below are fully depreciated in the year of addition.

1.4 Impairment

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 recognized 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.

1.5 Investments

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the long term investments. Current investments are stated at lower of cost and fair value. Fair value is determined on the basis of realisable or market value.

1.6 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.

1.7 Foreign currency translation

Foreign currency transactions are recorded at rates prevailing on the date of the respective transactions. At the year end monetary assets and liabilities denominated in foreign currencies are restated at the closing exchange rates. The resultant exchange differences arising from settlement of foreign currency transactions and from the year end restatement are recognised in the Statement of Profit and Loss.

1.8 Revenue Recognition

Revenue from sale of tea at auction is recognised on receipt of sale note from brokers. Revenue from sale of tea other than at auction and sale of rubber is recognised on transfer 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.

Revenue from fixed price construction contracts is recognised on the percentage of completion method based on the proportion of contract cost incurred for work performed up to reporting date bears to the estimated total contract cost. Total cost of the contracts are estimated based on technical and other estimates. Profit on such contracts is recognised not exceeding the overall contract margin. All foreseeable losses on contracts are provided for.

1.9 Derivative Contracts

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses (net), if any, are recognised in the Statement of Profit and Loss and gains (net) are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on "Accounting for Derivatives" issued in March 2008.

1.10 Accounting for 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.

1.11 Employee Benefits

i) Short Term

Short term employee benefits (i.e., benefits falling due within one year after the end of the period in which the employees render the related service) are recognised as expense in the period in which employee services are rendered as per the Company's schemes based on expected obligations on undiscounted basis.

ii) Post Retirement

Post-retirement benefits comprises of provident fund, superannuation and gratuity which are accounted for as follows:

a) 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. Also refer Note 25.2

b) 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.

c) 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.

(iii) Other Long term :

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.



1.12 Replanting Expenses

Replanting expenses relating to Tea consequent to replacement are charged to revenue as and when incurred. All planting expenses relating to rubber is charged off.

1.13 Current and Deferred tax

Current tax is provided as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws. Deferred tax is provided on timing differences between taxable income and accounting income, measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income', that there will be sufficient future taxable income available to realise such assets. Deferred Tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

1.14 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when the Company has a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2. Share Capital

(i) Authorised:

3,00,00,000 Equity Shares of Rs.10 each

(ii) Issued, Subscribed and Paid up:

1,84,55,405 Equity Shares of Rs.10 each fully paid up

Less: Allotment Money in Arrears

As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
3,000.00	3,000.00
1,845.54	1,845.54
0.11	0.11
1,845.43	1,845.43

	March 31, 2013		March 31, 2012	
	Number of shares	Rs. Lacs	Number of shares	Rs. Lacs
(iii) Number of shares outstanding as at the beginning of the year	18,455,405	1,845.43	18,455,405	1,845.43
Number of shares outstanding as at the end of the year	18,455,405	1,845.43	18,455,405	1,845.43
(iv) Shares in the Company held by each shareholder holding more than 5 percent shares :				

	March 31, 2013		March 31, 2012	
	Number of shares	% holding	Number of shares	% holding
Malayalam Plantations (Holdings) Limited	3,640,000	19.72%	3,640,000	19.72%
Instant Holdings Limited	1,605,200	8.70%	1,605,200	8.70%
Universal Industrial Fund Limited	1,221,713	6.62%	1,221,713	6.62%

- (v) Rights, preferences and restrictions attached to Equity shares mentioned above :

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for 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.

3 Reserves and Surplus

Rs. Lacs

Reserves	Balance as at March 31, 2012	Additions	Deductions	Balance as at March 31, 2013
Capital Reserve				
Securities premium account	5,002.91	-	-	5,002.91
Fixed assets revaluation reserve	13,957.19	-	-	13,957.19
Other Reserves				
Reserve arising from amalgamation	291.33	-	-	291.33
Housing subsidy reserve	5.26	-	-	5.26
General Reserve	1,687.82	-	-	1,687.82
Total	20,944.51	-	-	20,944.51

Rs. Lacs

Surplus in Statement of Profit and Loss	As at March 31, 2013	As at March 31, 2012
Balance as at the beginning of the year	9,108.65	8,982.60
Add:		
Profit for the year as per Statement of Profit and Loss	229.76	471.37
Less: Appropriations		
Proposed Dividend on Equity Shares @ Re 0.75 per share (previous year @ Rs 1.50 per share)	138.42	276.83
Tax on dividends	23.52	44.92
Transfer to General Reserve	-	23.57
	161.94	345.32
Balance as at the end of the year	9,176.47	9,108.65
Total Reserves and Surplus	30,120.98	30,053.16

4 Long term borrowings

Secured

Term loan

From Banks	6,173.62	7,173.61
From Others	557.66	241.78
	6,731.28	7,415.39

Less: Current maturities of Long Term Debt referred to in Note 8

(1,502.96)	(1,114.53)
5,228.32	6,300.86



Term loan from banks

- a Loan availed Rs. 883.54 Lacs during financial years 2009-10 and 2010-11 repayable in 32 quarterly instalments of Rs.23.80 Lacs commencing from June 2014 and 4 quarterly instalments of Rs.30.485 Lacs commencing from 2022-23 is secured on a pari passu basis by equitable mortgage of immovable property of the Company situated in Mayfield Estate and also by a charge on the movable assets of the Company situated in the above estate. The loan carries an interest rate of 0.75% above SBAR payable on a monthly basis from disbursement of the loan. Year end balance is Rs. Nil Lacs (previous year Rs.883.54 Lacs).
- b Loan availed Rs.290.07 Lacs during financial years 2009-10 and 2010-11 repayable in 35 quarterly instalments of Rs.8.06 Lacs commencing from June 2014 and final quarterly instalment of Rs.7.97 Lacs is secured on a pari passu basis by equitable mortgage of immovable property of the Company situated in Mayfield Estate and also by a charge on the movable assets of the Company situated in the above estate. The loan carries an interest rate of 12.50% per annum payable on a monthly basis from disbursement of the loan. Year end balance is Rs.Nil Lacs (previous year Rs.290.07 Lacs).
- c Loan availed Rs.6,000.00 Lacs during 2010-11 and 2011-12 repayable in 17 quarterly instalments of Rs.333.30 Lacs commencing from September 2012 and final quarterly instalment of Rs.333.90 Lacs 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. Year end balance is Rs.5,000.01 Lacs (previous year Rs.6,000.00 Lacs).
- d Loan availed of Rs.1173.61 Lacs during the year is repayable in 31 quarterly instalments of Rs.36.69 Lacs commencing from July 2014 and final quarterly instalment of Rs. 36.22 Lacs, 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.

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 10.49 to 15.50 %).

Repayment terms :

	As on March 31, 2013	Rs. Lacs As on March 31, 2012
Payable in 0-1 year	169.76	114.63
Payable in 1-2 year	137.42	71.18
Payable in 2-3 year	115.03	37.62
Payable in 3-4 year	80.30	18.35
Payable in 4-5 year	55.15	-
	557.66	241.78

5 Long term provisions

Provision for employee benefits:

Provision for gratuity	2,413.00	2,309.00
Provision for compensated absence	60.40	18.87
	2,473.40	2,327.87

Other Provisions:

Contingency reserve #	492.00	492.00
	2,965.40	2,819.87

#

Balance at the beginning of the year	492.00	440.00
Provision made during the year	-	52.00
Utilised / Reversed during the year	-	-
Balance at the end of the year	492.00	492.00

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 excepted to prejudice the interests of the Company.

	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
6 Short term borrowings		
Secured		
Cash credit from banks repayable on demand	3,558.02	2,710.42
Unsecured		
Short term loan from bank	1,000.00	-
	4,558.02	2,710.42

Cash credit from banks

Secured by equitable mortgage of immovable properties of the Company situated in Arrapetta Estate, hypothecation of standing crop in Achoor, Arrapetta, Panniar, Mayfield, Lahai, Isfield and Nagamallay Estates and by hypothecation of stocks of tea, rubber, trading merchandise, stores and spares, book debts and other movable assets both present and future. Cash credit carries an interest within the range of 13 - 18 % p.a.

Short term loan from bank

Loan repayable by September, 2013 carrying an interest of 10.5% per annum.

7 Trade payables

Due to Micro and Small Enterprises	31.70	31.60
Others	1,604.94	1,197.78
	1,636.64	1,229.38

Micro and Small Enterprises :

The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Principal amount and the interest due thereon remaining unpaid to suppliers under MSMED

Principal	13.25	16.59
Interest	1.01	0.15

Interest paid to suppliers under section 16 of MSMED along with the amount of the payment made to suppliers beyond the appointed day during the year

- -

The amount of interest due and payable for principal paid during the year beyond the appointed day without adding the interest specified under MSMED

Principal	223.47	139.89
Interest	2.43	2.82

The amount of interest accrued and remaining unpaid at the end of the year (including Rs.15.01 Lacs (Previous year Rs.NIL) being interest outstanding as at the beginning of the accounting year)

18.45 15.01

The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED

3.44 15.01



	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
8 Other current liabilities		
Current maturities of long term borrowings (Refer Note 4)	1,502.96	1,114.53
Interest accrued but not due on borrowings	1.15	-
Interest accrued and due on borrowings	-	11.63
Unpaid dividends *	52.32	48.26
Unclaimed matured deposits *	-	1.73
Others :		
Employee benefits payable	1,224.29	1,728.33
Statutory dues	1,708.21	1,373.43
Advance from customers	458.14	696.60
Deposits received from customers	334.51	-
	5,281.58	4,974.51
* There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.		
9 Short term provisions		
Provision for employee benefits:		
Provision for gratuity	420.00	395.99
Provision for compensated absence	16.96	54.72
Others :		
Provision for		
Income tax (Net of advance tax of Rs. 13,729.24 Lacs; previous year Rs.13,544.33 Lacs)	648.67	715.31
Fringe benefit tax (Net of advance tax of Rs 92.42 Lacs; previous year Rs.92.42 Lacs)	122.64	122.64
Provision for warranty #	3.00	-
Proposed dividend	138.42	276.83
Tax on proposed dividend	23.52	44.92
	1,373.21	1,610.41
#		
Balance at the beginning of the year	-	-
Provision made during the year	3.00	-
Utilised / Reversed during the year	-	-
Balance at the end of the year	3.00	-

Note 10

Fixed Assets

Rs. Lacs

Description of Assets	Gross Block			Depreciation				Net Block	
	Cost/ Valuation as at March 31, 2012	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2013	As at March 31, 2012	For the year	On Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2012
Tangible assets									
Land and Development - Freehold and Leasehold (Note 1 below)	39,001.87	204.98	-	39,206.85	-			39,206.85	39,001.87
Buildings	3,433.85	76.57	2.99	3,507.43	2,133.44	88.56	2.15	2,219.85	1,300.41
Plant and Machinery (Note 2 below)	5,638.12	544.70	257.85	5,924.97	3,974.17	449.07	235.51	4,187.73	1,663.95
Furniture and Fittings	278.11	16.11	3.17	291.05	234.47	15.57	2.29	247.75	43.64
Water Supply (Note 2 below)	917.22	(13.55)	4.76	898.91	556.22	45.04	4.62	596.64	361.00
Vehicles	634.01	132.36	106.12	660.25	390.75	77.84	79.88	388.71	243.26
Previous Year	49,903.18	961.17	374.89	50,489.46	7,289.05	676.08	324.45	42,848.78	42,614.13
Capital Work-In-Progress - at cost	49,429.12	961.17	487.11	49,903.18	7,082.80	649.19	442.94	457.91	53.35
								43,306.69	42,667.48

Notes :

- 1 Land and development includes
 - a) Certain leasehold lands the value of which is not separately ascertainable
 - b) Rs. 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
 - c) Rs. 22,739.61 Lacs added on revaluation during 2009-2010 and credited to Fixed Assets Revaluation Reserve. The credit to Fixed Assets Revaluation Reserve has been adjusted against the excess of liabilities over the assets taken over (Rs.21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (Rs.1,218.91 lacs) and the balance amount of Rs.286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- 2 Plant and Machinery and Water Supply

Additions to Plant and Machinery and Water Supply is net of capital subsidy of Rs.22.26 lacs.(Previous year Rs. 72.30 Lacs) and Rs.25.32 Lacs (previous year Rs. Nil) respectively
- 3 Depreciation for the year includes Rs 24.63 lacs (Previous year Rs 26.34 lacs) relating to discontinuing operation (refer Note 44)



	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
11 Non current investments		
Long term - At cost		
Other than trade		
Unquoted investment		
(i) Investments in Equity shares of Subsidiaries		
49,993 Shares in HML Engineering Company Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates	0.02	0.04
Treasury Savings Account	1.00	1.00
	6.02	6.04
12 Long term loans and advances		
Un-secured and considered good		
Capital Advances	35.12	75.68
Electricity and other deposits	219.36	237.45
Advance to workers	491.23	491.23
	745.71	804.36
13 Other non current assets		
Un-secured and considered good		
Margin money deposit with Banks having maturity more than 12 months	180.00	17.30
Bank Deposit on lien	1.73	1.09
Retention money	332.11	294.89
	513.84	313.28
14 Current investments		
At lower of cost and fair value		
Other than trade		
Unquoted investment		
(i) Investments in Equity shares of Subsidiaries		
100,000 Shares in Enchanting Plantations Limited	10.00	10.00
50,000 Shares in Harmony Plantations Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates *	0.04	0.05
	15.04	15.05
* This is long term investment in keeping with AS 13 "Accounting for Investments "		
15 Inventories		
At lower of cost and net realisable value		
Finished goods *	966.84	871.96
Stores and spares #	901.84	777.62
Raw (Construction) materials @	166.04	148.90
Nurseries	25.21	90.87
	2,059.93	1,889.35

	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
* Particulars of closing inventories of Finished goods		
Tea	800.74	709.92
Rubber	166.10	162.04
	966.84	871.96
# Stores and spares includes packing materials of Rs. 215.79 lacs (Previous year- Rs.147.73 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Torsteel	89.15	47.61
Tiles	21.65	12.96
Others	55.24	88.33
	166.04	148.90
16 Trade receivables		
Unsecured		
Outstanding for a period of more than six months from the due date of payment.		
Considered good	88.36	104.36
Considered doubtful	384.18	359.50
Less: Provision for doubtful receivables	(384.18)	(359.50)
	88.36	104.36
Other debts		
Considered good	729.89	1,181.02
Considered doubtful	-	-
	729.89	1,181.02
	818.25	1,285.38
17 Cash and Bank balances		
Cash and cash equivalent		
Cash on hand	9.64	15.44
Balance with banks		
On current accounts	1,178.60	1,009.67
Unpaid dividend accounts *	52.32	48.26
	1,240.56	1,073.37
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	784.68	365.49
	2,025.24	1,438.86
* Earmarked for payment of unclaimed dividend		
18 Short term loans and advances		
Un-secured and considered good		
Advances to related parties -		
Subsidiaries (Refer Note 39)	0.01	0.78
Advances to employees	68.69	71.29
Advance to suppliers	331.32	317.48
Balances with Government Authorities	1,547.21	1,112.69



	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
Prepaid expenses	244.52	122.30
Claims recoverable	46.58	35.75
Advances to body corporates/ trusts /individuals	66.43	100.70
	2,304.76	1,760.99
Un-secured and considered doubtful		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	32.58	-
Advances to body corporates	189.64	174.00
	249.36	201.14
Less: provision for doubtful advances	(249.36)	(201.14)
	2,304.76	1,760.99
19 Other current assets		
Un-secured and considered good		
Subsidy receivable	161.64	619.71
Unbilled revenue	906.74	588.44
Export Entitlement	106.86	132.78
Interest accrued on bank deposits	38.86	22.32
	1,214.10	1,363.25
	Year Ended March 31, 2013 Rs. Lacs	Year Ended March 31, 2012 Rs. Lacs
20 Revenue from operations		
Sale of products *	31,813.60	30,366.70
Sale of Services #	1,531.38	2,232.44
Other operating revenues		
Sale of Rubber/ Grevillea Trees	512.47	3,229.26
Tea Board Subsidy	340.55	225.09
Export entitlements	117.06	190.68
Others	428.65	254.74
	34,743.71	36,498.91
Less: Discontinuing operation (Refer Note 44)	1,531.38	2,232.44
	33,212.33	34,266.47
* Details of sale of products		
Tea	15,661.23	12,004.26
Rubber	15,692.36	17,676.03
Fruits, Spices and others	316.28	550.80
Green leaf	142.15	98.38
Plant Tissue Culture sales	1.58	37.23
	31,813.60	30,366.70
# Details of sale of services (Discontinuing operation)		
Construction contracts (Refer Note 37)	1,531.38	2,232.44

	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
21 Other Income		
Interest income on		
Bank deposits and other deposits	52.86	32.09
Non-current investments	0.01	0.02
Income tax refund	-	90.53
Dividend income	-	0.05
Profit on sale of fixed assets (net)	7.23	-
Provision no longer required written back	-	27.74
Net gain on foreign currency transactions/translations	24.11	101.43
Other non-operating income	164.74	140.63
	248.95	392.49
Less: Discontinuing operation (Refer Note 44)	2.57	-
	246.38	392.49
22 Cost of materials consumed		
Inventory at the beginning of the year	-	-
Add : Purchases	8,141.60	7,482.43
	8,141.60	7,482.43
Less : Inventory at the end of the year	-	-
Cost of materials consumed	8,141.60	7,482.43
Details of materials consumed:		
Green leaf	2,172.67	1,305.90
Bought latex and sheets	5,709.15	5,871.34
Tea used for blending	259.78	305.19
	8,141.60	7,482.43
23 Purchase of stock-in-trade		
Cenex / TSR	766.62	1,634.78
Fruits, spices and others	-	266.62
	766.62	1,901.40
24 Changes in inventories of finished goods		
Inventory at the end of the year		
Tea	800.74	709.92
Rubber	166.10	162.04
	966.84	871.96
Inventory at the beginning of the year		
Tea	709.92	1,178.82
Rubber	162.04	290.08
	871.96	1,468.90
	(94.88)	596.94



25 Employee benefits expenses

	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
Salaries and wages	9,492.29	9,016.61
Contribution to Provident Fund	1,006.65	824.12
Contribution to Superannuation Fund	50.81	70.88
Gratuity	824.64	979.71
Staff welfare expenses	246.60	249.27
	11,620.99	11,140.59
Less: Discontinuing operation (Refer Note 44)	99.42	133.07
	11,521.57	11,007.52

25.1 In keeping with the Company's gratuity scheme (an unfunded defined benefit plan), eligible employees are entitled for gratuity benefit (as per the The Payment of Gratuity Act, 1972) on retirement/death/incapacitation/ termination. Also refer note 1.11(ii)(c) for accounting policy relating to gratuity. Following are the further particulars with respect to gratuity:-

	(Rs. Lacs)				
	2012-13	2011-12	2010-11	2009-10	2008-09
1 Present value of obligation at the beginning of the year	2,704.99	2,116.00	1,962.75	1,782.84	1,463.99
Interest cost	189.07	153.95	135.61	117.89	78.00
Current service cost	615.68	285.64	284.10	267.89	143.00
Benefits paid	(696.64)	(390.72)	(545.94)	(429.09)	(343.15)
Actuarial loss	19.89	540.12	279.48	223.22	441.00
Present value of obligation at the Balance Sheet date (Amount recognised in Balance Sheet)	2,832.99	2,704.99	2,116.00	1,962.75	1,782.84
2 Amounts recognized in the Statement of Profit and Loss					
Current service cost	615.68	285.64	284.10	267.89	143.00
Interest cost	189.07	153.95	135.61	117.89	78.00
Actuarial loss	19.89	540.12	279.48	223.22	441.00
Expenses recognized in the Statement of Profit and Loss (Refer Note 25)	824.64	979.71	699.19	609.00	662.00
3 Principal actuarial assumptions					
Discount rate	8.00%	8.00%	8.00%	7.50%	6.00%
Salary escalation	5.00%	5.00%	5.00%	5.00%	4.00%
Attrition rate	3.00%	3.00%	3.00%	3.00%	3.00%

The estimation of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

25.2 Certain employees of the Company were members of the Provident Fund Trust set up by the Company and the Company had an obligation to fund any shortfall in return on plan asset over the interest rate prescribed by the authorities from time to time. In view of Company's obligation to meet the shortfall, it was a defined benefit plan.

During the year the Company on obtaining necessary approvals from the Employees Provident Fund Organisation transferred the corpus of the aforesaid Trust to the Regional Provident Fund and discontinued making contribution to the said Trust and is contributing to the Regional Provident Fund effective January 1, 2013. Pursuant to above, all contributions to Provident Fund effective January 1, 2013 are defined contribution plan.

25.3 Amount recognised as expense during the year for defined contribution plans :

	2012-13 Rs. Lacs	2011-12 Rs. Lacs
Contribution to Provident Fund (included in Contribution to Provident Fund in Note 25)	957.10	808.37
Contribution to Superannuation Fund (Refer Note 25)	50.81	70.88

**Year Ended
March 31, 2013
Rs.Lacs**

**Year Ended
March 31, 2012
Rs. Lacs**

26 Other Expenses

Consumption of Stores and Spare Parts (Refer note 31)	2,094.58	2,011.19
Consumption of Packing material (Refer note 32)	565.50	535.97
Engineering Contract Cost - Materials and Other Expenses	1,335.51	1,878.79
Contract Costs	1,017.91	1,068.80
Power and Fuel	1,961.94	1,660.34
Rent	81.50	157.08
Rates and Taxes	167.56	105.30
Repairs and Maintenance		
Buildings	229.82	240.40
Plant and Machinery	177.43	140.06
Others	51.68	42.50
Insurance	63.19	57.83
Tea Cess	77.55	69.20
Replanting Expenses*	1,876.43	1,835.47
Travelling and Conveyance	458.17	485.34
Brokerage and Discount	172.37	124.84
Commission to Selling agent	8.08	15.56
Advertisement and Selling expenses	2.67	5.24
Freight, Shipping, Transport and other charges	571.73	700.77
Directors' Sitting Fees	4.00	4.00
Provision for contingencies	-	52.00
Provision for Doubtful Debts/ Advances (net of recovery)	72.90	31.39
Provision for warranty (net)	3.00	-
Loss on sale of fixed assets (net)	-	3.16
Miscellaneous Expenses	1,081.97	1,161.65
	12,075.49	12,386.88
Less: Discontinuing operation (Refer Note 44)	1,452.35	2,044.03
	10,623.14	10,342.85

* Replanting expense includes material consumption and wages of Rs. 390.07 lacs (previous year Rs.458.17 lacs) and Rs.1,029.94 lacs (Previous year- Rs.854.60 lacs) respectively.

27 Finance Costs

Interest expense	1,380.48	1,646.68
Other borrowing cost	78.25	41.74
	1,458.73	1,688.42



As at March 31, 2013
Rs.Lacs

As at March 31, 2012
Rs. Lacs

28 Contingent Liabilities and commitments

28.1 Contingent Liabilities :

Claims against the Company not acknowledged as debt

i. Employee related	560.03	468.19
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	93.49	146.04
iii. Disputed Income Tax matters	674.10	469.14
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 12.02.2007, a separate writ petition was filed and an interim stay of the Government Notification obtained.	348.49	348.49

28.2 Commitments :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments of Rs. 35.12 lacs (Previous year Rs.75.68 lacs)	19.89	80.37
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29 No adjustment is required to be made in the accounts in respect of:

- a An area of 807 hectares (approximately), which is on a lease hold tenure falling 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 is pending before the District Court, Ooty. The status quo orders passed by the Madras High Court challenging the notification of vesting of 335 hectares out of the aforesaid area as forest lands by the Government of Tamil Nadu are also in force.
- b An area of 889 hectares (approximately) 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 has been upheld by the Forest Tribunal, Palghat.
- c An area of 2588 hectares (approximately) 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 Company to surrender 707 hectares (approximately) 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.
- e An area of 415 hectares (approximately) 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 1460 hectares (approximately) 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 22.45 hectares (approximately) resumed by the Government of Kerala, as the Government's writ appeal challenging the High Court judgement directing to return the land to the Company is pending before the High Court of Kerala.
- h An area of 304 hectares (approximately) 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.
- i An area of 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.
- j An area of 336.64 hectares of rubber field of Koney estate in respect of which the Writ Petition filed by the Company and the status quo order passed by the High Court of Kerala challenging the proceedings initiated by the Government of Kerala to resume such lands, is in force.
- k Guarantee of Rs. 1,800 lacs, provided to the Registrar General, High Court of Kerala for commencing the felling of trees in litigated lands as indicated inter alia in points a to j above is secured by equitable mortgage of property situated at Mumbai and Coimbatore.

		Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
30 Amount paid/ payable to auditors			
As auditors			
Statutory Audit Fee		26.00	26.00
Tax Audit Fee		5.00	4.00
Limited Review Fee		11.75	8.75
Other Services		5.25	3.00
Reimbursement of expenses		1.29	0.91
		49.29	42.66
	As a % of consumption	Year ended March 31, 2013 Rs.Lacs	As a % of consumption
31 Stores and spares consumed			Year ended March 31, 2012 Rs.Lacs
Indigenous	99.99%	2,094.30	99.96%
Imported	0.01%	0.28	0.04%
		2,094.58	2,011.19
32 Packing material consumed			
Indigenous	94.98%	537.12	97.47%
Imported	5.02%	28.38	2.53%
		565.50	535.97
33 Dividend remitted during the year in Foreign Currency			
Number of non resident shareholders		1	1
Number of equity shares on which dividend was due		3,640,000	3,640,000
Dividend remitted - Rs in Lacs		54.60	54.60
Year to which dividend relates		2011-12	2010-11
34 Expenditure in Foreign Currency			
Travelling		7.27	33.83
Selling Commission		5.75	6.62
Others		5.47	7.54
		18.49	47.99
35 Value of Imports on C.I.F. Basis			
Capital Goods		33.29	67.64
Stores and Spare Parts		30.95	0.76
Packing material		-	33.68
		64.24	102.08
36 Earnings in Foreign Currency			
FOB value of Exports		1,836.68	3,427.56



**Year Ended
March 31, 2013
Rs.Lacs**

**Year Ended
March 31, 2012
Rs. Lacs**

37 Disclosure relating to Construction Contracts

Contract revenue recognised during the year	1,531.38	2,232.44
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	4,308.94	3,422.05
Advances received	246.75	-
Retention money	266.73	301.34
Gross amount due from customers	173.44	1,150.35

38 Segment Reporting

The Company has considered business segments as the primary segment and geographical segments as the secondary segments. The business segments are: Tea, Rubber, Engineering and others which have been identified taking into account the organisational structure as well as the differing risks and returns of these segments. Other segments comprise of Plant Tissue Culture, Clearing and Shipping, Fruits, Spices and others and Wyanaad Medical Fund. The geographical segments are identified on the basis of the location of customers.

(a) Primary Segment Information - By Business Segments *

Rs. Lacs

Description	Continuing operations			Discontinuing operations	Total
	Tea	Rubber	Other	Engineering	
External Sales	16,339.11 (12,525.00)	16,245.06 (21,018.00)	628.16 (723.47)	1,531.38 (2,232.44)	34,743.71 (36,498.91)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	16,339.11 (12,525.00)	16,245.06 (21,018.00)	628.16 (723.47)	1,531.38 (2,232.44)	34,743.71 (36,498.91)
Segment Result - Profit/(Loss)	(-)391.95 (-)(3222.90)	1,833.45 (5,737.60)	354.85 (58.00)	(-)42.45 (29.00)	1,753.90 (2,601.70)
Less: Interest Expenses					1,380.48 (1,646.68)
Add: Unallocated income (net of unallocated expenditure Rs 78.25 lacs (Previous year NIL))					(-)25.39 (90.53)
Profit before Tax					348.03 (1,045.55)
Less : Income Taxes					118.27 (574.18)
Profit after Tax					229.76 (471.37)
Other Information					
Segment Assets	36,817.42 (37,095.30)	12,351.45 (12,373.71)	90.51 (214.01)	1,486.11 (1,861.02)	50,745.49 (51,544.04)
Unallocated Assets					2,264.09 -
Total Assets					53,009.58 (51,544.04)

Rs. Lacs

Description	Continuing operations			Discontinuing operations	Total
	Tea	Rubber	Other	Engineering	
Segment Liabilities	3,754.87 (3,526.12)	4,715.31 (4,410.31)	23.43 (112.88)	264.54 (299.00)	8,758.15 (8,348.31)
Unallocated Liabilities					12,285.02 (11,297.14)
Total Liabilities					21,043.17 (19,645.45)
Segment Capital Expenditure	1,167.36 (729.29)	157.81 (87.10)	- (50.22)	- (17.91)	1,325.17 (884.52)
Segment Depreciation	487.25 (473.71)	161.62 (145.18)	2.58 (3.95)	24.63 (26.35)	676.08 (649.19)
Segment non-cash expense other than depreciation	34.27 -	1.63 -	16.00 -	24.00 (31.39)	75.90 (31.39)

(b) Secondary Segment information - By Geographical Segments *

Rs. Lacs

Description	India	Outside India	Total
External Sales	32791.44 (32,893.72)	1952.27 (3,605.19)	34743.71 (36,498.91)
Segment Assets	50529.88 (51,091.75)	215.61 (452.29)	50745.49 (51,544.04)
Segment Capital Expenditure	1325.17 (884.52)	- -	1325.17 (884.52)

All operating facilities are located in India.

* Figures in bracket represent previous year's figures

39 Related Party Disclosures

a List of Related Parties where control exists (Wholly Owned Subsidiaries)

HML Engineering Company Limited (HECL) effective June 6, 2011

Enchanting Plantations Limited (EPL) effective February 8, 2012

Harmony Plantations Limited (HPL) effective February 12, 2012

Malayalam Plantations Limited (MPL) effective November 11, 2011 (100% subsidiary of EPL)

b Key management personnel

Mr. Pankaj Kapoor (Managing Director) upto June 30, 2012.

Mr. V Venugopal (Manager) with effect from August 14, 2012



c Related party transactions

Rs. Lacs

Description	Subsidiary Companies		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12
Transaction during the year				
Purchase of shares in subsidiaries				
HECL	-	5.00	-	-
EPL	-	10.00	-	-
HPL	-	5.00	-	-
MPL	-	5.00	-	-
Sale of shares in subsidiaries				
MPL	-	5.00	-	-
Re-imbursement of Expenses				
HECL	0.01	0.67	-	-
EPL	-	0.04	-	-
HPL	-	0.04	-	-
MPL	-	0.03	-	-
Remuneration	-	-		
Pankaj Kapoor			39.51	93.10
V Venugopal			24.94	-
Balance as at year end				
Investment in subsidiaries				
HECL	5.00	5.00	-	-
EPL	10.00	10.00	-	-
HPL	5.00	5.00	-	-
Advances recoverable				
HECL	0.01	0.67	-	-
EPL	-	0.04	-	-
HPL	-	0.04	-	-
MPL	-	0.03	-	-
Remuneration payable				
V Venugopal			1.12	-

40 Earnings Per Share

Particulars	2012-13 Rs. Lacs	2011-12 Rs. Lacs
Profit after tax (Rs in lacs)	229.76	471.37
Number of equity shares at the beginning of the year	18,455,405	18,455,405
Number of equity shares at the end of the year	18,455,405	18,455,405
Weighted average number of equity shares outstanding	18,455,405	18,455,405
Nominal Value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share (Rs.)	1.24	2.55

41 Unhedged foreign currency exposures

Particulars of unhedged foreign currency exposures	As at March 31, 2013 Rs Lacs	As at March 31, 2012 Rs Lacs
Trade receivables	215.61	452.29

42 Taxation

- The Company is liable to pay Minimum Alternate Tax under section 115JB of the Income Tax Act, 1961 based on which the current tax has been computed and provided in the accounts.
- No provision for Agricultural Income Tax has been considered necessary in view of the carry forward losses.
- The Company has not recognised any Deferred Tax Asset in respect of unabsorbed depreciation/ brought forward losses and other timing differences in accordance with Accounting Standard 22 "Accounting for Taxes on Income" in the absence of virtual/ reasonable certainty that sufficient future taxable income will be available against which such asset could be realised.
- The Company has not recognized MAT credit on a prudent basis in the absence of reasonable certainty that sufficient future tax profit against which such credit could be realised.

43 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 is now pending before the High Court of Kerala.

44 The Company in its Board meeting dated May 15, 2012 has approved the plan for transferring its Engineering division to its wholly owned subsidiary and has also obtained the consent of its shareholders by way of postal ballot. The Engineering division is a separate business segment as per AS 17 "Segment Reporting". The decision is consistent with the Company's long term strategy to focus on core plantation activity.

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

- The carrying amounts as at March 31, 2013 of the total assets and liabilities to be disposed of are as follows:

	As at March 31, 2013 Rs Lacs	As at March 31, 2012 Rs Lacs
Total assets	1,486.11	1,861.02
Total liabilities	264.54	299.00
Net assets	1,221.57	1,562.02



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

	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
Revenue from operations (Sale of services)	1,531.38	2,232.44
Other income	2.57	-
	1,533.95	2,232.44
Employee benefits expenses	99.42	133.07
Depreciation expenses	24.63	26.34
Other expenses	1,452.35	2,044.03
Total expenses	1,576.40	2,203.44
Profit/ (loss) from discontinuing operations before taxes	(42.45)	29.00
Tax expenses of discontinuing operations	-	(13.20)
Profit/ (loss) from discontinuing operations after tax	(42.45)	15.80

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

Operating activities	(20.01)	1.38
Investing activities	0.79	(15.04)
Financing activities	-	-
Net cash flows	(19.22)	(13.66)

45 Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Signatories to Notes
For and on behalf of the Board

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreave Khaitan
Director

Ravi A.
Company Secretary

Kolkata
May 30, 2013

Independent Auditors' Report on Consolidated Financial Statement of Harrisons Malayalam Limited

To the Board of Directors of Harrisons Malayalam Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Harrisons Malayalam Limited ("the Company") and its subsidiary; hereinafter referred to as the "Group" (refer Note 36.1 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the component of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of the subsidiary included in the consolidated financial statements, which constitute total assets of Rs. 3.90 Lacs and net assets of Rs 3.79 lacs as at March 31, 2013, total revenue of Rs. Nil , net loss of Rs 0.30 Lacs and net cash flows amounting to (Rs 0.97 lacs) for the year then ended. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

[Pinaki Chowdhury]
Partner
Membership Number : 057572

Kolkata
May 30, 2013



Consolidated Balance Sheet as at March 31, 2013

	Note	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,845.43	1,845.43
Reserves and Surplus	4	30,119.77	30,052.25
		<u>31,965.20</u>	<u>31,897.68</u>
Non-current Liabilities			
Long term borrowings	5	5,228.32	6,300.86
Long term provisions	6	2,965.40	2,819.87
		<u>8,193.72</u>	<u>9,120.73</u>
Current Liabilities			
Short term borrowings	7	4,558.02	2,710.42
Trade payables	8	1,636.74	1,229.49
Other current liabilities	9	5,281.58	4,974.51
Short term provisions	10	1,373.21	1,610.41
		<u>12,849.55</u>	<u>10,524.83</u>
Total		<u><u>53,008.47</u></u>	<u><u>51,543.24</u></u>
ASSETS			
Non current assets			
Fixed assets	11		
Tangible assets		42,848.78	42,614.13
Capital Work in progress		457.91	53.35
Non current investments	12	1.02	1.04
Long term loans and advances	13	745.71	804.36
Other non current assets	14	513.84	313.28
		<u>44,567.26</u>	<u>43,786.16</u>
Current assets			
Current investments	15	15.04	15.05
Inventories	16	2,059.93	1,889.35
Trade receivables	17	818.25	1,285.38
Cash and bank balances	18	2,029.14	1,443.73
Short term loans and advances	19	2,304.75	1,760.32
Other current assets	20	1,214.10	1,363.25
		<u>8,441.21</u>	<u>7,757.08</u>
Total		<u><u>53,008.47</u></u>	<u><u>51,543.24</u></u>

The notes are an integral part of these consolidated financial statements

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

For and on behalf of the Board

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreva Khaitan
Director

Ravi A.
Company Secretary

Kolkata
May 30, 2013

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

	Note	Year ended March 31, 2013 Rs. Lacs	Year ended March 31, 2012 Rs. Lacs
Revenue from operations	21	34,743.71	36,498.91
Other income	22	248.95	392.49
Total revenue		34,992.66	36,891.40
Expenses			
Cost of materials consumed	23	8,141.60	7,482.43
Purchases of stock in trade	24	766.62	1,901.40
Changes in inventories of finished goods	25	(94.88)	596.94
Employee benefits expenses	26	11,620.99	11,140.59
Other expenses	27	12,075.79	12,387.79
Depreciation expenses	11	676.08	649.19
Finance cost	28	1,458.73	1,688.42
Total expenses		34,644.93	35,846.76
Profit before tax		347.73	1,044.64
Tax expenses			
Current tax			
For current year		(105.00)	(505.00)
For earlier years		(13.27)	(69.18)
Profit for the year		229.46	470.46
Earnings per equity share	34		
Equity shares of par value Rs.10/- each			
Basic and diluted		1.24	2.55

The notes are an integral 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

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreave Khaitan
Director

Ravi A.
Company Secretary

Kolkata
May 30, 2013



Consolidated Cash Flow Statement for the year ended March 31, 2013

	For the year ended March 31, 2013 (Rs. Lacs)	For the year ended March 31, 2012 (Rs.Lacs)
Cash Flow from Operating Activities		
Profit Before Tax	347.73	1,044.64
Adjustments for:		
Depreciation	676.08	649.19
Dividend Income	-	(0.05)
Interest Income	(52.87)	(122.64)
Interest Expense etc.	1,458.73	1,646.68
Provision for Doubtful Debts/ Advances (net of recovery)	72.90	31.39
Provisions no longer required written back	-	(27.74)
Provision for Warranty	3.00	-
Unrealised foreign currency gain	-	(10.43)
(Profit)/Loss on Sale of Fixed Assets (net)	(7.23)	3.16
	<u>2,150.61</u>	<u>2,169.56</u>
Operating Profit before Working Capital changes	2,498.34	3,214.20
(Increase)/ Decrease in Inventories	(170.58)	696.44
(Increase)/ Decrease in Trade Receivables	405.23	(81.06)
(Increase) in Loans and Advances/ Other Current Assets	(991.41)	(428.03)
Increase in Trade payables and Other Current Liabilities	464.10	1,365.76
	<u>(292.66)</u>	<u>1,553.11</u>
Cash Generated from Operations	2,205.68	4,767.31
Income Tax (net of refund)	(184.91)	(558.63)
Net Cash from Operating Activities (A)	<u>2,020.77</u>	<u>4,208.68</u>
Cash Flow from Investing Activities		
Purchase of Tangible Assets	(1,325.17)	(884.52)
Sale of Tangible Assets	57.67	41.01
Purchase of current Investments	-	(20.01)
Interest Received	36.33	100.32
Dividend Income from Investments	-	0.05
Maturity proceeds from non-current Investments	0.02	0.04
Matutiry proceeds from current Investments	0.01	5.00
Net Cash (used in) Investing Activities (B)	<u>(1,231.14)</u>	<u>(758.11)</u>
Cash Flow from Financing Activities		
Proceeds from Long-term Borrowings	1,642.25	2,137.32
Repayment of Long-term Borrowings	(2,326.38)	(3,268.12)
Net increase/ (decrease) in Short-term Borrowings	1,847.60	(60.68)
Interest etc. Paid	(1,469.21)	(1,679.40)
Dividend Paid (including tax on dividend Rs.44.92 Lacs, previous year 45.98 lacs)	(317.69)	(315.35)
Net Cash (used in) Financing Activities (C)	<u>(623.43)</u>	<u>(3,186.23)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	166.20	264.34
Cash and Cash Equivalents at the beginning of the year	1,078.24	813.90
Cash and Cash Equivalents at the close of the year (Note 2 below)	1,244.44	1,078.24

Notes :

- The above Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Cash and Cash Equivalents (Refer note 18 to financial statements) include Unpaid Dividend not available for use by the Company of Rs.52.32 Lacs (31.03.2012 -Rs.48.26 Lacs)
- Previous year `s figures have been regrouped/ rearranged where considered necessary.

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

For and on behalf of the Board

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants
Pinaki Chowdhury

Partner
Membership No. 057572

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreve Khaitan
Director

Ravi A.
Company Secretary

Kolkata
May 30, 2013

Notes to consolidated financial statements for the year ended March 31, 2013

Significant Accounting Policies

1 PRINCIPLES OF CONSOLIDATION

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 Standard-21 on Consolidated Financial Statements prescribed under the Companies Act, 1956 of India (the 'Act') and are prepared as set out below :

- i) The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, as applicable, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- ii) 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.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements.

These Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts (refer note 2.3). These financial statements have been prepared to comply, in all material respects, with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended].

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

2.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

2.3 Fixed Assets and Depreciation

Revalued fixed assets (land and development) are stated at revalued amounts (market value as on June 30, 1990 and April 1, 2009 based on revaluation carried out by independent valuers) and additions/deletions thereto since then at cost, less accumulated depreciation and impairment losses, if any.

Other fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

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 of tea are capitalised.

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

Fixed assets other than land and development are depreciated under the written down value method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956, except for Furniture and Fittings which are depreciated at 33.33%. Assets costing individually Rs.5000 and below are fully depreciated in the year of addition.

2.4 Impairment

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 recognized 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.

2.5 Investments

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the long term investments. Current investments are stated at lower of cost and fair value. Fair value is determined on the basis of realisable or market value.

2.6 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.

2.7 Foreign currency translation

Foreign currency transactions are recorded at rates prevailing on the date of the respective transactions. At the year end monetary assets and liabilities denominated in foreign currencies are restated at the closing exchange rates. The resultant exchange differences arising from settlement of foreign currency transactions and from the year end restatement are recognised in the Statement of Profit and Loss.

2.8 Revenue Recognition

Revenue from sale of tea at auction is recognised on receipt of sale note from brokers. Revenue from sale of tea other than at auction and sale of rubber is recognised on transfer 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.

Revenue from fixed price construction contracts is recognised on the percentage of completion method based on the proportion of contract cost incurred for work performed up to reporting date bears to the estimated total contract cost. Total cost of the contracts are estimated based on technical and other estimates. Profit on such contracts is recognised not exceeding the overall contract margin. All foreseeable losses on contracts are provided for.

2.9 Derivative Contracts

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses (net), if any, are recognised in the Statement of Profit and Loss and gains (net) are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on "Accounting for Derivatives" issued in March 2008.

2.10 Accounting for 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.

2.11 Employee Benefits

i) Short Term

Short term employee benefits (i.e., benefits falling due within one year after the end of the period in which the employees render the related service) are recognised as expense in the period in which employee services are rendered as per the Group's schemes based on expected obligations on undiscounted basis.

ii) Post Retirement

Post-retirement benefits comprises of provident fund, superannuation and gratuity which are accounted for as follows:

a) 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 parent Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions. Also refer Note 26.2

b) Superannuation

This is a defined contribution plan. The Parent Company contributes as per the scheme to superannuation fund administered by Life Insurance Corporation of India (LIC). The Parent 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.

c) 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.

(iii) Other Long term :

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.

2.12 Replanting Expenses

Replanting expenses relating to Tea consequent to replacement are charged to revenue as and when incurred. All planting expenses relating to rubber is charged off.

2.13 Current and Deferred Tax

Current tax is provided as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws. Deferred tax is provided on timing differences between taxable income and accounting income, measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income', that there will be sufficient future taxable income available to realise such assets. Deferred Tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

2.14 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when the Company has a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



3 Share Capital

	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
(i) Authorised: 3,00,00,000 Equity Shares of Rs.10 each	3,000.00	3,000.00
(ii) Issued, Subscribed and Paid up: 1,84,55,405 Equity Shares of Rs.10 each fully paid up	1,845.54	1,845.54
Less: Allotment Money in Arrears	0.11	0.11
	1,845.43	1,845.43

4 Reserves and Surplus

Reserves	Balance as at March 31,2012	Additions	Deductions	Rs. Lacs Balance as at March 31,2013
Capital Reserve				
Securities premium account	5,002.91	-	-	5,002.91
Fixed assets revaluation reserve	13,957.19	-	-	13,957.19
Other Reserves				
Reserve arising from amalgamation	291.33	-	-	291.33
Housing subsidy reserve	5.26	-	-	5.26
General Reserve	1,687.82	-	-	1,687.82
Total	20,944.51	-	-	20,944.51

Surplus in Statement of Profit and Loss	As at March 31, 2013	As at March 31, 2012
Balance as at the beginning of the year	9,107.74	8,982.60
Add:		
Profit for the year as per Statement of Profit and Loss	229.46	470.46
Less: Appropriations		
Proposed Dividend on Equity Shares @ Re 0.75 per share (previous year @ Rs 1.50 per share)	138.42	276.83
Tax on dividends	23.52	44.92
Transfer to General Reserve	-	23.57
	161.94	345.32
Balance as at the end of the year	9,175.26	9,107.74
Total Reserves and Surplus	30,119.77	30,052.25

	As at March 31, 2013 Rs. Lacs	As at March 31, 2012 Rs. Lacs
5 Long term borrowings		
Secured		
Term loan		
From Banks	6,173.62	7,173.61
From Others	557.66	241.78
	6,731.28	7,415.39
Less: Current maturities of Long Term Debt referred to in Note 9	(1,502.96)	(1,114.53)
	5,228.32	6,300.86
6 Long term provisions		
Provision for employee benefits:		
Provision for gratuity	2,413.00	2,309.00
Provision for compensated absence	60.40	18.87
	2,473.40	2,327.87
Other Provisions:		
Contingency reserve #	492.00	492.00
	2,965.40	2,819.87
#		
Balance at the beginning of the year	492.00	440.00
Provision made during the year	-	52.00
Utilised / Reversed during the year	-	-
Balance at the end of the year	492.00	492.00
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 excepted to prejudice the interests of the Company.		
7 Short term borrowings		
Secured		
Cash credit from banks repayable on demand	3,558.02	2,710.42
Unsecured		
Short term loan from bank	1,000.00	-
	4,558.02	2,710.42
8 Trade payables		
Due to Micro and Small Enterprises	31.70	31.60
Others	1,605.04	1,197.89
	1,636.74	1,229.49



	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
9 Other current liabilities		
Current maturities of long term borrowings (Refer Note 5)	1,502.96	1,114.53
Interest accrued but not due on borrowings	1.15	-
Interest accrued and due on borrowings	-	11.63
Unpaid dividends *	52.32	48.26
Unclaimed matured deposits *	-	1.73
Others :		
Employee benefits payable	1,224.29	1,728.33
Statutory dues	1,708.21	1,373.43
Advance from customers	458.14	696.60
Deposits received from customers	334.51	
	5,281.58	4,974.51
* There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.		
10 Short term provisions		
Provision for employee benefits:		
Provision for gratuity	420.00	395.99
Provision for compensated absence	16.96	54.72
Others :		
Provision for		
Income tax (Net of advance tax of Rs. 13,729.24 Lacs; previous year Rs.13,544.33 Lacs)	648.67	715.31
Fringe benefit tax (Net of advance tax of Rs 92.42 Lacs; previous year Rs.92.42 Lacs)	122.64	122.64
Provision for warranty #	3.00	-
Proposed dividend	138.42	276.83
Tax on proposed dividend	23.52	44.92
	1,373.21	1,610.41
#		
Balance at the beginning of the year	-	-
Provision made during the year	3.00	-
Utilised / Reversed during the year	-	-
Balance at the end of the year	3.00	-

Note 11

Fixed Assets **Rs. Lacs**

Description of Assets	Gross Block			Depreciation				Net Block	
	Cost/ Valuation as at March 31, 2012	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2013	As at March 31, 2012	For the year	On Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2012
Tangible assets									
Land and Development - Freehold and Leasehold (Note 1 below)	39,001.87	204.98	-	39,206.85	-			39,206.85	39,001.87
Buildings	3,433.85	76.57	2.99	3,507.43	2,133.44	88.56	2.15	1,287.58	1,300.41
Plant and Machinery (Note 2 below)	5,638.12	544.70	257.85	5,924.97	3,974.17	449.07	235.51	1,737.24	1,663.95
Furniture and Fittings	278.11	16.11	3.17	291.05	234.47	15.57	2.29	43.30	43.64
Water Supply (Note 2 below)	917.22	(13.55)	4.76	898.91	556.22	45.04	4.62	302.27	361.00
Vehicles	634.01	132.36	106.12	660.25	390.75	77.84	79.88	271.54	243.26
Previous Year	49,903.18	961.17	374.89	50,489.46	7,289.05	676.08	324.45	42,848.78	42,614.13
Capital Work-In-Progress - at cost	49,429.12	961.17	487.11	49,903.18	7,082.80	649.19	442.94	457.91	53.35
								43,306.69	42,667.48

Notes :

- 1 Land and development includes
 - a) Certain leasehold lands the value of which is not separately ascertainable
 - b) Rs. 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
 - c) Rs. 22,739.61 Lacs added on revaluation during 2009-2010 and credited to Fixed Assets Revaluation Reserve. The credit to Fixed Assets Revaluation Reserve has been adjusted against the excess of liabilities over the assets taken over (Rs.21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (Rs.1,218.91 lacs) and the balance amount of Rs.286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- 2 Plant and Machinery and Water Supply

Additions to Plant and Machinery and Water Supply is net of capital subsidy of Rs.22.26 lacs.(Previous year Rs. 72.30 Lacs) and Rs.25.32 Lacs (previous year Rs. Nil) respectively



	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
12 Non current investments		
Long term - At cost		
Other than trade		
Unquoted investment		
Investment in government securities		
National Savings Certificates	0.02	0.04
Treasury Savings Account	1.00	1.00
	<u>1.02</u>	<u>1.04</u>
13 Long term loans and advances		
Un-secured and considered good		
Capital Advances	35.12	75.68
Electricity and other deposits	219.36	237.45
Advance to workers	491.23	491.23
	<u>745.71</u>	<u>804.36</u>
14 Other non current assets		
Un-secured and considered good		
Margin money deposit with Banks having maturity more than 12 months	180.00	17.30
Bank Deposit on lien	1.73	1.09
Retention money	332.11	294.89
	<u>513.84</u>	<u>313.28</u>
15 Current investments		
At lower of cost and fair value		
Other than trade		
Unquoted investment		
(i) Investments in Equity shares of Subsidiaries (Note 36.2)		
100,000 Shares in Enchanting Plantations Limited	10.00	10.00
50,000 Shares in Harmony Plantations Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates *	0.04	0.05
	<u>15.04</u>	<u>15.05</u>

* This is long term investment in keeping with AS 13 "Accounting for Investments"

	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
16 Inventories		
At lower of cost and net realisable value		
Finished goods *	966.84	871.96
Stores and spares #	901.84	777.62
Raw (Construction) materials @	166.04	148.90
Nurseries	25.21	90.87
	2,059.93	1,889.35
* Particulars of closing inventories of Finished goods		
Tea	800.74	709.92
Rubber	166.10	162.04
	966.84	871.96
# Stores and spares includes packing materials of Rs. 215.79 lacs (Previous year- Rs.147.73 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Torsteel	89.15	47.61
Tiles	21.65	12.96
Others	55.24	88.33
	166.04	148.90
17 Trade receivables		
Unsecured		
Outstanding for a period of more than six months from the due date of payment.		
Considered good	88.36	104.36
Considered doubtful	384.18	359.50
Less: Provision for doubtful receivables	(384.18)	(359.50)
	88.36	104.36
Other debts		
Considered good	729.89	1,181.02
	729.89	1,181.02
	818.25	1,285.38
18 Cash and Bank balances		
Cash and cash equivalent		
Cash on hand	9.64	15.44
Balance with banks		
On current accounts	1,182.50	1,014.54
Unpaid dividend accounts *	52.32	48.26
	1,244.46	1,078.24
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	784.68	365.49
	2,029.14	1,443.73

* Earmarked for payment of unclaimed dividend



	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
19 Short term loans and advances		
Un-secured and considered good		
Advances to related parties -		
Subsidiaries (Refer Note 33)	-	0.11
Advances to employees	68.69	71.29
Advance to suppliers	331.32	317.48
Balances with Government Authorities	1,547.21	1,112.69
Prepaid expenses	244.52	122.30
Claims recoverable	46.58	35.75
Advances to body corporates/ trusts /individuals	66.43	100.70
	2,304.75	1,760.32
Un-secured and considered doubtful		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	32.58	-
Advances to body corporates	189.64	174.00
	249.36	201.14
Less: provision for doubtful advances	(249.36)	(201.14)
	2,304.75	1,760.32
20 Other current assets		
Un-secured and considered good		
Subsidy receivable	161.64	619.71
Unbilled revenue	906.74	588.44
Export Entitlement	106.86	132.78
Interest accrued on bank deposits	38.86	22.32
	1,214.10	1,363.25
	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
21 Revenue from operations		
Sale of products *	31,813.60	30,366.70
Sale of Services #	1,531.38	2,232.44
Other operating revenues		
Sale of Rubber/ Grevillea Trees	512.47	3,229.26
Tea Board Subsidy	340.55	225.09
Export entitlements	117.06	190.68
Others	428.65	254.74
	34,743.71	36,498.91
* Details of sale of products		
Tea	15,661.23	12,004.26
Rubber	15,692.36	17,676.03
Fruits, Spices and others	316.28	550.80
Green leaf	142.15	98.38
Plant Tissue Culture sales	1.58	37.23
	31,813.60	30,366.70
# Details of sale of services		
Construction contracts (Refer Note 31)	1,531.38	2,232.44

	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
22 Other Income		
Interest income on		
Bank deposits and other deposits	52.86	32.09
Non-current investments	0.01	0.02
Income tax refund	-	90.53
Dividend income	-	0.05
Profit on sale of fixed assets (net)	7.23	-
Provision no longer required written back	-	27.74
Net gain on foreign currency transactions/translations	24.11	101.43
Other non-operating income	164.74	140.63
	248.95	392.49
23 Cost of materials consumed		
Inventory at the beginning of the year	-	-
Add : Purchases	8,141.60	7,482.43
	8,141.60	7,482.43
Less : Inventory at the end of the year	-	-
Cost of materials consumed	8,141.60	7,482.43
Details of materials consumed:		
Green leaf	2,172.67	1,305.90
Bought latex and sheets	5,709.15	5,871.34
Tea used for blending	259.78	305.19
	8,141.60	7,482.43
24 Purchase of stock-in-trade		
Cenex / TSR	766.62	1,634.78
Fruits, spices and others	-	266.62
	766.62	1,901.40
25 Changes in inventories of finished goods		
Inventory at the end of the year		
Tea	800.74	709.92
Rubber	166.10	162.04
	966.84	871.96
Inventory at the beginning of the year		
Tea	709.92	1,178.82
Rubber	162.04	290.08
	871.96	1,468.90
	(94.88)	596.94



	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
26 Employee benefits expenses		
Salaries and wages	9,492.29	9,016.61
Contribution to Provident Fund	1,006.65	824.12
Contribution to Superannuation Fund	50.81	70.88
Gratuity	824.64	979.71
Staff welfare expenses	246.60	249.27
	11,620.99	11,140.59

26.1 In keeping with the Company's gratuity scheme (an unfunded defined benefit plan), eligible employees are entitled for gratuity benefit (as per the The Payment of Gratuity Act, 1972) on retirement/death/incapacitation/ termination. Also refer note 2.11(ii)(c) for accounting policy relating to gratuity. Following are the further particulars with respect to gratuity:-

		(Rs. Lacs)
	2012-13	2011-12
1 Present value of obligation at the beginning of the year	2,704.99	2,116.00
Interest cost	189.07	153.95
Current service cost	615.68	285.64
Benefits paid	(696.64)	(390.72)
Actuarial loss	19.89	540.12
Present value of obligation at the Balance Sheet date (Amount recognised in Balance Sheet)	2,832.99	2,704.99
2 Amounts recognized in the Statement of Profit and Loss		
Current service cost	615.68	285.64
Interest cost	189.07	153.95
Actuarial loss	19.89	540.12
Expenses recognized in the Statement of Profit and Loss (Refer Note 26)	824.64	979.71
3 Principal actuarial assumptions		
Discount rate	8.00%	8.00%
Salary escalation	5.00%	5.00%
Attrition rate	3.00%	3.00%

The estimation of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

This being the second year of preparation of Consolidated Financial Statements disclosures relating to defined benefit plan have been provided for the current year and previous year.

26.2 Certain employees of the Company were members of the Provident Fund Trust set up by the Parent Company and the Parent Company had an obligation to fund any shortfall in return on plan asset over the interest rate prescribed by the authorities from time to time. In view of Company's obligation to meet the shortfall, it was a defined benefit plan.

During the year the Parent Company on obtaining necessary approvals from the Employees Provident Fund Organisation transferred the corpus of the aforesaid Trust to the Regional Provident Fund and discontinued making contribution to the said Trust and is contributing to the Regional Provident Fund effective January 1, 2013. Pursuant to above, all contributions to Provident Fund effective January 1, 2013 are defined contribution plan.

26.3 Amount recognised as expense during the year for defined contribution plans :

	(Rs. Lacs)
	2012-13
	2011-12
Contribution to Provident Fund (included in Contribution to Provident Fund in Note 26)	957.10
Contribution to Superannuation Fund (Refer Note 26)	50.81
	70.88

**Year Ended
March 31, 2013
Rs.Lacs**

**Year Ended
March 31, 2012
Rs. Lacs**

27 Other expenses

Consumption of Stores and Spare Parts	2,094.58	2,011.19
Consumption of Packing material	565.50	535.97
Engineering Contract Cost - Materials and Other Expenses	1,335.51	1,878.79
Contract Costs	1,017.91	1,068.80
Power and Fuel	1,961.94	1,660.34
Rent	81.50	157.08
Rates and Taxes	167.60	105.31
Repairs and Maintenance		
Buildings	229.82	240.40
Plant and Machinery	177.43	140.06
Others	51.68	42.50
Insurance	63.19	57.83
Tea Cess	77.55	69.20
Replanting Expenses*	1,876.43	1,835.47
Travelling and Conveyance	458.17	485.34
Brokerage and Discount	172.37	124.84
Commission to Selling agent	8.08	15.56
Advertisement and Selling expenses	2.67	5.24
Freight, Shipping, Transport and other charges	571.73	700.77
Directors' Sitting Fees	4.00	4.00
Provision for contingencies	-	52.00
Provision for Doubtful Debts/ Advances (net of recovery)	72.90	31.39
Provision for warranty (net)	3.00	-
Loss on sale of fixed assets (net)	-	3.16
Miscellaneous Expenses	1,082.23	1,162.55
	12,075.79	12,387.79

* Replanting expense includes material consumption and wages of Rs. 390.07 lacs (previous year Rs.458.17 lacs) and Rs.1,029.94 lacs (Previous year- Rs.854.60 lacs) respectively.

28 Finance Costs

Interest expense	1,380.48	1,646.68
Other borrowing cost	78.25	41.74
	1,458.73	1,688.42



	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
29 Contingent Liabilities and commitments		
29.1 Contingent Liabilities :		
Claims against the Group not acknowledged as debt		
i. Employee related	560.03	468.19
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	93.49	146.04
iii. Disputed Income Tax matters	674.10	469.14
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 12.02.2007, a separate writ petition was filed and an interim stay of the Government Notification obtained.	348.49	348.49
29.2 Commitments :		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments of Rs. 35.12 lacs (Previous year Rs.75.68 lacs)	19.89	80.37
30 No adjustment is required to be made in the accounts in respect of :		
a An area of 807 hectares (approximately), which is on a lease hold tenure falling 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 is pending before the District Court, Ooty. The status quo orders passed by the Madras High Court challenging the notification of vesting of 335 hectares out of the aforesaid area as forest lands by the Government of Tamil Nadu are also in force.		
b An area of 889 hectares (approximately) 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 has been upheld by the Forest Tribunal, Palghat.		
c An area of 2588 hectares (approximately) 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 Company to surrender 707 hectares (approximately) 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.		
e An area of 415 hectares (approximately) 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 1460 hectares (approximately) 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 22.45 hectares (approximately) resumed by the Government of Kerala, as the Government's writ appeal challenging the High Court judgement directing to return the land to the Company is pending before the High Court of Kerala.		
h An area of 304 hectares (approximately) 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.		
i An area of 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.		
j An area of 336.64 hectares of rubber field of Koney estate in respect of which the Writ Petition filed by the Company and the status quo order passed by the High Court of Kerala challenging the proceedings initiated by the Government of Kerala to resume such lands, is in force.		
k Guarantee of Rs. 1,800 lacs, provided to the Registrar General, High Court of Kerala for commencing the felling of trees in litigated lands as indicated interalia in points a to j above is secured by equitable mortgage of property situated at Mumbai and Coimbatore.		

	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
31 Disclosure relating to Construction Contracts		
Contract revenue recognised during the year	1,531.38	2,232.44
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	4,308.94	3,422.05
Advances received	246.75	-
Retention money	266.73	301.34
Gross amount due from customers	173.44	1,150.35

32 Segment Reporting

The Group has considered business segments as the primary segment and geographical segments as the secondary segments. The business segments are: Tea, Rubber, Engineering and others which have been identified taking into account the organisational structure as well as the differing risks and returns of these segments. Other segments comprise of Plant Tissue Culture, Clearing and Shipping, Fruits, Spices and others and Wyanaad Medical Fund. The geographical segments are identified on the basis of the location of customers.

(a) Primary Segment Information - By Business Segments *

(Rs. Lacs)

Description	Tea	Rubber	Other	Engineering	Total
External Sales	16,339.11 (12,525.00)	16,245.06 (21,018.00)	628.16 (723.47)	1,531.38 (2,232.44)	34,743.71 (36,498.91)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	16,339.11 (12,525.00)	16,245.06 (21,018.00)	628.16 (723.47)	1,531.38 (2,232.44)	34,743.71 (36,498.91)
Segment Result - Profit/(Loss)	(-)-391.95 (-)(3222.90)	1,833.45 (5,737.60)	354.85 (58.00)	(-)-42.75 (28.09)	1,753.60 (2,600.79)
Less: Interest Expenses					1,380.48 (1,646.68)
Add: Unallocated income (net of unallocated expenditure Rs 78.35 lacs (Previous year NIL))					(-)-25.39 (90.53)
Profit before Tax					347.73 (1,044.64)
Less : Income Taxes					118.27 (574.18)
Profit after Tax					229.46 (470.46)
Other Information					
Segment Assets	36,817.42 (37,092.30)	12,351.45 (12,371.70)	90.51 (214.01)	1,486.10 (1,865.23)	50,745.48 (51,543.24)
Unallocated Assets					2,262.99 -
Total Assets					53,008.47 (51,543.24)
Segment Liabilities	3,754.87 (3,526.12)	4,715.31 (4,410.32)	23.53 (112.88)	264.54 (299.11)	8,758.25 (8,348.43)



(Rs. Lacs)

Description	Tea	Rubber	Other	Engineering	Total
Unallocated Liabilities					12,285.02 (11,297.13)
Total Liabilities					21,043.27 (19,645.56)
Segment Capital Expenditure	1,167.36 (729.29)	157.81 (87.10)	- (50.22)	- (17.91)	1,325.17 (884.52)
Segment Depreciation	487.25 (473.71)	161.62 (145.18)	2.58 (3.95)	24.63 (26.35)	676.08 (649.19)
Segment non-cash expense other than depreciation	34.27 -	1.63 -	16.00 -	24.00 (31.39)	75.90 (31.39)

(b) Secondary Segment information - By Geographical Segments *

(Rs. Lacs)

Description	India	Outside India	Total
External Sales	32,791.44 (32,893.72)	1,952.27 (3,605.19)	34,743.71 (36,498.91)
Segment Assets	50,529.87 (51,090.95)	215.61 (452.29)	50,745.48 (51,543.24)
Segment Capital Expenditure	1,325.17 (884.52)	- -	1,325.17 (884.52)

All operating facilities are located in India.

* Figures in bracket represent previous year's figures

33 Related Party Disclosures

a List of Related Parties where control exists (Wholly Owned Subsidiaries) (Refer Note 36.2)

Enchanting Plantations Limited (EPL) effective February 8, 2012

Harmony Plantations Limited (HPL) effective February 12, 2012

Malayalam Plantations Limited (MPL) effective November 11, 2011 (100% subsidiary of EPL)

b Key management personnel

Mr. Pankaj Kapoor (Managing Director) upto June 30, 2012.

Mr. V Venugopal (Manager) with effect from August 14, 2012

c Related party transactions

(Rs. Lacs)

Description	Subsidiary Companies		Key Management Personnel (KMP)	
	2012-13	2011-12	2012-13	2011-12
Transaction during the year				
Purchase of shares in subsidiaries				
EPL	-	10.00	-	-
HPL	-	5.00	-	-
MPL	-	5.00	-	-
Sale of shares in subsidiaries				
MPL	-	5.00	-	-

(Rs. Lacs)

Description	Subsidiary Companies		Key Management Personnel (KMP)	
	2012-13	2011-12	2012-13	2011-12
Re-imbursement of Expenses				
EPL	-	0.04	-	-
HPL	-	0.04	-	-
MPL	-	0.03	-	-
Remuneration	-	-		
Pankaj Kapoor			39.51	93.10
V Venugopal			24.94	-
Balance as at year end				
Investment in subsidiaries				
EPL	10.00	10.00	-	-
HPL	5.00	5.00	-	-
Advances recoverable				
EPL	-	0.04	-	-
HPL	-	0.04	-	-
MPL	-	0.03	-	-
Remuneration payable				
V Venugopal			1.12	-

34 Earnings Per Share

Particulars

	Year Ended March 31, 2013 Rs.Lacs	Year Ended March 31, 2012 Rs. Lacs
	2012-13	2011-12
Profit after tax (Rs in lacs)	229.46	470.46
Number of equity shares at the beginning of the year	18,455,405	18,455,405
Number of equity shares at the end of the year	18,455,405	18,455,405
Weighted average number of equity shares outstanding	18,455,405	18,455,405
Nominal Value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share (Rs.)	1.24	2.55

35 Unhedged foreign currency exposures

Particulars of unhedged foreign currency exposures

	As at March 31, 2013 Rs.Lacs	As at March 31, 2012 Rs. Lacs
Trade receivables	215.61	452.29



36.1 The subsidiary [which along with Harrison's Malayalam Limited (Parent Company) constitute the Group] considered in the preparation of these Consolidated Financial Statements is :

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31.03.12	Proportion of Ownership Interest as at 31.03.13
HML Engineering Company Ltd (effective June 6, 2011)	India	100%	100%

36.2 Following subsidiaries (including step down subsidiary) of the Parent Company have not been considered for the purpose of these Consolidated Financial Statements as the control is intended to be temporary because these subsidiaries have been formed and held exclusively for restructuring purposes.

Enchanting Plantations Limited

Harmony Plantations Limited

Malayalam Plantations Limited (Step down)

Pursuant to the said restructuring in keeping with the related scheme of Arrangement/ Amalgamation, these subsidiaries will not remain as subsidiaries to Harrison's Malayalam Limited (Parent Company). Investments in these subsidiaries have been accounted for in accordance with Accounting Standard 13- 'Accounting for Investments' in these consolidated financial statements.

37 Taxation

- The Company is liable to pay Minimum Alternate Tax under section 115JB of the Income Tax Act, 1961 based on which the current tax has been computed and provided in the accounts.
- No provision for Agricultural Income Tax has been considered necessary in view of the carry forward losses.
- The Company has not recognised any Deferred Tax Asset in respect of unabsorbed depreciation/ brought forward losses and other timing differences in accordance with Accounting Standard 22 "Accounting for Taxes on Income" in the absence of virtual/ reasonable certainty that sufficient future taxable income will be available against which such asset could be realised.
- The Company has not recognized MAT credit on a prudent basis in the absence of reasonable certainty that sufficient future tax profit against which such credit could be realised.

38 The Parent Company 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 Parent Company and the Parent Company has intimated to the Stock Exchanges in which the Company's shares are listed. As per the Scheme inter alia certain Tea and Rubber estates would be transferred/ demerged to its subsidiaries. The Scheme is now pending before the High Court of Kerala.

39 Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Signatories to Notes
For and on behalf of the Board

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreave Khaitan
Director

Ravi A.
Company Secretary

Kolkata
May 30, 2013

**Information u/s 217(1) (e) of the Companies Act, 1956 read with the Companies
(Disclosures of Particulars in the Report of Board of Directors) Rules, 1988**

		Tea		Rubber	
		Twelve Months Ended 31-03-2013	Twelve Months Ended 31-03-2012	Twelve Months Ended 31-03-2013	Twelve Months Ended 31-03-2012
1 ELECTRICITY					
(a) Purchased					
Units	(KWH)	11,713,831	10,981,482	2,454,322	2,593,417
Total Amount	(Rs.)	70,211,421	50,311,436	14,286,881	12,048,755
Rate/Unit	(Rs./KWH)	5.99	4.58	5.82	4.65
(b) Own Generation					
Through Diesel Generator					
Units	(KWH)	1,249,263	1,039,592	176,547	168,078
Units per litre of Diesel Oil	(KWH)	2.80	2.68	2.50	2.56
Fuel - Cost / Unit	(Rs./KWH)	17.23	16.87	19.02	17.26
2 FIREWOOD					
Total Quantity of Firewood	(Cu. Mtr)	29,223	39,402	1,795	5,574
Total Amount	(Rs.)	35,424,281	32,996,299	1,178,895	1,356,276
Rate / Cu. Mtr	(Rs.)	1,212.20	837.44	656.89	243.31
3 OTHERS					
HSD Oil for Transport & Material Handling etc.					
Quantity	(K. Ltr.)	108.52	212.37	116.68	145.92
Total Cost	(Rs.)	5,245,419	9,268,188	5,530,213	6,323,477
Rate / Unit Cost	(Rs./K. Ltr)	48,338	43,642	47,395	43,336
Consumption per Unit of Production					
Products					
TEA / RUBBER	(Kgs)	15,300,326	14,310,233	7,943,381	7,494,098
Energy Used :					
Electricity	(KWH/Kg)	0.85	0.84	0.33	0.37
(including own generation)					
Briquetted Fuel	(Kgs)	4,656,079	4,975,614	-	-
Veneer Waste	(Kgs)	6,431,628	7,373,567	-	-
Coconut Shells	(Kgs)	-	-	33,650	-
Wood Waste	(Kgs)	30,529	115,580	-	-

For and behalf of the Board

Kolkata
August 14, 2013

Ajit Singh Chouhan
Director

G. Momen
Director



Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary		HML Engineering company Limited	
1	Finanacial year of the subsidiary ended on	March 31, 2013	March 31, 2012
2	Shares of the susbdiaary held by the Company on the above dates:		
	(a) Number & face value	50000 equity shares of Rs. 10/-each	50000 equity shares of Rs. 10/-each
	(b) Extent of holding	100%	100%
3	Net aggregate amount of profits/(losses) of the subsidiary for the above financial period so far as they concern members of the Company:		
	(a) dealt with in the accounts of the Company for the year ended March 31, 2013 Rs. 000's	-30	-91
	(b) not dealt with in the accounts of the Company for the year ended March 31, 2013 - Rs. 000's		
4	Net aggregate amount of profits/(losses) for the previous financial years of the subsidiary since it became a subsidiary so far as they concern the members of the Company:		
	(a) dealt with in the accounts of the Company for the year ended March 31, 2013 - Rs. 000's	Nil	Nil
	(b) not dealt with in the accounts of the Company for the year ended March 31, 2013 - Rs. 000's		
5	The provisions of Section 212 (5) of the Companies Act, 1956 are not applicable as the financial year of the subsidiary companies coincides with that of the Company		

For and on behalf of the Board

Kolkata
May 30, 2013

Ajit Singh Chouhan
Director

Haigreave Khaitan
Director

Subsidiary Company Financial Highlights - 2012-13

Rs. Lacs

Particulars	HML Engineering Limited	
	2012 - 13	2011 - 12
Capital	5	5
Reserves	(1)	(1)
Total Assets	4	4
Total Liabilities	4	4
Investments	-	-
Turnover	-	-
Profit before Tax	(0.30)	(0.91)
Provision for Tax / Deferred Tax	-	-
Profit after Tax	(0.30)	(0.91)
Proposed Dividend	-	-

Approximate Area Statement as at March 31, 2013

in Hectares

State, District and Estate	TEA			RUBBER			Total Planted	Fuel and Other Plantings	Reserves etc.	Total
	Mature	Immature	Total	Mature	Immature	Total				
KERALA										
Venture Valley										
Nagamallay				361	208	569	569	141	167	877
Isfield				479	187	666	666	100	283	1049
Venture				306	182	488	488	46	93	627
Ranni Valley										
Koney				366	269	635	635	92	337	1064
Kumbazha				477	484	961	961		87	1048
Lahai				471	381	852	852	43	116	1011
Mundakayam				217	310	527	527	6	39	572
Mooply Valley										
Mooply				96	425	521	521	29	46	596
Palapilly				127	407	535	535	6	210	751
Kundai				343	678	1021	1021	2	81	1104
Kaliyar				271	263	533	533	2	58	593
Vandiperiyar										
Wallardie	418	95	513				513	109	206	828
Moongalaar	610	93	703				703	19	343	1065
Pattumalay	232		232				232	58	10	300
High Range										
Upper Surianalle	644	15	659				659	123	209	991
Lockhart	374	12	386				386	151	108	645
Panniar	301		301				301	49	51	401
Wynaad										
Achoor	610	39	649				649	247	2589	3485
Chundale	219	47	266				266	8	603	877
Arrapetta	709	22	731				731	13	724	1468
Sentinel Rock	430	75	505				505	488	522	1515
Touramulla	143		143				143	35	120	298
TAMIL NADU										
Nilgiris-Wynaad										
Wentworth	615		615				615	226	520	1361
Mayfield	308		308				308	77	422	807
TOTAL	5613	398	6011	3513	3794	7308	13319	2070	7944	23,333

Notes:

- 1) Certain areas of fuel and reserve land are in the process of being acquired by the State Government, but the extent to which acquisition will be made has not yet been determined as the litigation involved is not over.
- 2) Fuel and other planting include Cardamom, Coffee, Cocoa etc.



HARRISONS MALAYALAM LIMITED

Registered Office: 24/1624, Bristow Road, Willingdon Island, Cochin 682003

ATTENDANCE SLIP



I hereby record my presence at the Thirty Sixth Annual General Meeting of the Members of **Harrisons Malayalam Limited** held on Monday, September 23, 2013.

Name of the Proxy (in BLOCK LETTERS)..... Shareholder's/Proxy's Signature.....

Note: Members/Proxy holders are requested to bring this slip with them when they come to the Meeting and hand it over at the entrance of the Meeting Hall duly signed.



HARRISONS MALAYALAM LIMITED

Registered Office: 24/1624, Bristow Road, Willingdon Island, Cochin 682003

PROXY FORM

I/We of

being a Member/Members of Harrisons Malayalam Limited hereby appoint

of or failing him of

or failing him of as my/our Proxy to attend and vote for me/us, on my/our behalf at the Thirty Sixth Annual General Meeting of the Company to be held on Monday, September 23, 2013 at 11.00 a.m. at Durbar Hall, Casino Hotel, Willingdon Island, Cochin - 682003 and at any adjournment thereof.

Signed this day of 2013

Folio No. / DP ID No. & Client ID No:

Affix
Revenue
Stamp

(Signature of member across the stamp)

Note: A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.

BOOK POST

If undelivered please return to:

Harrisons Malayalam Limited

Regd. Office: 24/1624, Bristow Road

Willingdon Island, Cochin - 682 003