



HARRISONS MALAYALAM LIMITED

Annual Report 2013 - 2014

**Board of Directors**

Sanjiv Goenka

(Chairman)

Haigreve Khaitan

G. Momen

Umang Kanoria

Ajit Singh Chouhan

Ashok Bachan Goyal (up to 24.07.2014)

P. Rajagopalan

J. M. Kothary

Sucharita Basu#

N. Dharmaraj (Whole Time Director)#

(# w.e.f. August 8, 2014)

Manager

V. Venugopal

Company Secretary

Ravi A.

Registered Office

24/1624, Bristow Road

Willingdon Island

Cochin – 682003

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

HDFC Bank

Legal Advisors

Menon & Pai

Advocates

I.S. Press Road

Cochin - 682018

Registrar & Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

Surya, 35, Mayflower Avenue

Sowripalayam Road

Coimbatore – 641 028

Tel. No.: 0422-2314792

E-mail: comibatore@linkintime.co.in

Financial Performance 10 year track record

Rs. Crore

	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Profit & Loss Account										
Total Income	147.22	151.39	208.56	209.14	292.58	350.65	366.55	368.91	349.93	386.86
Personnel cost	60.51	62.66	65.69	70.02	89.33	103.13	104.59	111.14	116.21	123.90
Raw materials & Purchases	7.33	13.41	50.95	52.69	92.62	126.18	115.93	93.83	89.07	107.44
Power & Fuel	9.55	10.52	11.20	11.05	14.12	15.10	14.91	16.60	19.62	20.43
Cultivation & Other Operating Expenses	35.48	38.34	41.32	42.73	58.09	66.32	97.32	104.15	91.86	99.81
Depreciation	2.69	3.04	2.97	3.00	3.42	4.40	6.11	6.49	6.76	6.47
	115.56	127.97	172.13	179.49	257.58	315.13	338.86	332.21	323.52	358.05
Selling Expenses	9.01	8.66	10.47	12.09	15.62	10.62	10.63	9.37	8.35	8.85
Cost of Sales	124.57	136.63	182.60	191.58	273.20	325.75	349.49	341.58	331.87	366.90
PBIT @	22.65	14.76	25.96	17.56	19.37	24.90	17.06	27.33	18.06	19.96
PBT @	15.77	5.31	15.06	6.99	8.01	12.36	5.25	10.45	3.48	4.86
Earnings per Share of Rs 10/-	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	Rs 2.38
Dividend per Share of Rs 10/-	Rs 1.00	Rs 1.00	Rs 1.50	Rs 1.50	Rs 1.50	Rs 2.00	Rs 1.50	Rs 1.50	Rs 0.75	Rs 1.00
Balance Sheet										
Fixed Assets	203.47	184.11	182.44	181.91	183.33	421.58	425.52	426.67	433.06	431.60
Investments	49.59	12.11	12.10	12.10	12.10	0.01	0.01	0.21	0.21	0.21
Net Current Assets	40.92	203.23	194.68	196.98	205.74	(0.54)	5.23	(16.69)	(31.67)	(4.77)
Misc. Exps to the extent not written off										
	293.98	399.45	389.22	390.99	401.17	421.05	430.76	410.19	401.60	427.04
Share Capital	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45
Reserves & Surplus	226.75	283.23	294.11	287.05	289.85	298.31	299.03	300.53	301.21	303.46
Loan Funds	48.78	97.77	76.66	85.49	92.87	104.29	113.28	91.21	81.94	105.13
	293.98	399.45	389.22	390.99	401.17	421.05	430.76	410.19	401.60	427.04

@ Before Exceptional / Extraordinary Items



NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Company will be held at 10.00 A.M on Friday, September 26, 2014 at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2014, and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. Sanjiv Goenka who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Ajit Singh Chouhan who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the retiring Auditors, Messrs. Price Waterhouse, Chartered Accountants, (Firm Registration No.301112E) be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fortieth AGM of the Company at such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company and the said reappointment be placed for ratification by the members at the Thirty-eighth and Thirty-ninth AGM of the Company.”

SPECIAL BUSINESS

6. Appointment of Shri. Haigreave Khaitan as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement read with Schedule IV to the Act, as amended from time to time, Shri. Haigreave Khaitan (DIN: 00005290), a Non-Executive Independent director of the Company, whose period of office, was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and hold office for a period of 5 (five) consecutive years with effect from October 1, 2014 up to September 30, 2019 .”

7. Appointment of Shri. Golam Momen as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement read with Schedule IV to the Act, as amended from time to time, Shri. Golam Momen (DIN: 00402662), a Non-Executive Independent director of the Company, whose period of office, was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and hold office for a period of 5 (five) consecutive years with effect from October 1, 2014 up to September 30, 2019 .”

8. Appointment of Shri. J M Kothary as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement read with Schedule IV to the Act, as amended from time to time, Shri. J M Kothary (DIN: 00015254), a Non-Executive Independent director of the Company, whose period of office, was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and hold office for a period of 5 (five) consecutive years with effect from October 1, 2014 up to September 30, 2019 .”

9. Appointment of Shri. Umang Kanoria as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement read with Schedule IV to the Act, as amended from time to time, Mr. Umang Kanoria (DIN: 00081108), a Non-Executive Independent director of the Company, who retires by rotation at the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and be also appointed as an Independent Director of the Company, not liable to retire by rotation, and hold office for a period of 5 (five) consecutive years with effect from October 1, 2014 up to September 30, 2019."

10. Appointment of Smt. Sucharita Basu as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Sucharita Basu (DIN: 06921540), who was appointed as an Additional Director pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Associates of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company with immediate effect and be also appointed as an Independent Director of the Company, not liable to retire by rotation, and hold office for a period of 5 (five) consecutive years from October 1, 2014 to September 30, 2019."

11. Appointment and payment of remuneration to Shri. Ashok Bachan Goyal, Whole Time Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves and confirms the appointment of Shri. Ashok Bachan Goyal (DIN 00035392) as Whole Time Director of the Company for the period from April 14, 2014 to July 24, 2014."

"RESOLVED FURTHER THAT for his services rendered as Whole Time Director of the Company, Shri. Ashok Bachan Goyal be paid remuneration, for the period from April 14, 2014 to July 24, 2014, as set out in the Explanatory Statement annexed to the Notice and in accordance with the terms and conditions of the agreement entered into between the Company and Shri. Ashok Bachan Goyal."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions or doubts that may arise in this regard."

12. Appointment and payment of remuneration to Shri. N Dharmaraj, Whole Time Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves and confirms the appointment of Shri. N Dharmaraj (DIN 00912004) as Whole Time Director of the Company for the period from August 8, 2014 to December 31, 2015."

"RESOLVED FURTHER THAT for his services rendered as Whole Time Director of the Company, Shri. N Dharmaraj be paid remuneration, for the period from August 8, 2014 to December 31, 2015, as set out in the Explanatory Statement annexed to the Notice and subject to the terms and conditions of the agreement proposed to be entered into between the Company and Shri. N Dharmaraj."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions or doubts that may arise in this regard."

13. Revision of remuneration of Shri. V Venugopal, Manager

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of Resolution passed by the members at the Thirty Fifth Annual General Meeting of the Company held on September 27, 2012 and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) read with Schedule V of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the



Company hereby approves and confirms the payment of the revised remuneration to Shri. V. Venugopal, for his services as the Manager of the Company for the period of 1 year from August 14, 2014 to August 13, 2015, as set out in the Explanatory Statement annexed to the Notice and subject to the terms and conditions of the supplementary agreement proposed to be entered into between the Company and Shri. V. Venugopal."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all necessary steps for the aforesaid purpose and matters incidental thereto."

14. Borrowings / Financial Assistance

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 180 (1) (c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) ('the Act'), and the applicable rules made thereunder, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall include its Committee(s) constituted / to be constituted for the purpose) to borrow any sum or sums of money and / or to receive / avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more of the Financial Institutions, Banks, Mutual Funds, Bodies Corporate or Firms, whether by way of loans, advances, deposits or bills discounting or by issue of debentures, bonds, financial arrangement or obligations or otherwise whether unsecured or secured, and if secured, whether by way of mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, parts and components in stock or in transit), book debts and receivables, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose PROVIDED THAT the total amount which may be so borrowed by the Board of Directors (apart from temporary loans obtained from the Company's bankers, in the ordinary course of business), and outstanding at any point of time shall not exceed the limit of Rs.150 crore (Rupees One Hundred and Fifty Crore) over and above the aggregate of the paid-up share capital of the Company and its free reserves as prevailing from time to time, exclusive of interest and other charges and the Board be and is hereby authorized to execute such agreements, debenture trust deeds, deeds of hypothecation/charge, lien, promissory notes and other deeds and instruments or writings as the Board may think fit and proper."

15. Creation of charge for Borrowings / Financial Assistance availed

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the consents, approvals and permissions being obtained from applicable authorities to the extent applicable or necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall include its Committee(s) constituted / to be constituted for the purpose) to mortgage / charge/ hypothecate / create security in any form or manner on all or any of the movable and/or immovable properties both present and future, situated in Mayfield estate in Nilgiris District in Tamil Nadu, or on such other property of the Company for securing the amount of Rs 1174 lacs term loan sanctioned by ICICI Bank Ltd., and for such other loans and facilities that may be extended from time to time by Banks/ Financial Institutions for operations of the Company together with interest, costs, charges, expenses and any other monies payable thereon."

"RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required in its absolute discretion pursuant to above resolution."

16. Ratification of Cost Auditors Remuneration.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs 2,50,000 plus out-of-pocket expenses payable to M/s. Shome & Banerjee, Cost Accountants, 5A, Nurulla Doctor Lane, (West Range), 2nd Floor, Kolkata – 700 017, (Firm registration No. 000001), who have been appointed as Cost Auditors of the Company to conduct Cost Audit relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder, for the year ending March 31, 2015."

By Order of the Board of Directors

Kolkata
August 8, 2014

Ravi A.
Company Secretary

Notes:

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

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

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

2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the items of Special Businesses under Item No. 6 to 16 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2014 to August 30, 2014 (both days inclusive).
4. The Dividend for the financial year ended March 31, 2014, as recommended by the Board, if approved by the Members, will be paid on or before Saturday, October 25, 2014 to those Members whose names appear in the Company's Register of Members / who are notified as beneficiaries by the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited at the close of business of August 22, 2014.
5. Dividend not claimed within 7 years will be transferred to the Investor Education & Protection Fund (IEPF). All unclaimed dividends pertaining to year 2006-07 would be transferred to IEPF on or before October 27, 2014. Claims for payment of such dividend should, therefore be lodged with the Company immediately.
6. The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in Corporate Governance Report. Members are requested to take note of this and contact the Company's Registrar and Share Transfer Agent/ Secretarial Department of the Company for encashing the unclaimed dividends (if any) standing to the credit of their account.
7. All documents referred to in the Notice and the Statement pursuant to section 102 of the Companies Act, 2014 will be available for inspection by the members at the Registered Office of the Company between 11. 00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.
8. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by Attendance Slip. Members are requested to write their Client ID and DP ID numbers/Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall.
9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
11. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc. to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in
12. Notice of the AGM along with Annual Report 2013-14 is being sent by electronic mode to those members whose email addresses are registered with the Company / Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. The members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.



13. Voting through electronic means:

The Company is pleased to provide to its members the facility to exercise their rights to vote at the Thirty Seventh Annual General Meeting by electronic means through the e-voting facilities provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN to choose **HARRISONS MALAYALAM LIMITED** to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non-Individual Shareholders & Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates and custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In Case of members receiving the physical copy:

Please follow all steps from Sl. No. (i to xvii) above to cast vote

General Information

- (A) The voting period begins on Thursday, September 18, 2014, 10:00 AM and ends on Saturday, September 20, 2014, 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) Members have an option to vote either electronically (availing the services provided by CDSL) OR by using the poll slips to be distributed at the meeting. If members have cast their vote electronically, then they should not cast their vote at the meeting. However if a member has voted electronically and has again voted at the meeting, then the voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
14. The Company has appointed Shri. M. D. Selvaraj, Practicing Company Secretary (CP. 411), Partner, MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
15. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. In respect of the votes cast by members using the poll slips distributed at the meeting, the scrutinizer shall submit a report of the votes cast in favour or against, if any, to the Chairman. The results along with Scrutinizer's Report shall be placed on the website of the Company and also on the website of CDSL within two (2) days of passing of resolutions at the Annual General Meeting. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED / APPOINTED AT THE MEETING ARE GIVEN BELOW.

Shri. Sanjiv Goenka

Shri. Sanjiv Goenka, 53 years of age is a renowned industrialist. He is a commerce graduate and Chairman of RP-Sanjiv Goenka Group having an asset base of over US\$ 4.3 billion, over 50,000 employees and about a hundred thousand shareholders with annual revenues of approximately US\$ 2.6 billion. He is on the Board of Directors of the Company since 1988. The Group's businesses spanning across six sectors - power & natural resources, carbon black, retail, media & entertainment and IT & Education, include companies such as CESC limited, Firstsource Solutions Ltd., Phillips Carbon Black Limited and Saregama India Limited.

Shri. Goenka is currently the honorary consul of Canada in Kolkata. He took over as the youngest ever President of the Confederation of Indian Industry (CII) and is a former President of the All India Management Association as well as a member of the Prime Minister's council on Trade & Industry. He



was appointed as Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur, (IIT, KGP) and currently serves on the Board of Indian Institute of Management, Kolkata.

Shri. Goenka is Vice Chairman of RPG Enterprises Limited, He is the Chairman of CESC Limited (also Chairman of Stakeholders Relation Committee and Member of Audit Committee), Phillips Carbon Black Limited, Saregama India Limited (also Chairman of Shareholders Grievance Committee), Spencer International Hotels Limited, Spencer and Company Limited, Firstsource Solutions Limited and Woodlands Multispeciality Hospital Limited. He is also on the Board of STEL Holdings Limited, Noida Power Company, Eveready Industries India Limited (also member of Remuneration Committee) and Graphite India Limited.

Shri. Goenka holds 35,000 shares in the Company.

Shri. Ajit Singh Chouhan

Shri. Ajit Singh Chouhan (53) has over 31 years of varied experience working in India and overseas. He is a graduate in Mechanical Engineering with Masters in Business Administration and an Alumni of London Business School. He has expertise across various fields viz. Engineering, Marine, Telecom, Power, Plantations and Pharmaceutical industries.

He is a non-executive non-independent director on the Board of HML since September 2008. Currently he is the Managing Director of RPG Life Sciences Limited. He is a Director of Raychem-RPG Pvt Ltd and Spencer International Hotels Ltd.

Shri. Chouhan does not hold any share in the Company.

Shri. Haigreve Khaitan

Shri. Haigreve Khaitan (44), partner in Khaitan & Co., is a practicing Advocate since 1995 having expertise in Commercial and Corporate Laws, Tax laws, Mergers and Acquisitions – Due Diligence, Restructuring, Foreign Collaboration, and Licensing. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail, etc. IFLR 1000 has recommended him as one of leading lawyers in India. This year Chambers and Partners Asia Pacific 2013 has ranked him the “Brand 1 Lawyer” for Corporate / M&A transactions. Asia Leading Lawyers 2013 India M&A Atlas Awards 2013 regards him as one of the Leading Lawyers for M&A Transactions”. He is a non-executive independent director on the Board of HML since March 1995.

He is on the Board of Ambuja Cements Limited, Bajaj Corp Limited, Ceat Limited, Firstsource Solutions Limited, Inox Leisure Limited (also Member of Audit Committee), Jindal Steel & Power Limited (also Member of Audit Committee), Karam Chand Thaper & Bros (Coal Sales) Limited, Avtec Limited (also Member of Audit Committee), Great Eastern Energy Corporation Limited, Vinar Systems (P) Ltd., Bharat Fritz Werner Limited, National Engineering Industries Limited (also Member of Audit Committee and Investor Grievance Committee), Sterlite Technologies Limited (also Member of Audit Committee), Torrent Pharmaceuticals Limited (also Member of Audit Committee) and Xpro India Limited.

Shri. Khaitan does not hold any share in the Company.

Shri. Golam Momen

Shri. Golam Momen (81) B.A., has rich and varied experience in the Tea Industry. He is former Chairman and Managing Director of Carritt Moran & Co. Private Ltd. He is a non-executive independent director on the Board of HML since September 2003. Currently he is the Chairman of White Cliff Tea (P) Ltd., Kolkata.

Shri. Momen is a Director in Bengal Tea & Fabrics Ltd.(also Member of Audit Committee and Chairman of Investors' Grievance Committee), Kanco Enterprises Ltd. (also Member of Audit Committee and Investors' Grievance Committee), Scottish Assam Ltd.(also Member of Audit Committee), DIGJAM Ltd.(also Member of Audit Committee), Williamson Magor & Company Ltd. (also Member of Audit Committee and Investors' Grievance Committee), Baghmari Tea Co. Ltd., Apeejay Surendra Corporate Services Ltd., Kanco Tea & Industries Ltd.

Shri. Momen holds 560 shares in the Company.

Shri. J. M Kothary

Shri. Kothary is a Graduate in Commerce and also holds a Degree in Law. He has also done his Masters' in Business Administration in USA. He has extensive experience managing industrial and marketing enterprises. He is the former Managing Director of Murphy India Limited. He is a non-executive independent director on the Board of HML since May 2013.

He is the on Board of RPG Enterprises Limited, Indian Card Clothing Company Limited (also Chairman of Audit Committee and Member Investor Grievance Committee) and Instant Holding Limited (also Member of Audit Committee).

Shri. Kothary does not hold any share in the Company.

Shri. Umang Kanoria

Shri. Umang Kanoria (54) B.Com (Hons.) ACMA, MBA (Switzerland) has experience in managing tea plantations in the north east. He is the Executive Committee Member of Tea Association of India and has held the position as the President of the Indian Chamber of Commerce, Kolkata. He is a non-executive independent director on the Board of HML since August 2004. Currently he is the Chairman and Managing Director of Kanco Enterprises Ltd., Kolkata. He is also a Member of the Investors' Grievance Committee.

Shri. Kanoria is a Director in Kanco Tea & Industries Limited, Spencer & Company Limited, STEL Holdings Limited (also Chairman of Audit Committee and Member of Investors' Grievance committee), ET Resources Private Limited, Facitcon Investment Private Limited, Cosmos Resources Private Limited.

Shri. Kanoria does not hold any share in the Company.

Smt. Sucharita Basu

Sucharita Basu is an Associate Partner of Khaitan & Co., Advocates. She has extensive work experience in commercial and corporate agreements, joint venture and financing transactions, real estate, trust laws and litigation. She is having professional affiliations with Bar Council of West Bengal, Incorporated Law Society, Kolkata and FICCI Ladies Organization. Apart from the above, she has participated as a speaker on Capital Raising in IPO & Private Equity Conclave in Kolkata organized by Achronomic Point.

She advises a range of large Indian and multinational clients in various business sectors including infrastructure, real estate, power, carbon credit, finance, banking, telecom, automobile, engineering, steel, cement, agriculture and agri-products, software and information technology, retail, services.

She has been on the Board of HML as Additional Director since August 2014. She is not a director in any other Company.

Smt. Basu does not hold any share in the Company.

Shri. Ashok Bachan Goyal

Shri. Ashok Bachan Goyal (61 years) B.Tech. and a post graduate in Business Management from IIM (Kolkata) has over 30 years of multi-domain and cross industry experience across the globe. He is the former Managing Director of Philips Carbon Black Limited, largest carbon black company in India. He was the President of Carbon Black Sector. He has been in the Board of HML since September 2011. He was appointed as Whole Time Director (Designated as President Plantation Business). He is a Director in RPG Power Trading Company Limited.

Shri. Goyal does not hold any share in the Company.

Shri. N Dharmaraj

Shri. N. Dharmaraj, Graduate in Agriculture Science, has over 40 years' experience in plantations business. He managed Tea Plantations and factories in South India with Tea Estates India Ltd. (part of Brooke Bond Group) and Doom Dooma Tea estates in Assam (part of Hindustan Lever Plantations).

He worked with the Unilever Plantations and Plant Science Group with Head Quarters in UK, supporting supply chain integration, among other things. In his tenure with Harrisons spanning 14 years, he served as Vice President, (Plantations) and as Executive Director and is currently Chief Executive SBU A. He also worked in the Agri-business vertical of Shapoorji Pallonji group, based in Mumbai, as Chief Executive Officer.

Shri. Dharmaraj was Chairman of the UPASI Tea Committee, and Chairman of the UPASI Commodities Exchange Limited which had got approval from the FMC to start Futures Trading in India. He was a member of the Tea Board of India. He is currently a Member of Tea Council of South India constituted by the Tea Board as also a Member of the Core Committee of the Tea Board of India.

Shri. Dharmaraj is currently a Director in UPASI Commodities Exchange Limited.

He does not hold any share in the Company.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 26, 2014

Item Nos. 6, 7 and 8

Shri. Haigreve Khaitan, and Shri. Golam Momen, Non-Executive Independent Directors of the Company have held this position for period of more than five years and Shri. J M Kothary, Non-Executive Independent Director of the Company has held this position for period of less than five years. Their period of office is liable to determination by retirement of directors by rotation.

Pursuant to the Section 149 of the Act and Clause 49 of the Listing Agreement, it is proposed to appoint them as Independent Directors of the Company, not liable to retire by rotation, for a period of 5 (five) consecutive years from October 1, 2014 to September 30, 2019



Shri. Haigreave Khaitan, Shri. Golam Momen and Shri. J M Kothary are not disqualified from being appointed as Directors in terms of Section 167 of the Act and, have given their consent to act as directors. The Company has received three separate notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing their candidature for the office of Director of the Company.

The Company has received declarations from Shri. Haigreave Khaitan, Shri. Golam Momen and Shri. J M Kothary that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Shri Haigreave Khaitan, Shri. Golam Momen and Shri. J M Kothary fulfill the conditions for their appointment as Independent Director as specified in the Act and listing agreement. Shri. Haigreave Khaitan, Shri. Golam Momen and Shri. J M Kothary are Independent of Management.

The copy of the draft letter for appointment of Shri Haigreave Khaitan, Shri. Golam Momen and Shri. J M Kothary as Independent Directors of the Company would be available for inspection by the members without payment of any fee, at the Registered Office of the Company between 11. 00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except for Shri Haigreave Khaitan, Shri Golam Momen and Shri. J M Kothary may be deemed to be concerned or interested in the respective Resolutions relating to their respective appointments. None of the other Directors of the Company are interested in the resolutions as set out in the Item Nos. 6, 7 and 8 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6, 7 and 8 of the notice for the approval by the shareholders.

Item No. 9

Shri. Umang Kanoria, a Non-Executive Independent Director on the Board of the Company has held this position for period more than five years. His period of office is liable to determination by retirement of directors by rotation. He retires at the forthcoming Annual General Meeting of the Company and being eligible is offering himself for reappointment.

Pursuant to the Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, it is proposed to appoint Shri Umang Kanoria as an Independent Director of the Company for a period of 5 (five) consecutive years, not liable to retire by rotation, from October 1, 2014 to September 30, 2019.

Shri. Umang Kanoria is not disqualified from being appointed as Director in terms of Section 167 of the Companies Act, 2013 and has given his consent to act as director. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

The Company has received a declaration from Shri Umang Kanoria that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement. In the opinion of the Board, Shri Umang Kanoria fulfills the condition for his appointment as Independent Director as specified in the Companies Act, 2013 and the listing agreement. Shri Umang Kanoria is Independent of Management.

The copy of the draft letter for appointment of Shri Umang Kanoria as Independent Director of the Company would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Shri Umang Kanoria, no other Director of the Company is interested in the resolution as set out in Item No. 9 of the Notice.

Board recommends the Ordinary Resolution set out at Item No. 9 of the notice for the approval by the shareholders.

Item No. 10

Pursuant to Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors of the Company appointed Smt. Sucharita Basu as an Additional Director of the Company with effect from August 08, 2014.

In terms of Section 161(1) of the Act, Smt. Sucharita Basu would hold office upto the date of the forthcoming Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of requisite amount under Section 160 of the Act, proposing candidature of Smt. Sucharita Basu for the office of Director of the Company.

Smt. Sucharita Basu is not disqualified from being appointed as a director in terms of Section 164 of the Act and her consent to act as director has been received by the Company.

The Company has received a declaration from Smt. Sucharita Basu that she meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board Smt. Sucharita Basu fulfills the condition for her appointment as an Independent Director as specified in the Act and listing agreement. Smt. Sucharita Basu is independent of Management.

The copy of the draft letter for appointment of Smt. Sucharita Basu as Independent Director of the Company would be available for inspection by the members without payment of any fee, at the Registered Office of the Company between 11. 00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Smt. Sucharita Basu, no other Director of the Company is interested in the resolution as set out in the Item No. 10 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the notice for the approval by the shareholders.

Item No. 11- Shri. Ashok Bachan Goyal, Whole Time Director

Shri. Ashok Bachan Goyal was appointed as the Whole Time Director (Designated as President Plantation Business) of the Company. The remuneration for the period April 14, 2014 – July 24, 2014, paid to Mr. Goyal is within the limits prescribed under Clause (A) of Section II Part II of Schedule V to the Companies Act, 2013, the breakup of which is as given below:

- a. Salary - Rs. 19,15,850
- b. Other Allowances - Rs. 8,52,065
- c. HRA – Rs. 1,16,930

In addition to the above Rs. 2,29,902 was paid as company's contribution to Provident Fund.

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

1. GENERAL INFORMATION

(i) Nature of Industry : Plantation Industry (Tea & Rubber)

(ii) Date or expected date of commencement of commercial production:

It is an established Company. Certificate of Commencement of Business was issued by the Registrar of Companies, Kerala on June 14, 1978.

(iii) In case of new companies, expected date of commencement of activities as per Project approved by financial institution appearing in the prospectus: NA

(iv) Financial Performance:

(amount in Rs. Cr.)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total Revenue	350.66	366.55	368.91	349.93	386.86
Operating Profit	29.30	23.17	33.83	24.83	26.44
Interest	12.54	11.81	16.88	14.59	15.11
PBDT	16.76	11.36	16.95	10.24	11.33
Profit Before Tax	12.36	5.25	10.46	3.48	4.86
Exceptional Items	-	-	-	-	0.26
Profit before tax (including Exceptional Items)	12.36	5.25	10.46	3.48	5.12
Profit After Tax	9.91	3.94	4.71	2.30	4.42
Amount of Equity	18.45	18.45	18.45	18.45	18.45
Dividend	3.69	2.76	2.76	1.38	1.85
Rate of Dividend	20%	15%	15%	7.50%	10%



(v) Export performance and net Foreign Exchange contributions:

(Value in Rs. Cr.)

Financial Year	Export turnover	Net Foreign Exchange contribution
2009-10	27.40	24.87
2010-11	22.51	20.37
2011-12	34.28	32.23
2012-13	18.37	16.99
2013-14	31.38	30.82

2. INFORMATION ABOUT SHRI ASHOK BACHAN GOYAL:

Shri. Ashok Bachan Goyal is a B. Tech from IIT Kharagpur and PGDBM from IIM, Kolkata. He was the Managing Director and CEO of Phillips Carbon Black Limited (PCBL). He has worked with KEC International Ltd., Mumbai as President, International Business where he significantly contributed in KEC's turnaround. He has rich international experience and has worked in various industries in India and abroad viz. consumer electronics and durables, tyre, plantation, textile, bicycle and EPC contracting. He has attended the Executive Development Program at London Business School and has presented various case studies on turnaround at IIMs.

Shri. Ashok Bachan Goyal has been in the Board of Harrisons Malayalam Limited since September 2011. Prior to taking up the current assignment as Whole Time Director of the Company, he had a successful career in the following companies namely:

1. Harrisons Malayalam Limited as General Manager, Commercial and Engineering
2. KEC International Limited, as President, International Operations
3. Phillips Carbon Black Limited (PCBL) as Managing Director & CEO

Past remuneration from PCBL:

(Rs. Lacs)

Salary	Perquisites	Contribution to PF & other Funds	Total
279.45	24.54	3.59	307.58

Recognition or awards:

Shri Ashok Bachan Goyal was instrumental in chalking out an ambitious growth plan for PCBL and contributed significantly for turnaround of the Company.

Remuneration proposed:

As mentioned above.

Size and Nature of Industry:

The Company's core business is Plantations in Tea and Rubber. It is the single largest producer of Natural Rubber in India and second largest Tea Plantation in South India. The Company owns 22 Estates in Kerala and 2 Estates in Tamil Nadu and has a labour strength of approximately 12000.

The Company has a paid up capital of Rs.18.45 Crores and is listed in the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Cochin Stock Exchange Ltd. with approximately 33000 Shareholders.

Given the size, complexity and nature of business, the remuneration paid to Shri. Ashok Bachan Goyal, Whole Time Director is in line with other similar companies.

Pecuniary Relationship:

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

3 OTHER INFORMATION:

Details being same for Item Nos. 11 and 12 of the Notice, the same is provided after Item No. 12.

Item No. 12 – Shri. N Dharmaraj, Whole Time Director

Shri. N. Dharmaraj was appointed as an Additional Director with effect from August 08, 2014 and subject to the approval of the members of the Company in the forthcoming Annual General Meeting, also as a Whole Time Director of the Company for the period from August 08, 2014 to December 31, 2015.

The appointment is within the meaning of Section 196, 197 other applicable provisions if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the shareholders in the general meeting. The terms and conditions of his appointment as approved by the Nomination and Remuneration Committee at its meeting held on August 8, 2014, is as set out below.

1. Period

From August 8, 2014 to December 31, 2015

2. Salary

Consolidated pay Not exceeding Rs. 85,00,000 per annum (excluding service tax)

3. Perquisites:

- Medical expenses incurred by Shri. N Dharmaraj for self and family shall be reimbursed by the Company subject to a limit of Rs.15,000 per annum.
- Provision for car with driver and telephone at residence - for use of the Company's business will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall however be billed by the Company to Shri. N Dharmaraj.

The Whole Time Director shall not be entitled to any retirement benefits of the Company.

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

1. GENERAL INFORMATION

(i) Nature of Industry : Plantation Industry (Tea & Rubber)

(ii) Date or expected date of commencement of commercial production:

It is an established Company. Certificate of Commencement of Business was issued by the Registrar of Companies, Kerala on June 14, 1978.

(iii) In case of new companies, expected date of commencement of activities as per Project approved by financial institution appearing in the prospectus: NA

(iv) Financial Performance:

(amount in Rs. Cr.)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total Revenue	350.66	366.55	368.91	349.93	386.86
Operating Profit	29.30	23.17	33.83	24.83	26.44
Interest	12.54	11.81	16.88	14.59	15.11
PBDT	16.76	11.36	16.95	10.24	11.33
Profit Before Tax	12.36	5.25	10.46	3.48	4.86
Exceptional Items	-	-	-	-	0.26
Profit before tax (including Exceptional Items)	12.36	5.25	10.46	3.48	5.12
Profit After Tax	9.91	3.94	4.71	2.30	4.42
Amount of Equity	18.45	18.45	18.45	18.45	18.45
Dividend	3.69	2.76	2.76	1.38	1.85
Rate of Dividend	20%	15%	15%	7.50%	10%



(v) Export performance and net Foreign Exchange contributions:

(Value in Rs. Cr.)

Financial Year	Export turnover	Net Foreign Exchange contribution
2009-10	27.40	24.87
2010-11	22.51	20.37
2011-12	34.28	32.23
2012-13	18.37	16.99
2013-14	31.38	30.82

2. INFORMATION ABOUT SHRI. N. DHARMARAJ

Shri. N. Dharmaraj, Graduate in Agriculture Science, has over 39 years of experience managing plantations. He started his career managing Tea Plantations and factories in South India with Tea Estates India Ltd. (part of Brooke Bond Group) and Doom Dooma Tea estates in Assam (part of Hindustan Lever Plantations).

He has worked with the Unilever Plantations and Plant Science Group with Head Quarters in UK, supporting supply chain integration, among other things. He joined as Vice President, Plantations in charge of the tea business of Harrisons Malayalam Limited in September 1999. In 2010, he joined the Agri-business vertical of Shapoorji Pallonji as Chief Executive Officer. After a short stint of one year, Shri. Dharmaraj returned to Harrisons Malayalam Limited to head the plantations business identified to RP-SG Group.

He was the Chairman of UPASI Commodities Exchange which had got approval from the FMC to start Futures Trading in India. He is currently a member of Tea Council of South India constituted by the Tea Board.

Past remuneration:

Shri. N. Dharmaraj was paid consolidated salary of Rs. 65 lakhs (excluding service tax) during financial year 2013-14. He was not entitled to any retirement benefits by virtue of not being an employee of the Company.

Recognition and awards:

Shri. N. Dharmaraj is an Industry veteran and has been involved in number of industrial associations. He was a member of Tea Board of India and the founding Convener of Golden Leaf India Awards (TGLIA) which is the first ever structured Tea competition in the world.

Remuneration proposed:

As mentioned above

Size and Nature of Industry:

The Company's core business is Plantations in Tea and Rubber. It is the single largest producer of Natural Rubber in India and second largest Tea Plantation in South India. The Company owns 24 Estates in Kerala and Tamil Nadu put together and has a labour strength of approximately 12000.

The Company has a paid up capital of Rs.18.45 Crores and is listed in the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Cochin Stock Exchange Ltd. with approximately 33000 Shareholders.

Given the size, complexity and nature of business, the remuneration proposed to be paid to Shri. N Dharmaraj, Whole Time Director is in line with other similar companies.

Pecuniary Relationship:

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

3. OTHER INFORMATION: (Common to Item Nos. 11 and 12 of the Notice)

1. Reasons for inadequate profit:

The Company incurred losses continuously for a period of four years from 1999-2000 to 2002-2003 due to drop in prices of both tea and rubber coupled with higher wage levels and escalating input costs. The Company has been making profits since 2003-04.

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

The Company has, over a period of time made substantial improvement in labour productivity through incentive schemes and better agricultural practices. The Company has modernized its factories and also embarked on an Accelerated Replanting & Infilling Programme in its rubber and tea gardens to improve land productivity.

3. Expected improvement in productivity and profits:

The Company has been making profits consistently from 2003-04 and the trend is likely to continue in view of the initiatives taken by the Company for increasing the land and labour productivity. With continued focus on ensuring quality products which has found wide acceptance coupled with better yield for tea and rubber. The Company is hopeful of improvising upon its profits. The Company has been paying dividend to shareholders since financial year 2004-05.

Except for Shri. Ashok Bachan Goyal and Shri. N Dharmaraj who are interested in the resolutions set out in Item No. 11 and Item No. 12 respectively, no other Director of the Company is interested in the resolutions.

The Board recommends the Special Resolutions set out at Item No. 11 and Item No. 12 of the Notice for the approval by the shareholders.

Item No. 13 – Revision of remuneration of Manager

The members at the Thirty Fifth Annual General Meeting held on September 27, 2012 appointed Shri. V. Venugopal as the Manager of the Company for a period of 3 years w.e.f. August 14, 2012 and also approved the remuneration payable to him for his services as Manager for the period of 3 years w.e.f. August 8, 2012. Considering the contributions made by Shri. Venugopal in aptly handling all legal disputes pertaining to the Company and also considering his expertise in the legal field, the Board of Directors at its meeting held on August 08, 2014 decided to acknowledge his contribution by revising his remuneration subject to the approval of the shareholders in the forthcoming Annual General Meeting. The proposed remuneration has been approved by the Nomination and Remuneration Committee. The terms and conditions pertaining to the revised remuneration is as set out below and subject to the supplementary agreement proposed to be entered into between the Company and Shri. V Venugopal.

1. Period for payment of revised remuneration: August 14, 2014 to August 13, 2015.
2. Principal terms pertaining to remuneration.

Sl. No.	Particulars	Amount approved by the members in the AGM held on September 27, 2012	Revised amount for approval of the members
1	SALARY		
a	Salary & Allowances	Not exceeding Rs 36 lacs p.a.	Not exceeding Rs. 42 lacs p.a.
b	Performance Bonus	Not exceeding Rs 6 lacs p.a. as may be decided by the Board of Directors based on performance	Not exceeding Rs. 10 lacs p.a. as may be decided by the Board of Directors based on performance
2	PERQUISITES		
a	HRA	Not exceeding Rs 3 lac p.a.	Not exceeding Rs. 4 lac p.a.
b	Leave Travel Concession	Maximum limit of Rs 1 lac p.a.	Maximum limit of Rs 2 lac p.a.
	PERQUISITES WHICH CONTINUE WITHOUT ANY CHANGE		
i	Medical expense reimbursement	Maximum limit of Rs 0.15 lac p.a.	Maximum limit of Rs. 0.15 lac p.a.
ii	Personal Accident Insurance	Premium up to Rs 0.15 lac p.a.	Premium up to Rs. 0.15 lac p.a.
iii	Car with driver and telephone at residence	Not considered as perquisite if used for Company's business. Personal long distance calls and use of car private purposes shall be billed to Shri. Venugopal.	Not considered as perquisite if used for Company's business. Personal long distance calls and use of car private purposes shall be billed to Shri. Venugopal.
3	RETIRALS WHICH CONTINUE WITHOUT ANY CHANGE The value of which shall not form part of remuneration		
a	PF and Super Annuation	Contribution to PF and Superannuation Fund	Contribution to PF and Superannuation Fund
b	Gratuity	Gratuity as per Company rules	Gratuity as per Company rules
c	Leave encashment	Encashment of unavailed leave at the end of the tenure as per Company policy.	Encashment of unavailed leave at the end of the tenure as per Company policy.

A copy of the draft of the Supplementary Agreement referred to in the said resolution is available for inspection by the members at the Registered Office of the Company on any working day between 11.00 A.M. to 1.00 P.M. (excluding Saturdays) upto the date of Annual General Meeting.

In compliance with the applicable provisions of the Companies Act, 2013, Ordinary Resolution as per the terms set out in Item No. 13 of the Notice is being placed before the members for approval.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 13 of the Notice for approval by shareholders.

**Item No.14**

At the 12th Annual General Meeting of the members of the Company held on November 16, 1989, the Board of Directors of the Company ('the Board') was authorized, in terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, to borrow moneys up to a limit of Rs. 150 crores notwithstanding that the same might exceed the aggregate of the paid up share capital and free reserves of the Company. Keeping in view the revised requirements of the Companies Act, 2013, it is considered necessary to seek the members approval under Section 180(1)(c) of the Companies Act, 2013 for the borrowing limit of Rs. 150 crores. The Special Resolution set out under Item No. 14 is intended for this purpose and the Board recommends that the Special Resolution be passed.

None of the Directors are interested in the above resolution. .

The Board recommends the Special Resolution set out at Item No. 14 of the Notice for the approval by the shareholders.

Item No. 15

In order to finance the accelerated replanting in rubber gardens, the Company has availed financial assistance from SBI and NABARD- two term loans aggregating to Rs. 1174 lacs. This term loan was subsequently taken over by ICICI Bank Limited vide their sanction letter No. 23/E01KOL/49141 dated October 4, 2012. The said loan is to be secured by mortgage/charge over any tea and/or rubber estate of the Company in the manner required by the bank. Mayfield estate in Nilgiris in Tamilnadu has been identified by the Company for this purpose and in the event of the same not being acceptable by the bank, on such other property as may be acceptable to them. Also considering the fact that any future borrowings that the Company make, would have to be secured by creation of a charge/mortgage in favour of the lenders, this special resolution under Section 180(1)(a) of the Companies Act, 2013 is set out for the approval of the shareholders.

None of the Directors of the Company are interested in the above resolution.

The Board recommends the Special Resolution set out at Item No. 15 of the Notice for the approval by the shareholders.

Item No. 16

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Shome & Banerjee, Cost Accountants as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

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

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at Item No. 16 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors are interested in the above resolution.

The Board recommends the Ordinary Resolution set out at Item No. 16 of the Notice for approval by the shareholders.

By Order of the Board of Directors

Kolkata
August 8, 2014

Ravi A.
Company Secretary

DIRECTORS' REPORT

The Directors take pleasure in presenting the Annual Report and Audited Accounts of Harrisons Malayalam Limited for the year ended March 31, 2014. In terms of the General Circular 08/2014 dated April 4, 2014, the financial statements and documents thereto, the Board's Report for the year has been prepared in accordance with the relevant provisions, schedules and rules of the Companies Act, 1956.

Financial Highlights

	Rs. in lacs	
Year ended	31.03.2014	31.03.2013
Revenue from Operations	36420.73	33212.33
Other Income	264.39	246.38
Income from discontinued operations	2001.13	1533.95
Total Income	38686.25	34992.66
Profit before Tax	511.50	348.03
Profit after Tax	441.50	229.76
Surplus brought forward from previous year	9176.47	9108.65
Profit available for appropriation	9617.97	9338.41
Appropriations		
General Reserve	-	-
Proposed Dividend	184.55	138.42
Dividend Tax	31.36	23.52
Balance carried forward	9402.06	9176.47

Dividend

The Directors have recommended for approval of shareholders a dividend of 10% (Re.1/- per equity share of Rs. 10 each).

Performance

During the year under review, the Company's revenue from operations increased by 9.7% over previous year to reach Rs. 364.21 crore. Including other income and income from discontinued operations, total income grew by 10.6% from Rs. 349.93 crore to Rs. 386.86 crore. Profit after taxes was Rs. 4.4 crore.

Tea:

With realizations moving upwards, 2013-14 witnessed buoyancy in the tea industry, the average price being Rs 111.70 per kg, an increase of Rs. 13.82 over the previous year. HML tea prices in Auction at Rs.114.80 per kilo (previous year Rs.100.50) was higher than the South Indian Auction average of Rs. 97.49. Tea production at 15978 MT was higher by 4.4%. Tea manufactured from green leaves harvested from own gardens was 9% lower. This was compensated through higher volumes in Bought Operations, which registered a rise of over 70%.

During the year, a fire broke out in the Wallardie Tea Factory causing damage not only to tea machinery but also stock and other consumables. Production, however was not affected as the neighboring Moongalaar Factory could cater to the requirements. The Company's insurance claim has been settled by the insurer.

Rubber:

Despite a drop in rubber production, rubber price remained flat for most part of the year. The RSS IV saw a high of Rs. 196 per kg during August 2013 and a low of Rs 142 during January 2014. The average RSS IV price for the industry was Rs.166.04, lower by Rs. 10.81 per kg as compared to previous year.

Currently prices are ruling at Rs.139 per kg. The average price realized by HML was Rs 194.93 per kg as against Rs 191.23 in the previous year. Production from own gardens, which was 4% lower, was compensated by higher volume through Bought Rubber Operations. Bought Rubber constituted approximately 48% of the total rubber produced by the Company, compared to 43% in the previous year. The accelerated replanting program initiated from 2008-09 should start yielding good results with a part of the 2008-09 planted area coming into bearing.

140 hectares in Kumbazha Rubber Estate encroached by trespassers, continue to remain untapped. Rubber Tree income for the season 2013-14 could not be accounted as felling of rubber trees could not be carried out due to the ban order issued by the Special Officer appointed by the Government of Kerala. The Company's writ petition challenging the ban order has been heard by the High Court, and Orders are reserved.



Update on HML Land Matters

The Company has been in the news -- in the print media citing land law violations amongst other allegations. We would like all our stakeholders to know that the Company legitimately holds all its lands with valid title deeds and necessary approvals. The Company and its predecessors have been in absolute possession and enjoyment of these lands for over 100 years. All these lands are subjected to payment of Land Tax, (which the Company has been paying), and would never fall under the Kerala Land Conservancy Act.

The petition filed by the Kerala Government seeking to declare the Company's land as Government land was dismissed by the Hon'ble High Court of Kerala. Despite this, the Revenue Department of Government of Kerala has been continuing with its proceedings against the Company. The Special Officer, appointed by the Government under the Kerala Land Conservancy Act, had issued orders banning the felling of rubber trees, which is a normal agricultural operation in the rubber plantations and constitutes a major source of income for the Company. The Company's petition challenging the ban order has been heard by the Hon'ble High Court and is reserved for judgment. Apprehending hasty actions, the Company had filed a Writ Petition seeking directions to the Special Officer to adjudicate on the issue of his jurisdiction under the Kerala Land Conservancy Act. The Hon'ble High Court has stayed all further proceedings under the Kerala Land Conservancy Act.

All operations of your company are within the framework of law and all its lands are supported by valid title deeds. The Company is confident that it will be able to establish the truth in the Court of law.

Corporate Social Responsibility

HML has always been in the forefront assuming social responsibilities and discharging its obligation towards the community. The various CSR activities carried out by the Company are mentioned elsewhere in this Annual Report.

Awards & Achievement

During the year under review, the Company achieved accreditations for its best manufacture practices. Wentworth Factory received awards in all categories namely Leaf, Fannings and Dust and Pattumalay Factory received the award in the Fannings category at the tenth edition of The Golden Leaf India Award (TGLIA) function held in Dubai.

Wentworth tea estate of the Company has received the Trustea certification. An initiative of the Tea Board, this certification highlights the Company's commitment to issues relating to environment, sustainability and livelihood. The Ethical Tea Partnership certification which is recognized by European Union markets has been received by all the tea estates of the Company. Recently Wentworth estate obtained the Rain Forest Alliance certification, an international accreditation for sourcing credibility, which enhances its image with leading international tea packers.

During the year, Achoor Tea Factory and Palapilly Rubber Factory obtained ISO certifications. For the 2nd consecutive year, Kumbazha Centrifuge Latex Factory secured the second position amongst small industries for substantial and sustained efforts in pollution control. HML has also been judged as one among the top 100 Best companies to work for 2014- India by Great Place to Work.

Subsidiaries

As at March 31, 2014 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, the accounts of HML Engineering Company Limited for 2013-14 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 2013-14 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 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. 45 may be referred to.

Directors

In terms of the provisions of Section 152 of the Companies Act, 2013 and article 105 of the Articles of Association of the Company, Mr. Sanjiv Goenka and Mr. Ajit Singh Chouhan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Ashok Bachan Goyal, who was re-designated as Whole Time Director of the Company resigned from the Board with effect from July 24, 2014. The Board records its appreciation of the contribution and guidance provided by Mr. Goyal during his association with the Company.

Mr. N Dharmaraj was appointed as Additional Director at the Board meeting held on August 8, 2014. Mr. Dharmaraj was, subject to the approval of the shareholders in the forthcoming Annual General Meeting, also appointed as Whole Time Director for the period August 8, 2014 to December 31, 2015. The resolution seeking the shareholders' approval for the appointment of Mr. Dharmaraj is contained in the Notice convening the Annual General Meeting.

The Board at its meeting held on August 8, 2014 appointed Ms. Sucharita Basu as Additional Director of the Company w.e.f. August 8, 2014. Ms. Sucharita Basu holds office up to the conclusion of the forthcoming Annual General Meeting.

Mr. Haigreve Khaitan, Mr. G Momen, Mr. J M Kothary, Mr. Umang Kanoria, and Ms. Sucharita Basu are Non-Executive Directors on the Board of Directors of the Company. With the enactment of the Companies Act, 2013, it is now incumbent upon every listed company to have the requisite number of Independent Directors on the Board. The above Directors are being appointed as Independent Directors of the Company under the Act. The Company has received separate Notices in writing from 5 Members alongwith requisite deposits of money proposing the aforesaid five directors to the office of Directors under the applicable provisions of the Act.

The details of the Directors being re-appointed / appointed are included in the Corporate Governance Report forming part of this Annual Report.

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 attached and forms part of this Annual Report.

Auditors

Messrs Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment. The Company has received a letter from the Statutory Auditors to the effect that their appointment, if made at the forthcoming Annual General Meeting, would be within the limits prescribed under 141(3)(g) of the Act.

Cost Audit

Messrs. Shome & Banerjee, Cost Accountants were appointed as Cost Auditors of the Company for conducting Cost Audit for the year ended March 31, 2014. The Central Government has duly approved their appointment.

Cost Audit Report and the Compliance Report for the year ended March 31, 2013 were filed with the Central Government on September 23, 2013. The due date for filing the Cost Audit Report was September 27, 2013.

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 workers are monitored closely. Industrial relations remained cordial throughout the year.

The Board of Directors places on record its appreciation for the dedicated service rendered by all employees at all levels for the smooth functioning of the estates. The policy of transparency and recognition have helped 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 as on March 31, 2014.

Prospects

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

Realisations from both tea and rubber are expected to improve in view of the Company's continued focus on product quality, coupled with encouraging market outlook for tea in the next twelve months. Financial Year 14-15 is expected to be significantly better in terms of performance, as initiatives started earlier make positive contributions.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the erstwhile Companies Act, 1956, your Directors hereby state and confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2014, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and, judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2014 and of the profit for the period from April 1, 2013 to March 31, 2014;



3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. The annual accounts for the financial year ended March 31, 2014 have been prepared on a going concern basis.

Acknowledgements

The Directors wish to place on record their sincere appreciation for the valuable assistance and support received by the Company from its customers, vendors, bankers, Government authorities and business associates. They also record their appreciation to all employees for their dedicated service during a challenging time.

On behalf of the Board of Directors

Kolkata
August 8, 2014

Ajit Singh Chouhan
Director

Haigreve Khaitan
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, 2014.

Name	Age	Designation	Qualification & Experience (in years)	Gross remuneration (Rs.)	Date of Employment	Last Employment
Mr. C. Vinayaraghavan	58	President (SBU-B)	B. Sc. (Botany) (37)	99,36,548	01-04-1977	-

Note:

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

For and on behalf of the Board

Kolkata
August 8, 2014

Ajit Singh Chouhan
Director

Haigreve Khaitan
Director

Corporate Social Responsibility

Harrissons Malayalam Ltd (HML), a major plantation Company in South India has its presence in both tea and rubber crops besides minor crops like pineapple, cardamom, pepper and other spices. HML provides employment to 12000 people, supporting their families and dependents, by providing them with free housing, electricity, water and health care. HML is the state's largest employer, only next to the Kerala Government.

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

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

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

Health

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

Among the various health programs, conducted during the FY 2013-14, are:

SI No	Programme	Estates	Location of CSR activity	Name of external supporting agency if any	Purpose	Number of Beneficiaries
1	Free Medical Camp	Lockhart	Community Health Centre, Devikulam	Community Health Centre, Devikulam	To prevent epidemics due to water shortage	115
2	Free Medical Camp	Manale	Community Health Centre, Devikulam	Community Health Centre, Devikulam	To prevent epidemics due to water shortage	150
3	Free Medical Camp	Wentworth	Cherampady Panchayat	PHC	To prevent epidemics due to water shortage	175
4	Free Medical camp	Kumbazha	Malayalapuzha Phc	PHC	To prevent epidemics such as chicken Gunia, Dengue, Malaria, hepatitis etc	250
5	Leprosy detection camp	Kumbazha	Malayalapuzha Phc	PHC	To enable early detection of leprosy and other skin diseases and early treatment	70
6	Free Medical Exhibition	Kumbazha	PHC Kumbazha	PHC	To bring awareness in personal cleanliness, sanitation, public health and communicable diseases	40
7	Free Eyecamp	Wentworth	Cherampady Panchayat	Eye foundation	For free cataract operation, preventing conjunctivitis etc	400
8	Free EYE camp in association with Aravind Eye Hospital	Mooply, Kundai	MVMS	Aravind Eye Hospital, D B C S.	For free cataract operation, preventing conjunctivitis etc	115
9	Follow up Medical camps	Mooply, Kundai	Rafold Old age Home Nandipulam	Rafold old age home Nandipulam	For geriatric care	50
10	Free Medical Camp-General medical check up & Awareness class	Kundai	Malampathi Tribal colony	PHC Vellikulangara	To prevent malnutrition, communicable diseases and any other ailments	650

11	World breastfeeding week Awareness Class-	Mooply,Kundai	Chackiparamba Anganavadi	DMO,Thrissur, PHC Varntharapilly	for creting awareness in young mothers	20
12	Monthly Free Medical camps	Wallardie	Karuna Bhavan Orphanage Rajakkadu	Nil.	To prevent malnutrition, communicable diseases and any other ailments	90
13	Monthly Free Medical camps	Wallardie	Athura Asram old age home Rajakumari	Local Panchayath	To prevent malnutrition, communicable diseases and any other ailments	30
14	Free Eye Camp	Moongalar	Moongalar	LF Hospital Angamaly	For free cataract operation, preventing conjunctivitis etc	270

Environment and Education

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

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

Various programmes on environment and education have been conducted, details of which are mentioned below:

SI No	Programme	Estates	Location of CSR activity	Name of external supporting agency if any	Purpose	Number of Beneficiaries
1	Training on Environmental Conservation	Wentworth	Kannambail school	Forest Dept.	To impart knowledge on conservation of forest, the effect of deforestation etc. and on the extinct species.	70
2	Environment Day celebration- Marathon / planting of tree saplings	Mooply,Kundai	GVHSS Kannattupadam	Kerala Forest Dept. Malayala manorama	Afforestation	125
3	Planting of Tree Saplings	Kumbazha	Malayalapuzha Panchayath	Malayala Manorama	Afforestation	150
4	Environment protection display boards fitting on Gudallur Calicut Highway/ Planting Of Tree Saplings	Wentworth	Gudallur-Calicut Highway	NHAI, Tamilnadu Forest Dept.	To impart knowledge on conservation of forest, the effect of deforestation etc. and on the extinct species for the public, for preventing fire.	
5	Training on Environmental Conservation	Wentworth	Kannambail school	Forest Dept.	To impart knowledge on conservation of forest, the effect of deforestation etc. and on the extinct species.	75
6	Summer Camp For School Children	Kumbazha	Estate Club,Kumbazha	Education Dpt.	Engagement activity	75
7	Educational Kit Distribution	Nagmaly Estate	Mambazathra Tribal Colony	Estate	For Educational purpose	50

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, professionalization and accountability.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges with regard to corporate governance.

2. Board of Directors

As on March 31, 2014, the Company has eight Directors with a Non-Executive Chairman. Of the eight Directors, all are Non-Executive Directors and four are Independent Directors. The composition of the Board is in conformity with Clause 49 of the listing agreement entered into with the stock exchanges, in which the Company's shares are listed.

None of the Directors on the Board is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014 have been made by the Directors.

- a) The names and categories of the Directors on the Board and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2014 are given herein below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholder/Investors Grievance Committees.

Name of Director	Category	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. Haigreave Khaitan	Non- Executive & Independent	14	7	-	-
Mr. G. Momen	Non-Executive & Independent	7	6	1	560
Mr. Umang Kanoria	Non-Executive & Independent	7	2	1	-
Mr. Ajit Singh Chouhan	Non-Executive	2	1	-	-
Mr. Ashok Bachan Goyal	Non-Executive	2	-	-	-
Mr. P. Rajagopalan	Non-Executive	2	-	-	-
Mr. J. M. Kothary	Non-Executive & Independent	3	2	1	-

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 2013-14 on 30.05.2013, 14.08.2013, 11.11.2013 and 14.02.2014.

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. Haigreave Khaitan	2	-
Mr. G. Momen	4	-
Mr. Umang Kanoria	3	-
Mr. Ajit Singh Chouhan	4	Yes
Mr. Ashok Bachan Goyal#	3	-
Mr. P. Rajagopalan	2	-
Mr. J. M. Kothary	1	Yes

Mr. Ashok Bachan Goyal resigned from the Board w.e.f. July 24, 2014



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 five Directors of which four 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.

The terms of reference of the Audit Committee are broadly as under:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with the Statutory Auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including the quarterly / half-yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirement concerning financial statements;
 - Any related party transactions as per Accounting Standard 18.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the Department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reason for substantial defaults in payments to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy, if any.

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of finance function), representatives of the Statutory Auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Four Audit Committee Meetings were held during the financial year 2013-14 on 30.05.2013, 14.08.2013, 11.11.2013 and 14.02.2014. The composition of the Audit Committee and the attendance of each Member of the Committee are as below:

Composition	Mr. Haigreve Khaitan (chairman)	Mr. Umang Kanoria	Mr. G. Momen	Mr. Ajit Singh Chouhan	Mr. J. M. Kothary*
No. of meetings Attended	2	3	4	4	-

*Mr. J.M. Kothary was inducted into the Audit Committee on 14.02.2014.

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 met once during the financial year 2013-14 on 14.02.2014.

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

Composition	Mr. G. Momen Chairman	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 from 01.04.2013 to 31.03.2014	No. of complaints pending at the end of the Financial Year
27	Nil

There were no pending share transfers pertaining to the Financial Year ended March 31, 2014.

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 2013-14 the committee met once on 14.02.2014.

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

Figures in Rs

Name of the Director	Salary & Perquisites	Sitting Fees	Total
Mr. Sanjiv Goenka	-	-	-
Mr. Haigreve Khaitan	-	50000	50000
Mr. G. Momen	-	100000	100000
Mr. Umang Kanoria	-	75000	75000
Mr. Ajit Singh Chouhan	-	100000	100000
Mr. Ashok Bachan Goyal	-	60000	60000
Mr. P. Rajagopalan	-	40000	40000
Mr. J.M. Kothary	-	20000	20000
Mr. V. Venugopal- Manager	4401932	-	4401932

The payment of remuneration to the Manager is governed by the agreement executed between him and the Company and is governed by Board and shareholders' resolution. The breakup of Salary & Perquisites paid to Mr. V. Venugopal, Manager from 01.04.2013 to 31.3.2014 is as given below:

Figures in Rs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
1781640	1824248	315000	481044	4401932

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 members generally, 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. During the financial year 2013-14 Forty Six (46) 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, 2014, 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.	36 th	2013	23.09.2013	11.00 a.m.	Durbar Hall, Casino Hotel Willingdon Island Cochin – 682003
2.	35 th	2012	27.09.2012	10.00 a.m.	
3.	34 th	2011	19.09.2011	10.00 a.m.	

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

One special resolution in respect of Mr. V. Venugopal's appointment as Manager of the Company was passed by the members in the 35th Annual General Meeting held on September 27, 2012.

Postal Ballot

No resolution was passed through postal ballot in 2013-14.

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

The Company has appointed a Registrar and Share Transfer Agent, M/s.LinkIntime India Private Ltd., which 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 26, 2014, 10.00 A.M.

Venue : Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin - 682016

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

Mr. Sanjiv Goenka

Mr. Sanjiv Goenka, 53 years of age is a renowned industrialist. He is a commerce graduate and Chairman of RP-Sanjiv Goenka Group having asset base of over US\$ 4.3 billion, over 50,000 employees and over a hundred thousand shareholders with annual revenues of approximately US\$ 2.6 billion. The Group, having business spanning across six sectors namely: power & natural resources, carbon black, retail, media & entertainment and IT & Education, has well-known companies that include flagship companies such as CESC Limited, Firstsource Solutions Ltd., Phillips Carbon Black Limited and Saregama India Limited. Mr. Goenka is on the Board of HML since 1989.

Mr. Goenka is Vice Chairman of RPG Enterprises Limited. He is the Chairman of CESC Limited (also Chairman of Stakeholders Relation Committee and Member of Audit Committee), Phillips Carbon Black Limited, Saregama India Limited (also Chairman of Shareholders Grievance Committee), Spencer International Hotels Limited, Spencer and Company Limited, Firstsource Solutions Limited and Woodlands Multispecialty Hospital Limited. He is also on the Board of STEL Holdings Limited, Noida Power Company Limited, Eveready Industries India Limited (also member of Remuneration Committee) and Graphite India Limited.

Mr. Goenka's directorateship is subject to retirement by rotation. He retires at this Annual General Meeting, and being eligible offers himself for reappointment. The Company would benefit with his continued association with the company. Mr. Goenka holds 35,000 shares in the Company.

Mr. Ajit Singh Chouhan

Mr. Ajit Singh Chouhan (53) has over 31 years of varied experience working in India and overseas. He is a graduate in Mechanical Engineering with Masters in Business Administration and an Alumni of London Business School. He has expertise across various fields viz. Engineering, Marine, Telecom, Power, Plantations and Pharmaceutical industries.

He is a non-executive non-independent director on the Board of HML since September 2008. Currently he is the Managing Director of RPG Life Sciences Limited. He is a Director of Raychem-RPG Pvt Ltd and Spencer International Hotels Ltd.

Mr. Chouhan's directorateship is subject to retirement by rotation. He retires at this Annual General Meeting, and being eligible offers himself for reappointment. The Company would benefit with his continued association with the company. Mr. Chouhan does not hold any shares in the Company.

Mr. Haigreve Khaitan

Mr. Haigreve Khaitan (44), partner in Khaitan & Co., is a practicing Advocate since 1995 having expertise in Commercial and Corporate Laws, Tax laws, Mergers and Acquisitions – Due Diligence, Restructuring, Foreign Collaboration, and Licensing. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail, etc. IFLR 1000 has recommended him as one of leading lawyers in India. This year Chambers and Partners Asia Pacific 2013 has ranked him the "Brand 1 Lawyer" for Corporate/ M&A transactions. Asia Leading Lawyers 2013 India M&A Atlas Awards 2013 regards him as one of the Leading Lawyers for M&A Transactions". He is a non-executive independent director on the Board of HML since March 1995.

He is on the Board of Ambuja Cements Limited, Bajaj Corp Limited, Ceat Limited, Firstsource Solutions Limited, Inox Leisure Limited (also Member of Audit Committee), Jindal Steel & Power Limited (also Member of Audit Committee), Karam Chand Thaper & Bros (Coal Sales) Limited, Avtec Limited (also Member of Audit Committee), Great Eastern Energy Corporation Limited, Vinar Systems (P) Ltd., Bharat Fritz Werner Limited, National Engineering Industries Limited (also Member of Audit Committee and Investor Grievance Committee), Sterlite Technologies Limited (also Member of Audit Committee), Torrent Pharmaceuticals Limited (also Member of Audit Committee) and Xpro India Limited.

Mr. Khaitan does not hold any share in the Company.

Mr. Golam Momen

Mr. Golam Momen (81) B.A., has rich and varied experience in the Tea Industry. He is former Chairman and Managing Director of Carritt Moran & Co. Private Ltd. He is a non-executive independent director on the Board of HML since September 2003. Currently he is the Chairman of White Cliff Tea (P) Ltd., Kolkata.

Mr. Momen is a Director in Bengal Tea & Fabrics Ltd. (also Member of Audit Committee and Chairman of Investors' Grievance Committee), Kanco Enterprises Ltd. (also Member of Audit Committee and Investors' Grievance Committee), Scottish Assam Ltd. (also Member of Audit Committee), DIGJAM Ltd. (also Member of Audit Committee), Williamson Magor & Company Ltd. (also Member of Audit Committee and Investors' Grievance Committee), Baghmari Tea Co. Ltd., Apeejay Surendra Corporate Services Ltd., Kanco Tea & Industries Ltd.

Mr. Momen holds 560 shares in the Company.

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 in USA. He has extensive experience managing industrial and marketing enterprises. He is the former Managing Director of Murphy India Limited. He is a non-executive independent director on the Board of HML since May 2013.

He is on the Board of RPG Enterprises Limited, Indian Card Clothing Company Limited (also Chairman of Audit Committee and Member of Investors Grievance Committee) and Instant Holding Limited (also Member of Audit Committee).

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

**Mr. Umang Kanoria**

Mr. Umang Kanoria (54) B.Com (Hons.) ACMA, MBA (Switzerland) has experience in managing tea plantations in the north east. He is the Executive Committee Member of Tea Association of India and has held the position as the President of the Indian Chamber of Commerce, Kolkata. He is a non-executive independent director on the Board of HML since August 2004. Currently he is the Chairman and Managing Director of Kanco Enterprises Ltd., Kolkata. He is also a Member of the Investors' Grievance Committee.

Mr. Kanoria is a Director in Kanco Tea & Industries Limited, Spencer & Company Limited, STEL Holdings Limited (also Chairman of Audit Committee and Member of Investors' Grievance committee), ET Resources Private Limited, Facitcon Investment Private Limited, Cosmos Resources Private Limited

Mr. Kanoria does not hold any share in the Company.

Ms. Sucharita Basu

Sucharita Basu is an Associate Partner of Khaitan & Co., Advocates. She has extensive work experience in commercial and corporate agreements, joint venture and financing transactions, real estate, trust laws and litigation. She is having professional affiliations with Bar Council of West Bengal, Incorporated Law Society, Kolkata and FICCI Ladies Organisation. Apart from the above, she has participated as a speaker on Capital Raising in IPO & Private Equity Conclave in Kolkata organized by Achronomic Point.

She advises a range of large Indian and multinational clients in various business sectors including infrastructure, real estate, power, carbon credit, finance, banking, telecom, automobile, engineering, steel, cement, agriculture and agri-products, software and information technology, retail, services.

She has been on the Board of HML as Additional Director since August 2014. She is not a director in any other Company.

Ms. Basu does not hold any share in the Company.

Mr. Ashok Bachan Goyal

Mr. Ashok Bachan Goyal (61 years) B.Tech. and a post graduate in Business Management from IIM (Kolkata) has over 30 years of multi-domain and cross industry experience across the globe. He is the former Managing Director of Philips Carbon Black Limited, largest carbon black company in India. He was the President of Carbon Black Sector. He has been in the Board of HML since September 2011. He was appointed as Whole Time Director (Designated as President Plantation Business). Mr. Goyal does not hold any share in the Company.

He is a Director in RPG Power Trading Company Limited.

Mr. Goyal resigned from the Board of HML w.e.f July 24, 2014.

Mr. N Dharmaraj

Mr. N. Dharmaraj, Graduate in Agriculture Science, has over 40 years' experience in plantations business. He managed Tea Plantations and factories in South India with Tea Estates India Ltd. (part of Brooke Bond Group) and Doom Dooma Tea estates in Assam (part of Hindustan Lever Plantations).

He worked with the Unilever Plantations and Plant Science Group with Head Quarters in UK, supporting supply chain integration, among other things. In his tenure with Harrisons spanning 14 years, he served as Vice President, (Plantations) and as Executive Director and is currently Chief Executive SBU A. He also worked in the Agri-business vertical of Shapoorji Pallonji group, based in Mumbai, as Chief Executive Officer.

Mr. Dharmaraj was Chairman of the UPASI Tea Committee, and Chairman of the UPASI Commodities Exchange Limited which had got approval from the FMC to start Futures Trading in India. He was a member of the Tea Board of India. He is currently a Member of Tea Council of South India constituted by the Tea Board as also a Member of the Core Committee of the Tea Board of India.

Mr. Dharmaraj is currently a Director in UPASI Commodities Exchange Limited.

He does not hold any share in the Company.

c) Financial Calendar (Tentative)

Quarter ending June 30, 2014	Second week of August 2014
Quarter ending September 30, 2014	Second week of November 2014
Quarter ending December 31, 2014	Second week of February 2015
Year ending March 31, 2015 (Audited)	Fourth week of May 2015

d) Date of Book Closure : August 23, 2014 to August 30, 2014 (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 2013-14:

Year –2013/14	BSE		NSE		Volume (Nos)	
Months	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	BSE	NSE
April	49.50	45.00	50.80	45.00	102787	153993
May	50.40	42.15	50.70	41.90	69877	163131
June	42.50	38.75	42.15	38.00	55715	108869
July	41.95	31.00	41.50	32.20	60541	104043
August	45.20	29.50	44.70	29.75	184272	348357
September	46.70	36.00	46.40	36.15	125228	350233
October	41.80	33.50	41.80	37.15	45889	101537
November	48.05	39.00	49.70	38.75	129056	320874
December	52.90	40.45	53.30	39.60	392234	980102
January	59.45	43.45	59.45	43.75	496531	1286889
February	49.85	43.50	49.85	43.15	162810	325991
March	51.65	45.30	51.65	45.25	191942	469045

g) Shareholding Pattern as on March 31, 2014

Category	Shares held (nos)	% of holding
Promoters Holdings (Indian and Foreign)	9283655	50.30
Mutual Funds	7020	0.04
Banks, Financial Institutions, Insurance Companies and others	36053	0.19
Foreign Institutional Investors	1000	0.01
Non Resident Indians	124076	0.67
Corporate Bodies, Indian Public and others	9003601	48.79
TOTAL	18455405	100.00

h) Distribution of Shareholding as on March 31, 2014

No. of Equity Shares held	No. of Shareholders	No. of shares held	% Shareholding
Up to 5000	30670	3570710	19.35
5001 to 10000	1157	902769	4.89
10001 to 20000	502	736410	3.99
20001 to 30000	153	386321	2.09
30001 to 40000	80	286516	1.55
40001 to 50000	57	273436	1.48
50001 to 100000	94	652345	3.54
100001 and above	74	11646898	63.11
TOTAL	32787	18455405	100.00

i) Share Transfer Process

Share Transfer in physical form is normally effected within a period of fifteen 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 week, 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, 2014, 13576124 (73.56%) shares were in de-materialised form.



k) Share Transfer Agents

M/s Link Intime India Pvt. Ltd., Coimbatore are the Registrar and Share Transfer Agent of the Company for both 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: NA

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

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

During the Financial Year 2013-14, an amount of Rs.348299/- being the unclaimed dividends for the year ended March 31, 2006, lying in the unpaid dividend account was transferred to IEPF.

The cumulative amount transferred to IEPF as on March 31, 2014 is Rs.773461/-.

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 March 31, 2014 (Rs)	Due date for credit to IEPF
2006-07	28.09.2007	15%	566964	27.10.2014
2007-08	18.09.2008	15%	750984	17.10.2015
2008-09	30.09.2009	15%	718782	29.10.2016
2009-10	30.09.2010	20%	1079876	29.10.2017
2010-11	19.09.2011	15%	787898	18.10.2018
2011-12	27.09.2012	15%	876908	26.10.2019
2012-13	23.09.2013	7.5%	494638	22.10.2020

p) Details of Unclaimed Shares

Pursuant to amended Clause 5A of the Listing Agreement by Securities and Exchange Board of India vide its Circular No.CIR/CFD/DIL/10/2010 dated 16.12.2010, the Company sent three reminders to the last known address of the shareholders, requesting them to submit necessary documents and claim the shares.

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

The movement of unclaimed shares in the "Harrisons Malayalam Limited - Unclaimed Suspense Account" with SHCIL is given below.

Particulars	No. of Shareholders	No. of Shares
Outstanding shares in the demat suspense account with SCHIL as on March 31, 2014	3346	230776
Investors to whom shares were transferred from the Demat Suspense account during the period April 1, 2014 to July 31, 2014	51	3605
Outstanding shares in the Demat Suspense Account as on 1st August, 2014	3295	227171

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 a 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, 2014, 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 Agents of the Company, there were no investors' grievances remaining unattended/pending for more than 30 days as at March 31, 2014.

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 16, 2014

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, 2014 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, 2014



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

TEA

Overview

India, the world's largest grower of black tea, produced 1200 million kgs in 2013 which was 43% of the global black tea output. This is 7.6% higher, compared to 1115 million kg of black tea produced in 2012- an increase of 85 million kg. The other major tea producing countries in the world in 2013 were Kenya 432 million kg, Sri Lanka 340 million kg, other African countries 207 million kg and Bangladesh 63 million kg. China annually produces 1850 million kg of green tea. (Source: *International Tea Committee Bulletin and Tea Board of India*).

India's 80% of total black tea output comes from North India, South India accounts for the balance. While favorable growing conditions in North East helped harvesting of a bumper crop in North India, the South Indian crop remained at the previous year's level. Weather conditions in South India with long spells of drought followed by excessive rainfall led to stagnation in harvesting of crop.

Exports up to December, 2013 were lower at 159 million kg as against 167 million kg in the previous period. Exports to Iran and USA increased in terms of volume, but exports to CIS and UK declined. The average tea price realization from Indian exports increased by Rs 18.06 per kg. North Indian exports recorded an increase of Rs 24.83 per kg over the previous period, while South Indian export realization rose by Rs 15.45 per kg.

Outlook

Global tea production is likely to remain either static or very insignificant growth in the next two years. This is largely due to negligible addition of land under tea cultivation in the organized sector. Indian production should recover with the expected near - normal weather conditions. Demand for tea is likely to increase due to strong consumption growth leading to further shortage and lower inventory levels. This should see prices stabilising. Also, the superior quality teas produced by HML have already found encouraging acceptance. The potential to respond to a growing market is therefore great.

RUBBER

Overview

In 2013, global Natural Rubber (NR) production increased by 3.7% to 12036 million kg, while consumption at 11322 million kg rose only by 2.7%. As a result, rubber stock piled up to 3208 million kg, an increase of 10.1%. There was a drastic decline in rubber prices in the international market.

On the domestic front, natural rubber production in 2013 stood at 846 million kg and consumption at 979 million kg. Despite production being down by 7.4% and consumption remaining flat, no significant upward movement in natural rubber price was visible. The deficit in local production was made up through import at prices lower than that prevailing in the domestic market. During 2013, 325 million kg of natural rubber was imported and 5 million kg exported, as against 217 million kg imported and 31 million kg exported in the previous year.

Outlook

A combination of dry weather conditions across South-east Asia (where three-quarters of global rubber production is located) and low prices may result in lower output and production rationalization. Natural rubber production in 2014 is expected to remain flat at 12.1 million tons before bouncing back by 3.3% in 2015. The prevailing economic scenario in Thailand, may pave the way for exports into that country.

Natural rubber consumption in 2014-15 is expected to grow 3.9%, as demand recovers in several major consuming countries. Despite this pace of growth, it will not be enough to eliminate the substantial market surplus in 2014-15. It is expected that prices in 2014 will favour consumers. Heavy stock piles in China and Japan will be against apparent demand, as consumers there will be able to contain imports by drawing down on reserves. China will remain by far the world's largest natural rubber consumer in 2014-15, but other emerging regions, such as Europe, North America and Latin America, will help support consumption growth. Consumption is expected to outpace production in 2016 which should see revival in natural rubber prices.

OPPORTUNITIES AND THREATS

Tea and Rubber plantation is dependent on the vagaries of nature. It is also labour intensive and subject to stringent labour laws. High labour cost, high social cost, high infrastructure cost and rising energy and other input costs remain its major problems. Labour shortage during peak season in some pockets is also a cause for concern. There is considerable pressure on Indian exports with political unrest in a number of tea drinking nations. This may impact export and affect South Indian tea trade.

These problems will be addressed by improving labour productivity through mechanisation and various other initiatives, which your Company is aiming at by constant discussion with trade unions. Various energy conservation measures have also been initiated. Improved water management measures introduced would help the Company see through the dry months of February and March.

With the expected stabilisation of tea prices and HML achieving better volumes in both tea and rubber through, own and bought operations, the Company should be able to improve its performance. Your company's involvement in Plantations Development activities over the past 5 – 6 years should raise yield levels in the years to come.

INTERNAL CONTROL SYSTEM

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

HUMAN RESOURCES

HML employs over 12,000 people 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 employee commitment towards maintaining smooth production from all the tea and rubber plantations.

FINANCE

Total income during the year increased by 11% to Rs. 386.86 cr, while the profit after tax was Rs. 4.42 cr. ICRA has upgraded the rating of Company's bank facilities to BBB (fund based) and to A3 (non-fund based). With the Kerala Government continuing to raise various allegations against the Company in the High Court and also issuing orders banning rubber tree felling, the operations of the Company are being affected, leading to avoidable strain on its financial resources.

CAUTIONARY STATEMENT

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



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, 2014, 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
 - (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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

Pinaki Chowdhury
Partner

Membership Number : 057572

Kolkata
May 30, 2014

Annexure to Independent Auditors' Report

**Referred to in paragraph 7 of the Independent 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, 2014.**

- 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 three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies 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 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 into 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. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- 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 59.32lacs relating to plantation tax (under The Kerala Plantations (Additional Tax) Act, 1960), arrears of Rs 39.69lacs relating to Land Tax (under The Kerala Land Tax Act, 1961), 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, investor education and protection fund, employees' state insurance, 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, 2014 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	1,112.74	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	Commissioner of Income Tax, Appeals
		18.81	2006-07, 2012-13	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 other than term loan of Rs 2,000 lacs (Obtained towards the end of the financial year) which according to management, has been temporarily used for working capital purposes/repayment of certain short term borrowings pending eventual utilisation for specific purposes.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis aggregating Rs1,289.70 lacs have been used for long term investment in noncurrent 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, 2014

Balance Sheet as at March 31, 2014

	Note	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	1,845.43	1,845.43
Reserves and Surplus	3	30,346.57	30,120.98
		32,192.00	31,966.41
Non-current Liabilities			
Long term borrowings	4	6,881.04	5,228.32
Long term provisions	5	3,632.14	2,965.40
		10,513.18	8,193.72
Current Liabilities			
Short term borrowings	6	3,803.55	4,558.02
Trade payables	7	1,760.99	1,636.64
Other current liabilities	8	4,409.96	5,281.58
Short term provisions	9	1,443.10	1,373.21
		11,417.60	12,849.45
Total		54,122.78	53,009.58
ASSETS			
Non current assets			
Fixed assets	10		
Tangible assets		42,944.77	42,848.78
Capital Work in progress		161.55	457.91
Intangible assets under development		53.94	-
Non current investments	11	6.02	6.02
Long term loans and advances	12	804.14	745.71
Other non current assets	13	300.89	513.84
		44,271.31	44,572.26
Current assets			
Current investments	14	15.00	15.04
Inventories	15	2,541.90	2,059.93
Trade receivables	16	1,485.65	818.25
Cash and bank balances	17	1,670.81	2,025.24
Short term loans and advances	18	2,669.90	2,304.76
Other current assets	19	1,468.21	1,214.10
		9,851.47	8,437.32
Total		54,122.78	53,009.58

The notes are an integral part of these financial statements

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

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2014

For and on behalf of the Board

Ajit Singh Chouhan
Director

Ashok Goyal
Whole Time Director

Ravi A
Company Secretary

Kolkata
May 30, 2014



Statement of Profit and Loss for the year ended March 31, 2014

	Note	Year ended March 31, 2014 Rs. Lacs	Year ended March 31, 2013 Rs. Lacs
Revenue from operations	20	36,419.09	33,212.33
Other income	21	266.03	246.38
Total revenue		36,685.12	33,458.71
Expenses			
Cost of materials consumed	22	10,433.99	8,141.60
Purchases of stock in trade	23	310.07	766.62
Changes in inventories of finished goods	24	(378.38)	(94.88)
Employee benefits expenses	25	12,288.41	11,521.57
Other expenses	26	11,365.20	10,623.14
Depreciation expenses	10	631.31	651.45
Finance cost	27	1,510.72	1,458.73
Total expenses		36,161.32	33,068.23
Profit before extraordinary item and tax		523.80	390.48
Extraordinary item (net)	42	25.63	-
Profit before tax		549.43	390.48
Tax expenses			
Current tax			
For current year		(70.00)	(105.00)
For earlier years		-	(13.27)
Profit for the year from continuing operations		479.43	272.21
(Loss) from discontinuing operations	45 (b)	(37.93)	(42.45)
Tax expense of discontinuing operations		-	-
(Loss) from discontinuing operations after tax	45 (b)	(37.93)	(42.45)
Profit for the year		441.50	229.76
Earnings per equity share	40		
Equity shares of par value Rs.10/- each			
Basic and diluted (including extraordinary item)		2.39	1.24
Basic and diluted (excluding extraordinary item)		2.38	1.24

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 **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2014

For and on behalf of the Board

Ajit Singh Chouhan
Director

Ashok Goyal
Whole Time Director

Ravi A
Company Secretary

Kolkata
May 30, 2014

Cash Flow Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 (Rs.Lacs)	For the year ended March 31, 2013 (Rs.Lacs)
Cash Flow From Operating Activities		
Profit before extraordinary item and tax	485.87	348.03
Adjustments for:		
Depreciation	646.99	676.08
Interest Income	(65.79)	(52.87)
Interest	1,389.58	1,380.48
Other borrowing cost	121.14	78.25
Provision for Doubtful Debts/ Advances	22.82	72.90
Provision for Warranty	-	3.00
Liability no longer required written back	(18.96)	-
(Profit) on Sale of Fixed Assets (net)	(12.02)	(7.23)
	<u>2,083.76</u>	<u>2,150.61</u>
Operating Profit before Working Capital changes	2,569.63	2,498.64
(Increase) in Inventories	(481.97)	(170.58)
(Increase)/ Decrease in Trade Receivables	(679.89)	405.23
(Increase)/ Decrease in Loans and Advances/ Other Current Assets	129.74	(990.74)
Increase in Trade payables and Other Current Liabilities	1,180.86	464.10
	<u>148.74</u>	<u>(291.99)</u>
Cash Generated from Operations	2,718.37	2,206.65
Income Tax (net of refund)	(116.59)	(184.91)
Net Cash generated from Operating Activities before extraordinary item	2,601.78	2,021.74
Extraordinary Item (Note 2 below)	51.79	-
Net Cash generated from Operating Activities (A)	<u>2,549.99</u>	<u>2,021.74</u>
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(718.70)	(1,325.17)
Sale of Fixed Assets	60.01	57.67
Purchase of non-current Investments	(1.00)	-
Interest Received	89.98	36.33
Maturity proceeds from non-current Investments	1.00	0.02
Maturity proceeds from current Investments	0.04	0.01
Net Cash (used in) Investing Activities before extraordinary item	(568.67)	(1,231.14)
Extraordinary Item (Note 2 below)	33.15	-
Net Cash (used in) Investing Activities (B)	<u>(535.52)</u>	<u>(1,231.14)</u>
Cash Flow from Financing Activities		
Proceeds from Long-term Borrowings	4,113.25	1,642.26
Repayment of Long-term Borrowings	(3,687.06)	(2,326.37)
Net increase/ (decrease) in Short-term Borrowings	(754.47)	1,847.60
Interest Paid	(1,344.48)	(1,390.96)
Other borrowing costs paid	(121.14)	(78.25)
Dividend Paid (including tax on dividend Rs. 22.45 Lacs, Previous year Rs. 44.92 Lacs)	(160.43)	(317.69)
Net Cash (used in) Financing Activities (C)	<u>(1,954.33)</u>	<u>(623.41)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	60.14	167.19
Cash and Cash Equivalents at the beginning of the year	1,240.56	1,073.37
Cash and Cash Equivalents at the close of the year (Note 3 below)	<u>1,300.70</u>	<u>1,240.56</u>

Notes :

- The above Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Refer Note 42 to the financial statements for information relating to Extraordinary item.
- Cash and Cash Equivalents (Refer note 17 to financial statements) include Unpaid Dividend not available for use by the Company of Rs.52.76 Lacs (Previous year -Rs.52.32 Lacs)
- Refer Note 45 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 Price Waterhouse

Firm Registration No. 301112E

Chartered Accountants

Pinaki Chowdhury

Partner

Membership No. 057572

Kolkata

May 30, 2014

For and on behalf of the Board

Ajit Singh Chouhan

Director

Ashok Goyal

Whole Time Director

Ravi A

Company Secretary

Kolkata

May 30, 2014



Notes to financial statements for the year ended March 31, 2014

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). Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently 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 tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

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

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. Expenses relating to other new plantings are capitalised except in case of some additional new planting in the unused portion of land where planting were done earlier but not covering the entire land area which is charged off when incurred.

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

Tangible 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.

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

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 significant risks and rewards of ownership in goods in accordance with the terms of sale. Revenue from sale of rubber/ grevillea trees is recognised at the point of felling and removing the trees from the estates.

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.

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 consequent to replacement are charged to revenue as and when incurred.

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, 2014 Rs. Lacs	As at March 31, 2013 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, 2014		March 31, 2013	
	Number of shares	Rs. Lacs	Number of shares	Rs. Lacs
(ii) 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, 2014		March 31, 2013	
	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	1,420,200	7.70%	1,605,200	8.70%
Carniwal Investments Ltd	1,121,230	6.08%	-	-
Universal Industrial Fund Ltd	-	-	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, 2013	Additions	Deductions	Balance as at March 31, 2014
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, 2014	As at March 31, 2013
Balance as at the beginning of the year	9,176.47	9,108.65
Add:		
Profit for the year as per Statement of Profit and Loss	441.50	229.76
Less: Appropriations		
Proposed Final Dividend on Equity Shares @ Re 1.00 per share (Previous year @ Rs 0.75 per share)	184.55	138.42
Tax on dividends	31.36	23.52
	215.91	161.94
Balance as at the end of the year	9,402.06	9,176.47
Total Reserves and Surplus	30,346.57	30,120.98

4 Long term borrowings

Secured

Term loan

From Banks	6,673.62	6,173.62
From Others	483.85	557.66
	7,157.47	6,731.28

Less: Current maturities of Long Term Debt referred to in Note 8	(276.43)	(1,502.96)
	6,881.04	5,228.32

Term loan from banks

- a 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. During March 2014, the Company has revised the terms of repayment of the loan outstanding of Rs 1,500 lacs (balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of Rs 166.67 Lacs and Rs 333.33 Lacs for the balance 4 instalments upto December 2016. Year end balance is Rs.1,500.01 Lacs (Previous year Rs.5,000.01 Lacs).



- b Loan availed of Rs.1,173.61 Lacs during 2012-2013 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. Year end balance is Rs 1,173.61 Lacs (Previous year Rs 1,173.61 Lacs)
- c Loan availed of Rs 4,000.00 Lacs during the year is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of Rs. 50.00 Lacs commencing from September 2015 upto December 2016, 4 quarterly instalments of Rs 100.00 Lacs from March 2017 to December 2017, 8 quarterly instalment of Rs 200.00 Lacs from March 2018 to December 2019, 4 quarterly instalments of Rs 250.00 Lacs from March 2020 to December 2020 and 2 quarterly final instalments of Rs. 350 Lacs from March 2021 to June 2021, is secured by equitable mortgage of immovable properties of the Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 2% per annum payable on a monthly basis from disbursement of the loan. Year end balance is Rs.4,000.00 Lacs (Previous year Rs. Nil).

Term loan from others

- d 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 at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
Payable in 0-1 year	166.36	169.76
Payable in 1-2 year	143.10	137.42
Payable in 2-3 year	107.89	115.03
Payable in 3-4 year	66.50	80.30
Payable in 4-5 year	-	55.15
	483.85	557.66

5 Long term provisions

Provision for employee benefits:

Provision for gratuity	3,081.87	2,413.00
Provision for compensated absence	58.27	60.40
	3,140.14	2,473.40

Other Provisions:

Contingency reserve #	492.00	492.00
	3,632.14	2,965.40

#

Balance at the beginning of the year	492.00	492.00
Provision made during the year	-	-
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 expected to prejudice the interests of the Company.

	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
6 Short term borrowings		
Secured		
Cash credit from banks repayable on demand	3,303.55	3,558.02
Unsecured		
Short term loan from bank	500.00	1,000.00
	3,803.55	4,558.02
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, 2014 carrying an interest of 10.5% per annum.		
7 Trade payables		
Due to Micro and Small Enterprises	27.41	31.70
Others	1,733.58	1,604.94
	1,760.99	1,636.64
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 as at the end of accounting year		
Principal	5.62	13.25
Interest	0.95	1.01
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	232.05	223.47
Interest	2.39	2.43
The amount of interest accrued and remaining unpaid at the end of the year (including Rs.18.45 Lacs (Previous year Rs.15.01) being interest outstanding as at the beginning of the accounting year)	21.79	18.45
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	3.34	3.44



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
8 Other current liabilities		
Current maturities of long term borrowings (Refer Note 4)	276.43	1,502.96
Interest accrued but not due on borrowings	46.25	1.15
Unpaid dividends *	52.76	52.32
Others :		
Employee benefits payable	1,187.34	1,224.29
Statutory dues	2,149.14	1,708.21
Advance from customers	387.05	458.14
Deposits received from customers	310.99	334.51
	4,409.96	5,281.58
* 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	468.72	420.00
Provision for compensated absence	29.68	16.96
Others :		
Provision for		
Income tax (Net of advance tax of Rs. 13,845.83 Lacs; Previous year Rs.13,729.24 Lacs)	602.08	648.67
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	3.00
Proposed dividend	184.55	138.42
Tax on proposed dividend	32.43	23.52
	1,443.10	1,373.21
#		
Balance at the beginning of the year	3.00	-
Provision made during the year	3.00	3.00
Utilised / Reversed during the year	(3.00)	-
Balance at the end of the year	3.00	3.00

Note 10

Fixed Assets

Rs. Lacs

Description of Assets	Gross Block			Depreciation				Net Block	
	Cost/ Valuation as at March 31, 2013	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2014	As at March 31, 2013	For the year	On Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2013
Tangible assets									
Land and Development - Freehold and Leasehold (Note 1 below)	39,206.85	120.25	-	39,327.10	-	-	-	39,327.10	39,206.85
Buildings	3,507.43	259.34	94.10	3,672.67	2,219.85	90.48	26.22	1,388.56	1,287.58
Plant and Machinery (Note 2 below)	5,924.97	406.14	302.47	6,028.64	4,187.73	410.64	192.64	1,622.91	1,737.24
Furniture and Fittings	291.05	15.78	1.30	305.53	247.75	16.72	1.22	42.28	43.30
Water Supply (Note 2 below)	898.91	12.20	15.46	895.65	596.64	36.82	13.77	275.96	302.27
Vehicles	660.25	114.29	34.26	740.28	388.71	92.33	28.72	287.96	271.54
Previous Year	50,489.46	928.00	447.59	50,969.87	7,640.68	646.99	262.57	42,944.77	42,848.78
Capital Work-In-Progress - at cost -Tangible Assets	49,903.18	961.17	374.89	50,489.46	7,289.05	676.08	324.45	161.55	457.91
Intangible Assets under development									
Computer Software Implementation cost								43,106.32	43,306.69
								53.94	-
								43,160.26	43,306.69

Notes :

- Land and development includes
 - Certain leasehold lands the value of which is not separately ascertainable
 - Rs. 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
 - 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.
- Plant and Machinery and Water Supply

Additions to Plant and Machinery and Water Supply is net of capital subsidy of Rs.Nil. (Previous year Rs. 22.26 Lacs) and Rs.Nil (Previous year Rs. 25.32 Lacs) respectively
- Depreciation for the year includes Rs. 15.68 lacs (Previous year Rs. 24.63 lacs) relating to discontinuing operation (refer Note 45)



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
11 Non current investments		
Long term - At cost		
Other than trade		
Unquoted investment		
(i) Investments in Equity shares of Subsidiaries		
49,993 Equity Shares of Rs 10 each in HML Engineering Company Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates	0.02	0.02
Treasury Savings Account	1.00	1.00
	6.02	6.02
12 Long term loans and advances		
Un-secured and considered good		
Capital Advances	68.24	35.12
Electricity and other deposits	244.67	219.36
Advance to workers	491.23	491.23
	804.14	745.71
13 Other non current assets		
Un-secured and considered good		
Margin money deposit with Banks having maturity more than 12 months	16.37	180.00
Bank Deposit on lien	1.73	1.73
Retention money	282.79	332.11
	300.89	513.84
14 Current investments		
At lower of cost and fair value		
Other than trade		
Unquoted investment		
(i) Investments in Equity shares of Subsidiaries		
100,000 Equity Shares of Rs 10 each in Enchanting Plantations Limited	10.00	10.00
50,000 Equity Shares of Rs 10 each in Harmony Plantations Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates *	-	0.04
	15.00	15.04
* 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 *	1,293.43	966.84
Stores and spares #	1,145.87	901.84
Raw (Construction) materials @	49.38	166.04
Nurseries	53.22	25.21
	2,541.90	2,059.93

	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
* Particulars of closing inventories of Finished goods		
Tea	1,076.01	800.74
Rubber	217.42	166.10
	1,293.43	966.84
# Stores and spares includes packing materials of Rs. 344.53 lacs (Previous year- Rs 215.79 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Torsteel	2.55	89.15
Tiles	2.64	21.65
Others	44.19	55.24
	49.38	166.04
16 Trade receivables		
Unsecured		
Outstanding for a period of more than six months from the due date of payment.		
Considered good	188.44	88.36
Considered doubtful	396.67	384.18
Less: Provision for doubtful receivables	(396.67)	(384.18)
	188.44	88.36
Other debts		
Considered good	1,297.21	729.89
	1,297.21	729.89
	1,485.65	818.25
17 Cash and Bank balances		
Cash and cash equivalent		
Cash on hand	13.40	9.64
Balance with banks		
On current accounts	1,234.54	1,178.60
Unpaid dividend accounts *	52.76	52.32
	1,300.70	1,240.56
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	370.11	784.68
	1,670.81	2,025.24

* Earmarked for payment of unclaimed dividend



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
18 Short term loans and advances		
Un-secured and considered good		
Advances to related parties - Subsidiaries (Refer Note 39)	0.30	0.01
Advances to employees	98.79	68.69
Advance to suppliers	158.00	331.32
Balances with Government Authorities	1,991.69	1,547.21
Prepaid expenses	182.43	244.52
Claims recoverable	194.49	46.58
Advances to body corporates/ trusts /individuals	44.20	66.43
	2,669.90	2,304.76
Un-secured and considered doubtful		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	42.91	32.58
Advances to body corporates	189.64	189.64
	259.69	249.36
Less: provision for doubtful advances	(259.69)	(249.36)
	2,669.90	2,304.76
19 Other current assets		
Un-secured and considered good		
Subsidy receivable	329.02	161.64
Unbilled revenue	993.98	906.74
Export Entitlement	130.54	106.86
Interest accrued on bank deposits	14.67	38.86
	1,468.21	1,214.10
	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
20 Revenue from operations		
Sale of products *	34,520.09	31,813.60
Sale of Services #	1,989.17	1,531.38
Other operating revenues		
Sale of Rubber/ Grevillea Trees	950.47	512.47
Tea Board Subsidy	339.72	340.55
Export entitlements	151.84	117.06
Others	456.97	428.65
	38,408.26	34,743.71
Less: Discounting operation (Refer Note 45)	1,989.17	1,531.38
	36,419.09	33,212.33

	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
* Details of sale of products		
Tea	17,820.83	15,661.23
Rubber	16,171.54	15,692.36
Fruits, Spices and others	236.62	316.28
Green leaf	291.10	142.15
Plant Tissue Culture sales	-	1.58
	34,520.09	31,813.60
# Details of sale of services (Discontinuing operation)		
Construction contracts (Refer Note 37)	1,989.17	1,531.38
21 Other Income		
Interest income on		
Bank deposits and other deposits	65.77	52.86
Non-current investments	0.02	0.01
Profit on sale of fixed assets (net)	12.02	7.23
Liability no longer required written back	18.96	-
Net gain on foreign currency transactions/translations	-	24.11
Other non-operating income	181.22	164.74
	277.99	248.95
Less: Discontinuing operation (Refer Note 45)	11.96	2.57
	266.03	246.38
22 Cost of materials consumed (all indigenous)		
Inventory at the beginning of the year	-	-
Add : Purchases	10,433.99	8,141.60
	10,433.99	8,141.60
Less : Inventory at the end of the year	-	-
Cost of materials consumed	10,433.99	8,141.60
Details of materials consumed:		
Green leaf	3,336.74	2,172.67
Bought latex and sheets	6,789.64	5,709.15
Tea used for blending	307.61	259.78
	10,433.99	8,141.60
23 Purchase of stock-in-trade		
Cenex / TSR	301.42	766.62
Fruits, spices and others	8.65	-
	310.07	766.62



	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
24 Changes in inventories of finished goods		
Inventory at the end of the year		
Tea	1,076.01	800.74
Rubber	217.42	166.10
	1,293.43	966.84
Inventory at the beginning of the year		
Tea	800.74	709.92
Rubber	166.10	162.04
	966.84	871.96
Add: Extraordinary Item (Refer Note 42)	51.79	-
	(378.38)	(94.88)
25 Employee benefits expenses		
Salaries and wages	9,671.32	9,492.29
Contribution to Provident Fund	1,072.78	1,006.65
Contribution to Superannuation Fund	71.81	50.81
Gratuity	1,292.76	824.64
Staff welfare expenses	280.86	246.60
	12,389.53	11,620.99
Less: Discontinuing operation (Refer Note 45)	101.12	99.42
	12,288.41	11,521.57

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:-

	2013-14	2012-13	2011-12	2010-11	2009-10
1 Present value of obligation at the beginning of the year	2,833.00	2,704.99	2,116.00	1,962.75	1,782.84
Interest cost	222.73	189.07	153.95	135.61	117.89
Current service cost	165.23	615.68	285.64	284.10	267.89
Benefits paid	(575.17)	(696.63)	(390.72)	(545.94)	(429.09)
Actuarial loss	904.80	19.89	540.12	279.48	223.22
Present value of obligation at the Balance Sheet date (Amount recognised in Balance Sheet)	3,550.59	2,833.00	2,704.99	2,116.00	1,962.75
2 Amounts recognized in the Statement of Profit and Loss					
Current service cost	165.23	615.68	285.64	284.10	267.89
Interest cost	222.73	189.07	153.95	135.61	117.89
Actuarial loss	904.80	19.89	540.12	279.48	223.22
Expenses recognized in the Statement of Profit and Loss (Refer Note 25)	1,292.76	824.64	979.71	699.19	609.00
3 Principal actuarial assumptions					
Discount rate	8.75%	8.00%	8.00%	8.00%	7.50%
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%
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 Amount recognised as expense during the year for defined contribution plans :

	2013-14 Rs. Lacs	2012-13 Rs. Lacs
Contribution to Provident Fund (included in Contribution to Provident Fund in Note 25)	1,072.78	957.10
Contribution to Superannuation Fund (Refer Note 25)	71.81	50.81

26 Other expenses

	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
Consumption of Stores and Spare Parts (Refer note 31)	2,169.32	2,094.58
Consumption of Packing material (Refer note 32)	636.12	565.50
Engineering Contract Cost - Materials and Other Expenses	1,775.06	1,335.51
Contract Costs	987.48	1,017.91
Power and Fuel	2,042.90	1,961.94
Rent	104.80	81.50
Rates and Taxes	140.27	167.56
Repairs and Maintenance		
Buildings	269.14	229.82
Plant and Machinery	313.48	177.43
Others	67.43	51.68
Insurance	70.44	63.19
Tea Cess	81.25	77.55
*Replanting Expenses	1,827.85	1,876.43
Travelling and Conveyance	531.71	458.17
Brokerage and Discount	171.51	172.37
Commission to Selling agent	7.33	8.08
Freight, Shipping, Transport and other charges	679.01	571.73
Directors' Sitting Fees	4.45	4.00
Provision for Doubtful Debts/ Advances	22.82	72.90
Provision for warranty (net)	-	3.00
Miscellaneous Expenses	1,385.09	1,084.64
	13,287.46	12,075.49
Less: Discontinuing operation (Refer Note 45)	1,922.26	1,452.35
	11,365.20	10,623.14

* Replanting expense includes material consumption and wages of Rs. 343.94 lacs (Previous year Rs.390.07 lacs) and Rs. 1,257.88 lacs (Previous year- Rs.1,029.94 lacs) respectively

27 Finance Costs

Interest expense	1,389.58	1,380.48
Other borrowing cost	121.14	78.25
	1,510.72	1,458.73



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
28 Contingent Liabilities and commitments		
28.1 Contingent Liabilities :		
Claims against the Company not acknowledged as debt		
i. Employee related	324.71	560.03
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	49.41	93.49
iii. Disputed Income Tax matters	1,019.97	674.10
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.68.24 lacs (Previous year Rs.35.12 lacs)	121.94	19.89
29 No adjustment is required to be made in the accounts in respect of :		
a An area of 807 hectares (approximately) [Previous Year 807 hectares (approximately)], which is on a leasehold tenure falls under the provisions of the Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969. Company's appeal challenging the Order of the Settlement Officer rejecting its application for Patta is pending before the District Court, Ooty. The status quo Orders passed by the Madras High Court challenging the notification of 335 Hectares out of this area as forest by the Government of Tamil Nadu is also in force.		
b An area of 125.80 hectares (approximately) [Previous Year 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 is pending decision of the Forest Tribunal, Palghat and restoration by the Forest Department.		
c An area of 2588 hectares (approximately) [Previous Year 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) [Previous Year 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) [Previous Year 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 1310 hectares (approximately) [Previous Year 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) [Previous Year 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) [Previous Year 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 (Previous Year 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 (Previous Year 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. Nil (Previous Year 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, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
30 Amount paid/ payable to auditors			
As auditors			
Statutory Audit Fee		26.00	26.00
Tax Audit Fee		5.00	5.00
Limited Review Fee		11.75	11.75
Other Services		5.25	5.25
Reimbursement of expenses		1.74	1.29
		49.74	49.29
	As a % of consumption	Year ended March 31, 2014 Rs.Lacs	As a % of consumption
31 Stores and spares consumed			Year ended March 31, 2013 Rs.Lacs
Indigenous	99.91%	2,167.41	99.99%
Imported	0.09%	1.91	0.01%
		2,169.32	2,094.30
			0.28
			2,094.58
32 Packing material consumed			
Indigenous	100.00%	636.12	94.98%
Imported	0.00%	-	5.02%
		636.12	537.12
			28.38
			565.50
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		27.30	54.60
Year to which dividend relates		2012-13	2011-12
34 Expenditure in Foreign Currency			
Travelling		13.08	7.27
Selling Commission		2.66	5.75
Others		11.04	5.47
		26.78	18.49
35 Value of Imports on C.I.F. Basis			
Capital Goods		-	33.29
Stores and Spare Parts		1.91	30.95
Packing material		-	-
		1.91	64.24
36 Earnings in Foreign Currency			
FOB value of Exports		3,138.42	1,836.68



**Year ended
March 31, 2014
Rs.Lacs**

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

37 Disclosure relating to Construction Contracts

Contract revenue recognised during the year	1,989.17	1,531.37
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	5,335.13	4,308.94
Advances received	116.86	246.75
Retention money	251.49	266.73
Gross amount due from customers	103.16	173.44

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 *

Description	Continuing operations			Discontinuing operations	Total (Rs. Lacs)
	Tea	Rubber	Other	Engineering	
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	
External Sales	18,614.49 (16,339.11)	17,157.01 (16,245.06)	647.59 (628.16)	1,989.17 (1,531.38)	38,408.26 (34,743.71)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	18,614.49 (16,339.11)	17,157.01 (16,245.06)	647.59 (628.16)	1,989.17 (1,531.38)	38,408.26 (34,743.71)
Segment Result - Profit/(Loss) excluding Extraordinary item	71.89 (-)(391.95)	1,554.11 (1,833.45)	342.73 (354.85)	(37.93) (-)(42.45)	1,930.80 (1,753.90)
Less: Interest Expenses					1,389.58 (1,380.48)
Less: Unallocated expenses (net of unallocated income Rs 65.79 lacs (Previous year Rs 52.87 Lacs))					55.35 (25.39)
Profit before Extraordinary Item and tax					485.87 (348.03)
Extraordinary Item (Net) (Note 42)					25.63 -
Profit before Tax					511.50 (348.03)
Less : Income Taxes					(70.00) (118.27)
Profit after Tax					441.50 (229.76)

Description	Continuing operations			Discontinuing operations	Total
	Tea	Rubber	Other	Engineering	
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
Other Information					
Segment Assets	38,064.87 (36,817.42)	12,879.71 (12,351.45)	55.25 (90.51)	1,419.04 (1,486.11)	52,418.87 (50,745.49)
Unallocated Assets					1,703.91 (2,264.09)
Total Assets					54,122.78 (53,009.58)
Segment Liabilities	4,678.57 (3,754.87)	4,973.83 (4,715.31)	13.29 (23.43)	260.30 (264.54)	9,925.99 (8,758.15)
Unallocated Liabilities					12,004.79 (12,285.02)
Total Liabilities					21,930.78 (21,043.17)
Segment Capital Expenditure	468.40 (1,167.36)	250.30 (157.81)	- -	- -	718.70 (1,325.17)
Segment Depreciation	479.79 (487.25)	147.00 (161.62)	4.52 (2.58)	15.68 (24.63)	646.99 (676.08)
Segment non-cash expense other than depreciation	8.83 (34.27)	- (1.63)	- (16.00)	13.99 (24.00)	22.82 (75.90)

(b) Secondary Segment information - By Geographical Segments *

Description	India	Outside India	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
External Sales	35,200.06 (32,791.44)	3,208.20 (1,952.27)	38,408.26 (34,743.71)
Segment Assets	52,004.14 (50,529.88)	414.73 (215.61)	52,418.87 (50,745.49)
Segment Capital Expenditure	718.70 (1,325.17)	- -	718.70 (1,325.17)

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)
Enchanting Plantations Limited (EPL)
Harmony Plantations Limited (HPL)
Malayalam Plantations Limited (MPL) (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)	
	2013-14	2012-13	2013-14	2012-13
Transaction during the year				
Re-imbursement of Expenses				
HECL	0.02	0.01	-	-
EPL	0.07	-	-	-
HPL	0.13	-	-	-
MPL	0.07	-	-	-
Remuneration				
Pankaj Kapoor			-	39.51
V Venugopal			44.02	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	0.03	0.01	-	-
EPL	0.07	-	-	-
HPL	0.13	-	-	-
MPL	0.07	-	-	-
V Venugopal			-	1.12

40 Earnings Per Share

Particulars

	2013-14	2012-13
	Rs. Lacs	Rs. Lacs
a) Profit after tax (including extraordinary item) (Rs in lacs)	441.50	229.76
b) Profit after tax (excluding extraordinary item) (Rs in lacs)	439.77	229.76
c) Number of equity shares at the beginning of the year	18,455,405	18,455,405
d) Number of equity shares at the end of the year	18,455,405	18,455,405
e) Weighted average number of equity shares outstanding	18,455,405	18,455,405
f) Nominal Value of each equity share (Rs.)	10.00	10.00
g) Basic and diluted earnings per share (including extraordinary item) (Rs.) (a/e)	2.39	1.24
h) Basic and diluted earnings per share (excluding extraordinary item) (Rs.) (b/e)	2.38	1.24

41 Derivative instruments and unhedged foreign currency exposure

i. Derivatives outstanding as at the reporting date

Particulars	Purpose	Year Ended March 31, 2014		Year Ended March 31, 2013	
		Value in Foreign Currency	INR Rs. Lacs	Value in Foreign Currency	INR Rs. Lacs
Forward Contracts to sell USD	Hedge of highly probable forecast transactions	8.07	502.28	-	-

ii. Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Value in Foreign Currency	INR Rs. Lacs	Value in Foreign Currency	INR Rs. Lacs
Trade Receivables (In USD)	2.09	128.41	3.57	192.41
Trade Receivables (In Euro)	0.20	16.73	0.32	23.20

42 Extraordinary Item

Extraordinary item represents loss of certain inventories and fixed assets resulting from fire in one of the tea factory for which the Company has lodged an insurance claim. The extraordinary item comprises of the following

Particulars	Rs. Lacs	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Insurance Claim Recoverable (subsequently realised)	181.30	-
Less: Loss of Inventory	51.79	-
Less: Loss of Tangible Fixed Assets	137.03	-
Add: Proceeds from sale of tangible assets	33.15	-
Net Extraordinary Gain	25.63	-

43 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.

- The Company has entered into a composite scheme of arrangement and amalgamation amongst Harrissons 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.



- 45** 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:

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

	As at March 31, 2014	As at March 31, 2013
	Rs Lacs	Rs Lacs
Total assets	1,419.04	1,486.11
Total liabilities	260.30	264.54
Net assets	1,158.74	1,221.57

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

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs Lacs	Rs Lacs
Revenue from operations (Sale of services)	1,989.17	1,531.38
Other income	11.96	2.57
	2,001.13	1,533.95
Employee benefits expenses	101.12	99.42
Depreciation expenses	15.68	24.63
Other expenses	1,922.26	1,452.35
Total expenses	2,039.06	1,576.40
(Loss) from discontinuing operations before taxes	(37.93)	(42.45)
Tax expenses of discontinuing operations	-	-
(Loss) from discontinuing operations after tax	(37.93)	(42.45)

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

Operating activities	(36.17)	(20.01)
Investing activities	32.63	0.79
Financing activities	-	-
Net cash flows	(3.54)	(19.22)

- 46** 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

Ajit Singh Chouhan
Director

Ashok Goyal
Whole Time Director

Pinaki Chowdhury
Partner
Membership No. 057572

Ravi A
Company Secretary

Kolkata
May 30, 2014

Kolkata
May 30, 2014

INDEPENDENT AUDITORS' REPORT

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 37.1 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, 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 and other applicable authoritative pronouncements 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' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
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, 2014;
 - (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 subsidiary included in the consolidated financial statements, which constitute total assets of Rs 3.69 lacs and net assets of Rs 3.58 lacs as at March 31, 2014, total revenue of Rs. Nil, net loss of Rs 0.24 lacs and net cash flows amounting to Rs 0.21lacs for the year then ended. These financial statements and other financial information have been audited by other auditors 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, 2014



Consolidated Balance Sheet as at March 31, 2014

	Note	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,845.43	1,845.43
Reserves and Surplus	4	<u>30,345.12</u>	<u>30,119.77</u>
		32,190.55	31,965.20
Non-current Liabilities			
Long term borrowings	5	6,881.04	5,228.32
Long term provisions	6	<u>3,632.14</u>	<u>2,965.40</u>
		10,513.18	8,193.72
Current Liabilities			
Short term borrowings	7	3,803.55	4,558.02
Trade payables	8	1,761.10	1,636.74
Other current liabilities	9	4,409.96	5,281.58
Short term provisions	10	<u>1,443.10</u>	<u>1,373.21</u>
		11,417.71	12,849.55
Total		<u>54,121.44</u>	<u>53,008.47</u>
ASSETS			
Non current assets			
Fixed assets	11		
Tangible assets		42,944.77	42,848.78
Capital Work in progress		161.55	457.91
Intangible assets under development		53.94	-
Non current investments	12	1.02	1.02
Long term loans and advances	13	804.14	745.71
Other non current assets	14	<u>300.89</u>	<u>513.84</u>
		44,266.31	44,567.26
Current assets			
Current investments	15	15.00	15.04
Inventories	16	2,541.90	2,059.93
Trade receivables	17	1,485.65	818.25
Cash and bank balances	18	1,674.50	2,029.14
Short term loans and advances	19	2,669.87	2,304.75
Other current assets	20	<u>1,468.21</u>	<u>1,214.10</u>
		9,855.13	8,441.21
Total		<u>54,121.44</u>	<u>53,008.47</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 **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2014

For and on behalf of the Board

Ajit Singh Chouhan
Director

Ashok Goyal
Whole Time Director

Ravi A
Company Secretary

Kolkata
May 30, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

	Note	Year ended March 31, 2014 Rs. Lacs	Year ended March 31, 2013 Rs. Lacs
Revenue from operations	21	38,408.26	34,743.71
Other income	22	277.99	248.95
Total revenue		38,686.25	34,992.66
Expenses			
Cost of materials consumed	23	10,433.99	8,141.60
Purchases of stock in trade	24	310.07	766.62
Changes in inventories of finished goods	25	(378.38)	(94.88)
Employee benefits expenses	26	12,389.53	11,620.99
Other expenses	27	13,287.70	12,075.79
Depreciation expenses	11	646.99	676.08
Finance cost	28	1,510.72	1,458.73
Total expenses		38,200.62	34,644.93
Profit before extraordinary item and tax		485.63	347.73
Extraordinary item (net)	36	25.63	-
Profit before tax		511.26	347.73
Tax expenses			
Current tax			
For current year		(70.00)	(105.00)
For earlier years		-	(13.27)
Profit for the year		441.26	229.46
Earnings per equity share	34		
Equity shares of par value Rs.10/- each			
Basic and diluted (including extraordinary item)		2.39	1.24
Basic and diluted (excluding extraordinary item)		2.38	1.24

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 **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2014

For and on behalf of the Board

Ajit Singh Chouhan
Director

Ashok Goyal
Whole Time Director

Ravi A
Company Secretary

Kolkata
May 30, 2014



Consolidated Cash Flow Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 (Rs. Lacs)	For the year ended March 31, 2013 (Rs. Lacs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary item and tax	485.63	347.73
Adjustments for:		
Depreciation	646.99	676.08
Interest Income	(65.79)	(52.87)
Interest	1,389.58	1,380.48
Other Borrowing Cost	121.14	78.25
Provision for Doubtful Debts/ Advances	22.82	72.90
Provision for Warranty	-	3.00
Liability no longer required written back	(18.96)	-
Profit on Sale of Fixed Assets (net)	(12.02)	(7.23)
	<u>2,083.76</u>	<u>2,150.61</u>
Operating Profit before Working Capital changes	2,569.39	2,498.34
(Increase) in Inventories	(481.97)	(170.58)
(Increase)/ Decrease in Trade Receivables	(679.89)	405.23
(Increase)/ Decrease in Loans and Advances/ Other Current Assets	129.76	(991.41)
Increase in Trade payables and Other Current Liabilities	1,180.87	464.12
	<u>148.77</u>	<u>(292.64)</u>
Cash Generated from Operations	2,718.16	2,205.70
Income Tax (net of refund)	(116.59)	(184.91)
Net Cash generated from Operating Activities before extraordinary item	2,601.57	2,020.79
Extraordinary Item (Note 2 below)	51.79	-
Net Cash generated from Operating Activities (A)	<u>2,549.78</u>	<u>2,020.79</u>
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(718.70)	(1,325.17)
Sale of Fixed Assets	60.01	57.67
Purchase of non-current Investments	(1.00)	-
Interest Received	89.98	36.33
Maturity proceeds from non-current Investments	1.00	0.02
Maturity proceeds from current Investments	0.04	0.01
Net Cash (used in) Investing Activities before extraordinary item	(568.67)	(1,231.14)
Extraordinary Item (Note 2 below)	33.15	-
Net Cash (used in) Investing Activities (B)	<u>(535.52)</u>	<u>(1,231.14)</u>
Cash Flow from Financing Activities		
Proceeds from Long-term Borrowings	4,113.25	1,642.25
Repayment of Long-term Borrowings	(3,687.06)	(2,326.38)
Net increase/ (decrease) in Short-term Borrowings	(754.47)	1,847.60
Interest Paid	(1,344.48)	(1,390.96)
Other Borrowing Cost Paid	(121.14)	(78.25)
Dividend Paid (including tax on dividend Rs. 22.45 Lacs, Previous year 44.92 Lacs)	(160.43)	(317.69)
Net Cash (used in) Financing Activities (C)	<u>(1,954.33)</u>	<u>(623.43)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	59.93	166.22
Cash and Cash Equivalents at the beginning of the year	1,244.46	1,078.24
Cash and Cash Equivalents at the close of the year (Note 3 below)	<u>1,304.39</u>	<u>1,244.46</u>

Notes :

- The above Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Refer Note 36 to the financial statements for information relating to Extraordinary item.
- Cash and Cash Equivalents (Refer note 18 to financial statements) include Unpaid Dividend not available for use by the Company of Rs.52.76 Lacs (Previous year -Rs.52.32 Lacs)
- Previous year's figures have been regrouped/ rearranged where considered necessary.

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

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2014

For and on behalf of the Board
Ajit Singh Chouhan
Director
Ashok Goyal
Whole Time Director

Ravi A
Company Secretary

Kolkata
May 30, 2014

Notes to consolidated financial statements for the year ended March 31, 2014

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). Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently 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 and 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 tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

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

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. Expenses relating to other new plantings are capitalised except in case of some additional new planting in the unused portion of land where planting were done earlier but not covering the entire land area which is charged off when incurred.

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

Tangible 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.

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



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 significant risks and rewards of ownership in goods in accordance with the terms of sale. Revenue from sale of rubber/ grevillea trees is recognised at the point of felling and removing the trees from the estates.

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 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 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 consequent to replacement are charged to revenue as and when incurred.

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 Group 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 Group 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 Group 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

(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, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
	3,000.00	3,000.00
	1,845.54	1,845.54
	0.11	0.11
	1,845.43	1,845.43



4 Reserves and Surplus

Rs. Lacs

Reserves	Balance as at March 31, 2013	Additions	Deductions	Balance as at March 31, 2014
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, 2014	As at March 31, 2013
Balance as at the beginning of the year	9,175.26	9,107.74
Add:		
Profit for the year as per Statement of Profit and Loss	441.26	229.46
Less: Appropriations		
Proposed Final Dividend on Equity Shares @ Re 1.00 per share (Previous year @ Rs 0.75 per share)	184.55	138.42
Tax on dividends	31.36	23.52
	215.91	161.94
Balance as at the end of the year	9,400.61	9,175.26
Total Reserves and Surplus	30,345.12	30,119.77

As at March 31, 2014
Rs. Lacs

As at March 31, 2013
Rs. Lacs

5 Long term borrowings

Secured

Term loan

From Banks	6,673.62	6,173.62
From Others	483.85	557.66
	7,157.47	6,731.28

Less: Current maturities of Long Term Debt referred to in Note 9	(276.43)	(1,502.96)
	6,881.04	5,228.32

	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
6 Long term provisions		
Provision for employee benefits:		
Provision for gratuity	3,081.87	2,413.00
Provision for compensated absence	58.27	60.40
	3,140.14	2,473.40
Other Provisions:		
Contingency reserve #	492.00	492.00
	3,632.14	2,965.40
#		
Balance at the beginning of the year	492.00	492.00
Provision made during the year	-	-
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 expected to prejudice the interests of the Parent Company.		
7 Short term borrowings		
Secured		
Cash credit from banks repayable on demand	3,303.55	3,558.02
Unsecured		
Short term loan from bank	500.00	1,000.00
	3,803.55	4,558.02
8 Trade payables		
Trade Payable	1,761.10	1,636.74
	1,761.10	1,636.74
9 Other current liabilities		
Current maturities of long term borrowings (Refer Note 5)	276.43	1,502.96
Interest accrued but not due on borrowings	46.25	1.15
Unpaid dividends *	52.76	52.32
Others :		
Employee benefits payable	1,187.34	1,224.29
Statutory dues	2,149.14	1,708.21
Advance from customers	387.05	458.14
Deposits received from customers	310.99	334.51
	4,409.96	5,281.58

* 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:

	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
Provision for gratuity	468.72	420.00
Provision for compensated absence	29.68	16.96

Others :

Provision for

Income tax (Net of advance tax of Rs. 13,845.83 Lacs;
previous year Rs.13,729.24 Lacs)

602.08 648.67

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 3.00

Proposed dividend

184.55 138.42

Tax on proposed dividend

32.43 23.52

1,443.10 1,373.21

#

Balance at the beginning of the year

3.00 -

Provision made during the year

3.00 3.00

Utilised / Reversed during the year

(3.00) -

Balance at the end of the year

3.00 3.00

Note 11

Fixed Assets

Rs. Lacs

Description of Assets	Gross Block				Depreciation			Net Block	
	Cost/ Valuation as at March 31, 2013	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2014	As at March 31, 2013	For the year	On Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2013
Tangible assets									
Land and Development - Freehold and Leasehold (Note 1 below)	39,206.85	120.25	-	39,327.10	-	-	-	39,327.10	39,206.85
Buildings	3,507.43	259.34	94.10	3,672.67	2,219.85	90.48	26.22	1,388.56	1,287.58
Plant and Machinery (Note 2 below)	5,924.97	406.14	302.47	6,028.64	4,187.73	410.64	192.64	1,622.91	1,737.24
Furniture and Fittings	291.05	15.78	1.30	305.53	247.75	16.72	1.22	42.28	43.30
Water Supply (Note 2 below)	898.91	12.20	15.46	895.65	596.64	36.82	13.77	275.96	302.27
Vehicles	660.25	114.29	34.26	740.28	388.71	92.33	28.72	287.96	271.54
Previous Year	50,489.46	928.00	447.59	50,969.87	7,640.68	646.99	262.57	42,944.77	42,848.78
Capital Work-In-Progress - at cost -Tangible Fixed Assets	49,903.18	961.17	374.89	50,489.46	7,289.05	676.08	324.45	161.55	457.91
Intangible Assets under development								43,106.32	43,306.69
Computer Software Implementation cost								53.94	-
								43,160.26	43,306.69

Notes :

- Land and development includes
 - Certain leasehold lands the value of which is not separately ascertainable
 - Rs. 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
 - 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.
- Plant and Machinery and Water Supply

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



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
12 Non current investments		
Long term - At cost		
Other than trade		
Unquoted investment		
Investment in government securities		
National Savings Certificates	0.02	0.02
Treasury Savings Account	1.00	1.00
	1.02	1.02
13 Long term loans and advances		
Un-secured and considered good		
Capital Advances	68.24	35.12
Electricity and other deposits	244.67	219.36
Advance to workers	491.23	491.23
	804.14	745.71
14 Other non current assets		
Un-secured and considered good		
Margin money deposit with Banks having maturity more than 12 months	16.37	180.00
Bank Deposit on lien	1.73	1.73
Retention money	282.79	332.11
	300.89	513.84
15 Current investments		
At lower of cost and fair value		
Other than trade		
Unquoted investment		
(i) Investments in Equity shares of Subsidiaries (Note 37.2)		
100,000 Equity Shares of Rs. 10 each in Enchanting Plantations Limited	10.00	10.00
50,000 Equity Shares of Rs. 10 each in Harmony Plantations Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates *	-	0.04
	15.00	15.04
* This is long term investment in keeping with AS 13 " Accounting for Investments "		
16 Inventories		
At lower of cost and net realisable value		
Finished goods *	1,293.43	966.84
Stores and spares #	1,145.87	901.84
Raw (Construction) materials @	49.38	166.04
Nurseries	53.22	25.21
	2,541.90	2,059.93

	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
* Particulars of closing inventories of Finished goods		
Tea	1,076.01	800.74
Rubber	217.42	166.10
	1,293.43	966.84
# Stores and spares includes packing materials of Rs. 344.53 lacs (Previous year- Rs 215.79 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Torsteel	2.55	89.15
Tiles	2.64	21.65
Others	44.19	55.24
	49.38	166.04
17 Trade receivables		
Unsecured		
Outstanding for a period of more than six months from the due date of payment.		
Considered good	188.44	88.36
Considered doubtful	396.67	384.18
Less: Provision for doubtful receivables	(396.67)	(384.18)
	188.44	88.36
Other debts		
Considered good	1,297.21	729.89
	1,297.21	729.89
	1,485.65	818.25
18 Cash and Bank balances		
Cash and cash equivalent		
Cash on hand	13.40	9.64
Balance with banks		
On current accounts	1,238.23	1,182.50
Unpaid dividend accounts *	52.76	52.32
	1,304.39	1,244.46
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	370.11	784.68
	1,674.50	2,029.14

* Earmarked for payment of unclaimed dividend



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
19 Short term loans and advances		
Un-secured and considered good		
Advances to related parties -		
Subsidiaries (Refer Note 33)	0.27	-
Advances to employees	98.79	68.69
Advance to suppliers	158.00	331.32
Balances with Government Authorities	1,991.69	1,547.21
Prepaid expenses	182.43	244.52
Claims recoverable	194.49	46.58
Advances to body corporates/ trusts /individuals	44.20	66.43
	2,669.87	2,304.75
Un-secured and considered doubtful		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	42.91	32.58
Advances to body corporates	189.64	189.64
	259.69	249.36
Less: provision for doubtful advances	(259.69)	(249.36)
	2,669.87	2,304.75
20 Other current assets		
Un-secured and considered good		
Subsidy receivable	329.02	161.64
Unbilled revenue	993.98	906.74
Export Entitlement	130.54	106.86
Interest accrued on bank deposits	14.67	38.86
	1,468.21	1,214.10
	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
21 Revenue from operations		
Sale of products *	34,520.09	31,813.60
Sale of Services #	1,989.17	1,531.38
Other operating revenues		
Sale of Rubber / Grevillea Trees	950.47	512.47
Tea Board Subsidy	339.72	340.55
Export entitlements	151.84	117.06
Others	456.97	428.65
	38,408.26	34,743.71

	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
* Details of sale of products		
Tea	17,820.83	15,661.23
Rubber	16,171.54	15,692.36
Fruits, Spices and others	236.62	316.28
Green leaf	291.10	142.15
Plant Tissue Culture sales	-	1.58
	34,520.09	31,813.60
# Details of sale of services		
Construction contracts (Refer Note 31)	1,989.17	1,531.38
22 Other Income		
Interest income on		
Bank deposits and other deposits	65.77	52.86
Non-current investments	0.02	0.01
Profit on sale of fixed assets (net)	12.02	7.23
Liability no longer required written back	18.96	-
Net gain on foreign currency transactions/translations	-	24.11
Other non-operating income	181.22	164.74
	277.99	248.95
23 Cost of materials consumed		
Inventory at the beginning of the year	-	-
Add : Purchases	10,433.99	8,141.60
	10,433.99	8,141.60
Less : Inventory at the end of the year	-	-
Cost of materials consumed	10,433.99	8,141.60
Details of materials consumed:		
Green leaf	3,336.74	2,172.67
Bought latex and sheets	6,789.64	5,709.15
Tea used for blending	307.61	259.78
	10,433.99	8,141.60
24 Purchase of stock-in-trade		
Cenex / TSR	301.42	766.62
Fruits, spices and others	8.65	-
	310.07	766.62



	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
25 Changes in inventories of finished goods		
Inventory at the end of the year		
Tea	1,076.01	800.74
Rubber	217.42	166.10
	1,293.43	966.84
Inventory at the beginning of the year		
Tea	800.74	709.92
Rubber	166.10	162.04
	966.84	871.96
Add: Extraordinary Item (Refer Note 36)	51.79	-
	(378.38)	(94.88)
26 Employee benefits expenses		
Salaries and wages	9,671.32	9,492.29
Contribution to Provident Fund	1,072.78	1,006.65
Contribution to Superannuation Fund	71.81	50.81
Gratuity	1,292.76	824.64
Staff welfare expenses	280.86	246.60
	12,389.53	11,620.99

26.1 In keeping with the Parent 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		
	2013-14	2012-13	2011-12
1 Present value of obligation at the beginning of the year	2,833.00	2,704.99	2,116.00
Interest cost	222.73	189.07	153.95
Current service cost	165.23	615.68	285.64
Benefits paid	(575.17)	(696.63)	(390.72)
Actuarial loss	904.80	19.89	540.12
Present value of obligation at the Balance Sheet date (Amount recognised in Balance Sheet)	3,550.59	2,833.00	2,704.99
2 Amounts recognized in the Statement of Profit and Loss			
Current service cost	165.23	615.68	285.64
Interest cost	222.73	189.07	153.95
Actuarial loss	904.80	19.89	540.12
Expenses recognized in the Statement of Profit and Loss (Refer Note 26)	1,292.76	824.64	979.71
3 Principal actuarial assumptions			
Discount rate	8.75%	8.00%	8.00%
Salary escalation	5.00%	5.00%	5.00%
Attrition rate	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.

This being the third year of preparation of Consolidated Financial Statements disclosure relating to defined benefit plan has been provided for current year and previous two years.

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

	Rs. Lacs	Rs. Lacs
	2013-14	2012-13
Contribution to Provident Fund (included in Contribution to Provident Fund in Note 26)	1,072.78	957.10
Contribution to Superannuation Fund (Refer Note 26)	71.81	50.81

26 Other expenses

	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
Consumption of Stores and Spare Parts	2,169.32	2,094.58
Consumption of Packing material	636.12	565.50
Engineering Contract Cost - Materials and Other Expenses	1,775.06	1,335.51
Contract Costs	987.48	1,017.91
Power and Fuel	2,042.90	1,961.94
Rent	104.80	81.50
Rates and Taxes	140.27	167.56
Repairs and Maintenance		
Buildings	269.14	229.82
Plant and Machinery	313.48	177.43
Others	67.43	51.68
Insurance	70.44	63.19
Tea Cess	81.25	77.55
*Replanting Expenses	1,827.85	1,876.43
Travelling and Conveyance	531.71	458.17
Brokerage and Discount	171.51	172.37
Commission to Selling agent	7.33	8.08
Freight, Shipping, Transport and other charges	679.01	571.73
Directors' Sitting Fees	4.45	4.00
Provision for Doubtful Debts/ Advances	22.82	72.90
Provision for warranty (net)	-	3.00
Miscellaneous Expenses	1,385.33	1,084.94
	13,287.70	12,075.79

* Replanting expense includes material consumption and wages of Rs. 343.94 lacs (Previous year Rs.390.07 lacs) and Rs. 1,257.88 lacs (Previous year- Rs.1,029.94 lacs) respectively

28 Finance Costs

Interest expense	1,389.58	1,380.48
Other borrowing cost	121.14	78.25
	1,510.72	1,458.73



	As at March 31, 2014 Rs. Lacs	As at March 31, 2013 Rs. Lacs
29 Contingent Liabilities and commitments		
29.1 Contingent Liabilities :		
Claims against the Company not acknowledged as debt		
i. Employee related	324.71	560.03
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	49.41	93.49
iii. Disputed Income Tax matters	1,019.97	674.10
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.68.24 lacs (Previous year Rs.35.12 lacs)	121.94	19.89
30 No adjustment is required to be made in the accounts in respect of :		
a An area of 807 hectares (approximately) [Previous Year 807 hectares (approximately)], which is on a leasehold tenure falls under the provisions of the Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969. The Parent 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 335 Hectares out of this area as forest by the Government of Tamil Nadu is also in force.		
b An area of 125.80 hectares (approximately) [Previous Year 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 Parent Company's claim for the exclusion of the area from the purview of the Act is pending decision of the Forest Tribunal, Palghat and restoration by the Forest Department.		
c An area of 2588 hectares (approximately) [Previous Year 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 Parent Company to surrender 707 hectares (approximately) [Previous Year 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 Parent Company and the matter has been remanded to the Vythri Taluk Land Board for fresh consideration and disposal.		
e An area of 415 hectares (approximately) [Previous Year 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 1310 hectares (approximately) [Previous Year 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) [Previous Year 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 Parent Company is pending before the High Court of Kerala.		
h An area of 304 hectares (approximately) [Previous Year 304 hectares (approximately)] re-notified as vested forests by the Government of Kerala as the Parent Company's writ petition challenging the notification is pending before the High Court of Kerala.		
i An area of 1982.45 hectares (Previous Year 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 (Previous Year 336.64 hectares) of rubber field of Koney estate in respect of which the Writ Petition filed by the Parent 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.Nil (Previous Year 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.		

31 Disclosure relating to Construction Contracts

	Year ended March 31, 2014 Rs.Lacs	Year ended March 31, 2013 Rs.Lacs
Contract revenue recognised during the year	1,989.17	1,531.38
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	5,335.13	4,308.94
Advances received	116.86	246.75
Retention money	251.49	266.73
Gross amount due from customers	103.16	173.44

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 *

Description	Tea (Rs. Lacs)	Rubber (Rs. Lacs)	Other (Rs. Lacs)	Engineering (Rs. Lacs)	Total (Rs. Lacs)
External Sales	18,614.49 (16,339.11)	17,157.01 (16,245.06)	647.59 (628.16)	1,989.17 (1,531.38)	38,408.26 (34,743.71)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	18,614.49 (16,339.11)	17,157.01 (16,245.06)	647.59 (628.16)	1,989.17 (1,531.38)	38,408.26 (34,743.71)
Segment Result - Profit/(Loss) excluding Extraordinary item	71.89 (-)(391.95)	1,554.11 (1,833.45)	342.73 (354.85)	(38.17) (-)(42.75)	1,930.56 (1,753.60)
Less: Interest Expenses					1,389.58 (1,380.48)
Less: Unallocated expenses (net of unallocated income Rs 65.79 lacs (Previous year Rs 52.87 Lacs))					55.35 (25.39)
Profit before Extraordinary Item and tax					485.63 (347.73)
Extraordinary Item (Net) (Note 36)					25.63 -
Profit before Tax					511.26 347.73
Less : Income Taxes					(70.00) (118.27)
Profit after Tax					441.26 (229.46)



Description	Tea	Rubber	Other	Engineering	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
Other Information					
Segment Assets	38,064.87 (36,817.42)	12,879.71 (12,351.45)	55.25 (90.51)	1,419.04 (1,486.10)	52,418.87 (50,745.48)
Unallocated Assets					1,702.57 (2,262.99)
Total Assets					54,121.44 (53,008.47)
Segment Liabilities	4,678.57 (3,754.87)	4,973.83 (4,715.31)	13.29 (23.53)	260.30 (264.54)	9,925.99 (8,758.25)
Unallocated Liabilities					12,004.90 (12,285.02)
Total Liabilities					21,930.89 (21,043.27)
Segment Capital Expenditure	468.40 (1,167.36)	250.30 (157.81)	- -	- -	718.70 (1,325.17)
Segment Depreciation	479.79 (487.25)	147.00 (161.62)	4.52 (2.58)	15.68 (24.63)	646.99 (676.08)
Segment non-cash expense other than depreciation	8.83 (34.27)	- (1.63)	- (16.00)	13.99 (24.00)	22.82 (75.90)

(b) Secondary Segment information - By Geographical Segments *

Description	India	Outside India	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
External Sales	35,200.06 (32,791.44)	3,208.20 (1,952.27)	38,408.26 (34,743.71)
Segment Assets	52,004.14 (50,529.87)	414.73 (215.61)	52,418.87 (50,745.48)
Segment Capital Expenditure	718.70 (1,325.17)	- -	718.70 (1,325.17)

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 37.2)

Enchanting Plantations Limited (EPL)

Harmony Plantations Limited (HPL)

Malayalam Plantations Limited (MPL) (100% subsidiary of EPL)

b Key management personnel of Parent Company

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)	
	2013-14	2012-13	2013-14	2012-13
Transaction during the year				
Re-imbursement of Expenses				
EPL	0.07	-	-	-
HPL	0.13	-	-	-
MPL	0.07	-	-	-
Remuneration				
Pankaj Kapoor			-	39.51
V Venugopal			44.02	24.94
Balance as at year end				
Investment in subsidiaries				
EPL	10.00	10.00	-	-
HPL	5.00	5.00	-	-
Advances recoverable				
EPL	0.07	-	-	-
HPL	0.13	-	-	-
MPL	0.07	-	-	-
V Venugopal			-	1.12

34 Earnings Per Share

Particulars

	2013-14	2012-13
	Rs. Lacs	Rs. Lacs
a) Profit after tax (including extraordinary item) (Rs in lacs)	441.26	229.46
b) Profit after tax (excluding extraordinary item) (Rs in lacs)	439.53	229.46
c) Number of equity shares at the beginning of the year	18,455,405	18,455,405
d) Number of equity shares at the end of the year	18,455,405	18,455,405
e) Weighted average number of equity shares outstanding	18,455,405	18,455,405
f) Nominal Value of each equity share (Rs.)	10.00	10.00
g) Basic and diluted earnings per share (including extraordinary item) (Rs.) (a/e)	2.39	1.24
h) Basic and diluted earnings per share (excluding extraordinary item) (Rs.) (b/e)	2.38	1.24

35 Derivative instruments and unhedged foreign currency exposure

i. Derivatives outstanding as at the reporting date

Particulars	Purpose	Year Ended March 31, 2014		Year Ended March 31, 2013	
		Value in Foreign Currency	INR Rs. Lacs	Value in Foreign Currency	INR Rs. Lacs
Forward Contracts to sell USD	Hedge of highly probable forecast transactions	8.07	502.28	-	-



ii. **Particulars of unhedged foreign currency exposures as at the reporting date**

	Year Ended March 31, 2014		Year Ended March 31, 2013	
Particulars	Value in Foreign Currency	INR Rs. Lacs	Value in Foreign Currency	INR Rs. Lacs
Trade Receivables (In USD)	2.09	128.41	3.57	192.41
Trade Receivables (In Euro)	0.20	16.73	0.32	23.20

36 Extraordinary Item

Extraordinary item represents loss of certain inventories and fixed assets resulting from fire in one of the tea factory for which the Parent Company has lodged an insurance claim. The extraordinary item comprises of the following

Particulars	Year Ended March 31, 2014	Rs. Lacs Year Ended March 31, 2013
Insurance Claim Recoverable (subsequently realised)	181.30	-
Less: Loss of Inventory	51.79	-
Less: Loss of Tangible Fixed Assets	137.03	-
Add: Proceeds from sale of tangible assets	33.15	-
Net Extraordinary Gain	25.63	-

37.1 The subsidiary [which along with Harrisons 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 31.03.14	Proportion of Ownership Interest as at 31.03.13
HML Engineering Company Ltd (effective June 6, 2011)	India	100%	100%

37.2 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 Harrisons 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.

38 Taxation

- The Parent 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 Group 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 Parent 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.

- 39** The Parent 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 Parent Company and the Parent 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.
- 40** Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
May 30, 2014

Singnatories to Notes
For and on behalf of the Board
Ajit Singh Chouhan **Ashok Goyal**
Director Whole Time Director

Ravi A
Company Secretary

Kolkata
May 30, 2014



**Information under Section 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 31-03-2014	Twelve Months Ended 31-03-2013	Twelve Months Ended 31-03-2014	Twelve Months Ended 31-03-2013
1	ELECTRICITY				
	(a) Purchased				
	Units (KWH)	12,713,227	11,713,831	2,340,053	2,454,322
	Total Amount (Rs.)	79,869,224	70,211,421	15,301,271	14,286,881
	Rate/Unit (Rs./KWH)	6.28	5.99	6.54	5.82
	(b) Own Generation				
	Through Diesel Generator				
	Units (KWH)	804,932	1,249,263	165,110	176,547
	Units per litre of Diesel Oil (KWH)	2.79	2.80	2.66	2.50
	Fuel - Cost / Unit (Rs./KWH)	19.58	17.23	20.95	19.02
2	FIREWOOD				
	Total Quantity of Firewood (Cu. Mtr)	30,729	29,223	2,002	1,795
	Total Amount (Rs.)	36,336,123	35,424,281	1,307,884	1,178,895
	Rate / Cu. Mtr (Rs.)	1,182.46	1,212.20	653.15	656.89
3	OTHERS				
	HSD Oil for Transport & Material Handling etc.				
	Quantity (K. Ltr.)	135.28	108.52	101.98	116.68
	Total Cost (Rs.)	7,617,187	5,245,419	5,602,352	5,530,213
	Rate / Unit Cost (Rs./K. Ltr)	56,309	48,338	54,933	47,395
	Consumption per Unit of Production				
	Products				
	TEA / RUBBER (Kgs.)	15,670,674	15,300,326	8,111,307	7,943,381
	Energy Used :				
	Electricity (including own generation) (KWH/Kg.)	0.86	0.85	0.31	0.33
	Briquetted Fuel (Kgs.)	4,491,166	4,656,079	-	-
	Veneer Waste (Kgs.)	7,898,521	6,431,628	-	-
	Coconut Shells (Kgs.)	-	-	41,480	33,650
	Coal (Kgs.)	-	-	-	-
	Wood Waste (Kgs.)	1,334,185	30,529	-	-

For and on behalf of the Board

Kolkata
August 8, 2014

Ajit Singh Chouhan
Director

Haigreva Khaitan
Director

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

Name of the Subsidiary		HML Engineering Limited	
1	Financial year of the subsidiary ended on	March 31, 2014	March 31, 2013
2	Shares of the subsidiary 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, 2014 Rs. 000's	-24	-30
	(b) not dealt with in the accounts of the Company for the year ended March 31, 2014 - 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, 2014 Rs. 000's	Nil	Nil
	(b) not dealt with in the accounts of the Company for the year ended March 31, 2014 - 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 Company coincides with that of the Company		

for and on behalf of the Board

Kolkata

Ajit Singh Chouhan

Haigreave Khaitan

August 8, 2014

Director

Director

Subsidiary Company Financial Highlights 2013-14

Rs.Lacs

Particulars	HML Engineering Limited	
	2013-14	2012-13
Capital	5	5
Reserves	(1)	(1)
Total Assets	4	4
Total Liabilities	4	4
Investments	-	-
Turnover	-	-
Profit Before Tax	(0.24)	(0.30)
Provision for Tax / Deferred tax	-	-
Profit after Tax	(0.24)	(0.30)
Proposed Dividend	-	-



Approximate Area Statement as at March 31, 2014

In Hectares

State, District and Estate	TEA			RUBBER			Total Planted	Other Plantings	Reserves etc.	Total
	Mature	Immature	Total	Mature	Immature	Total				
KERALA										
Venture Valley										
Nagamallay				346	223	569	569	141	167	877
Isfield				462	204	666	666	100	283	1049
Venture				306	182	488	488	46	93	627
Ranni Valley										
Koney				342	293	635	635	92	337	1064
Kumbazha				468	492	960	960		87	1047
Lahai				494	358	852	852	43	116	1011
Mundakayam				206	321	527	527	6	39	572
Mooply Valley										
Mooply				89	433	522	522	29	46	597
Palapilly				149	386	535	535	6	210	751
Kundai				331	690	1021	1021	2	81	1104
Kaliyar				336	197	533	533	2	58	593
Vandiperiyar										
Wallardie	418	99	517				517	109	203	829
Moongalaar	610	93	703				703	19	343	1065
Pattumalay	232		232				232	58	10	300
High Range										
Upper Surianalle	644	22	666				666	162	164	992
Lockhart	374	13	387				387	151	108	646
Panniar	301		301				301	49	52	402
Wynaad										
Achoor	620	29	649				649	258	2578	3485
Chundale	218	47	265				265	46	569	880
Arrapetta	709	23	732				732	14	723	1469
Sentinel Rock	430	76	506				506	5	1005	1516
Touramulla	143		143				143		150	293
TAMIL NADU										
Nilgiris-Wynaad										
Wentworth	615		615				615	226	520	1361
Mayfield	308		308				308	72	427	807
Total	5622	402	6024	3529	3779	7308	13332	1636	8369	23337

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.

Notes

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Notes

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Notes

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HARRISONS MALAYALAM LIMITED

(CIN:L01119KL1978PLC002947)

Regd. Office: 24/1624, Bristow Road, Willingdon Island, Cochin – 682003

Website: www.harrisonsmalayalam.com Email: hmlcorp@harrisonsmalayalam.com

PROXY FORM

(Form No.MGT – 11)

Name of the Member(s):

Registered address:

E-mail Id:

Folio No./DP ID Client ID:

I /We, being the Member(s) of _____ shares of the above named Company, hereby appoint

(1) Name: Address

Email-Id Signature(or failing him)

(2) Name: Address

Email-Id Signature(or failing him)

(3) Name: Address

Email-Id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Friday, 26th September 2014 at 10.00 a.m. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Ernakulam, Cochin- 682016 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	RESOLUTIONS	No.	RESOLUTIONS
Ordinary Business			
1	Adoption of the Audited Financial Statements of the Company for the Financial Year ended March 31,2014 together with the Report of the Board of Directors and Auditors thereon.	9	Appointment of Shri. Umang Kanoria as an Independent Director of the Company.
2	Declaration of dividend for the Financial Year ended March 31,2014.	10	Appointment of Smt. Sucharita Basu as an Independent Director of the Company.
3	Appointment of a Director in place of Shri.Sanjiv Goenka who retires by rotation and being eligible, offers himself for re-appointment.	11	Appointment of Shri. Ashok Bachan Goyal as a Whole Time Director of the Company w.e.f April 14,2014 to July 24,2014.
4	Appointment of a Director in place of Shri.Ajit Singh Chouhan who retires by rotation and being eligible, offers himself for re-appointment.	12	Appointment of Shri. N Dharmaraj as a Whole Time Director of the Company w.e.f August 8, 2014 to December 31,2015.
5	Appointment of Messrs Price Waterhouse, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.	13	Approval of revision in remuneration payable to Shri.V.Venugopal, Manager of the Company.
Special Business		14	Approve the upper limit up to which the Board of Directors of the Company can borrow money in terms of Section 180(1)(c) of the Companies Act, 2013.
6	Appointment of Shri. Haigreave Khaitan as an Independent Director of the Company.	15	Authority to Board of Directors to create securities in respect of the borrowings made by the Company.
7	Appointment of Shri.G Momen as an Independent Director of the Company.	16	Ratification of the remuneration of the Cost Auditor as fixed by the Board of Directors in terms of Section 148 of the Companies Act, 2013.
8	Appointment of Shri. J M Kothary as an Independent Director of the Company.		

Signed this _____ day of September 2014.

Signature of shareholder(s).....

Signature of Proxy holder(s).....

Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory statement and Notes, please refer to the Notice of the Thirty Seventh Annual General Meeting.

Affix
Revenue
Stamp



HARRISONS MALAYALAM LIMITED

(CIN:L01119KL1978PLC002947)

Regd. Office: 24/1624, Bristow Road, Willingdon Island, Cochin – 682003

Website: www.harrisonsmalayalam.com Email: hmlcorp@harrisonsmalayalam.com

ATTENDANCE SLIP

37TH ANNUAL GENERAL MEETING	
Folio.No./DP ID and Client ID	Number of Shares :
Name and Address of the Shareholder(s)	

I/We hereby record my/our presence at the Thirty Seventh Annual General Meeting of the Company at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Ernakulam, Cochin- 682016 on Friday the 26th day of September, 2014 at 10.00 a.m

Member's Folio/DPID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

Instructions to members attending the 37th Annual General Meeting:

- 1) 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.
- 2) Members are requested to be in their seats at the meeting well before the scheduled time for the commencement of the Annual General Meeting to avoid interruptions in the proceedings.
- 3) Members holding shares in more than one Folio in identical order of names are requested to write to Registrars & Share Transfer Agents enclosing the Share Certificates to enable the Company to consolidate the holding in one Folio to facilitate better service.
- 4) The Company's shares are compulsorily traded in dematerialized form and therefore shareholders are advised to de-materialize their shares which will offer better liquidity and market rates. Transfer of shares in the demat form does not attract stamp duty besides avoiding bad delivery, issue of duplicate share certificates etc.

If undelivered please return to:

Harrisons Malayalam Limited

Regd. Office: 24/1624, Bristow Road
Willingdon Island, Cochin - 682 003