



THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

Registered Office : "PANCHRATN" 286, Racze Course Road, Coimbatore - 641 018

Phone : 91-422-2221352 Fax : 91-422-2220380

E-mail : periatea@dataone.in Website : www.periatea.com

CIN: L01132TZ1913PLC000350

CORPORATE INFORMATION

Board of Directors : Shri L.N. Bangur - Chairman
Smt. Alka Bangur - Managing Director
Shri Shreeyash Bangur - Deputy Managing Director
Shri R.L. Gaggar
Shri H.M. Parekh
Shri P.R. Ramakrishnan
Shri N. Swaminathan

Corporate Management Team : Shri Rohan Jhavar - Principal Executive
Shri S.K.Singh - Chief Executive Officer
Shri A.Thiagarajan - Chief Financial Officer
Shri R.V.Sridharan - Company Secretary

Statutory Auditors : M/s. S. Krishnamoorthy & Co
Chartered Accountants
ICAI Regn. No. 001496S
Coimbatore

Secretarial Auditors : M.D. Selvaraj
MDS & Associates
Company Secretary in Practice Coimbatore

Bankers : Union Bank of India
Yes Bank Limited
HDFC Bank Limited
State Bank of India

Registrar & Share Transfer Agents : M/s. SKDC Consultants Ltd.
Kanapathy Towers
1391/A-1 III Floor
Sathy Road Ganapathy
Coimbatore - 641 006
Tel No. +91 (422) 6549995 2539835 2539836
Fax No. +91 (422) 2539837
Email: info@skdc-consultants.com



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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 103rd Annual General Meeting of the Company will be held on Friday the 12th August 2016 at 10.15 A.M. at "The Indian Chamber of Commerce & Industry" 732, Avinashi Road, Coimbatore - 641 018 to transact the following business:-

ORDINARY BUSINESS

1. To receive consider and adopt the audited financial statements including audited Consolidated Financial Statements for the financial year ended 31st March 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2016.
3. To appoint a director in place of Shri Shreeyash Bangur (holding DIN 00012825) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider ratification of the appointment of M/s. S.KRISHNAMOORTHY & Co., Chartered Accountants (Firm Registration No.001496S) as Auditors of the Company and in this connection to approve with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139 142 and other applicable provisions if any of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. S.KRISHNAMOORTHY & Co., Chartered Accountants (Firm Registration No.001496S) be and are hereby appointed as the Joint Statutory Auditors of the Company for the financial year 2016-17 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s. SRIKISHEN & Co. Chartered Accountants (Firm Registration No. 004009S) the other statutory Auditors"
5. To consider the appointment of M/s. SRIKISHEN & Co., Chartered Accountants (Firm Registration No. 004009S) as the Auditors of the Company and in this connection to approve with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 142 and other applicable provisions if any of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). M/s. SRIKISHEN & Co., Chartered Accountants (Firm Registration No. 004009S) be and are hereby appointed as Statutory Auditors of the Company for a term of five financial years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 108th Annual General Meeting of the Company subject to ratification of appointment by the shareholders at every Annual General Meeting after this Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s. S.KRISHNAMOORTHY & Co., Chartered Accountants (Firm Registration No.001496S) for the financial year 2016-17"

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to settle any question difficulty or doubt that may arise in giving effect to this resolution and to do all such acts deeds and things as may be necessary expedient and desirable for the purpose of giving effect to this resolution".

By Order of the Board

Kolkata
30th May 2016.

R.V. SRIDHARAN
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company.

The instrument appointing the proxy duly completed must be deposited at the Company's Registered Office not less than 48 hours before

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to settle any question difficulty or doubt that may arise in giving effect to this resolution and to do all such acts deeds and things as may be necessary expedient and desirable for the purpose of giving effect to this resolution".



the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent 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 person or shareholder.

2. Members/Proxies should bring the attendance slips duly filled and signed to attend the meeting.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards-2 (SS2) on General Meetings details of directors seeking appointment /reappointment at the Annual General Meeting are furnished which forms part of the notice.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
6. The Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 6th August 2016 to 12th August 2016 (both days inclusive) for payment of dividend.
8. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent M/s.SKDC Consultants Limited cannot act on request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of registering bank particulars against their respective folios for payment of dividend are requested to write to the Registrar and Share Transfer Agent of the Company.
9. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form this information should be passed on directly to their respective Depository Participants and not to the Company/RTA.
10. As per the green initiative taken by the Ministry of Corporate Affairs members are advised to register their email address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in demat form to enable the Company to serve documents in electronic form.
11. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting so that the required information can be made available at the meeting.
12. The dividend when declared will be paid within a period of 30 days from the date of declaration to those members whose name appears on the Register of Members as on 5th August 2016.
13. In respect of shares held in electronic form dividend will be paid on the basis of beneficial ownership of the shares as on the closing business hours on 5th August 2016 as per details furnished by NSDL and CDSL for this purpose.
14. Members wishing to claim dividends which remain unclaimed are requested to correspond with the Company Secretary/Register and Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund.
15. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.



16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account (s). Members holding shares in physical form can submit their PAN details to the Company or to M/s.SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006
17. Pursuant to the provisions of Section 72 of the Companies Act 2013 Members may file nomination forms in respect of their physical shareholdings. Any members wishing to avail this facility may submit to the Company's Registrar and Share Transfer Agent in the prescribed statutory form. Should any assistance be desired members should get in touch with the Company's Registrar & Share Transfer Agent.
18. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
19. Electronic copy of the Annual Report notice of the Annual General Meeting along with attendance slip and proxy form are being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of annual report and notice for 2015-16 are being sent through the permitted mode.
20. Members may also note that notice of the 103rd Annual General Meeting and the Annual Report 2015-16 will be available on the Company's website www.periatea.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on any working day.
21. Members are requested to note that the venue of the 103rd Annual General Meeting is "The Indian Chamber of Commerce & Industry, 732, Avinashi Road, Coimbatore - 641 018 situated opposite to Police Recruits School (PRS) and the route map containing the complete particulars of the venue is attached to this notice.

22. Voting through Electronic Means:

- a) Pursuant to the provisions of Section 108 of the Companies Act 2013 read Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 103rd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- b) The facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.
- c) Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for members for voting electronically are as under:

- i. The voting period begins on Tuesday the 9th August 2016 at 09.00 A.M. and ends on Thursday the 11th August 2016 at 05.00 P.M. During this period shareholders of the Company holding shares either in physical form or in dematerialised form as on the cut off date (record date) of 5th August 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website www.evotingindia.com
- iii. Click on "Shareholders" tab.
- iv. Now enter your user ID
 - a) For CDSL : 16 digits beneficiary ID
 - b) For NSDL : 8 character DP ID followed by 8 digit client ID
 - c) Members holding shares in physical form should enter folio number registered with the Company.
- v. Next enter the Image Verification as displayed and click on login
- vi. If you are holding shares in demat form and had logged on the www.evotingindia.com and voted on an earlier voting of any company then your existing password is to be used.



- vii. If you are a first time user follow the steps given below:

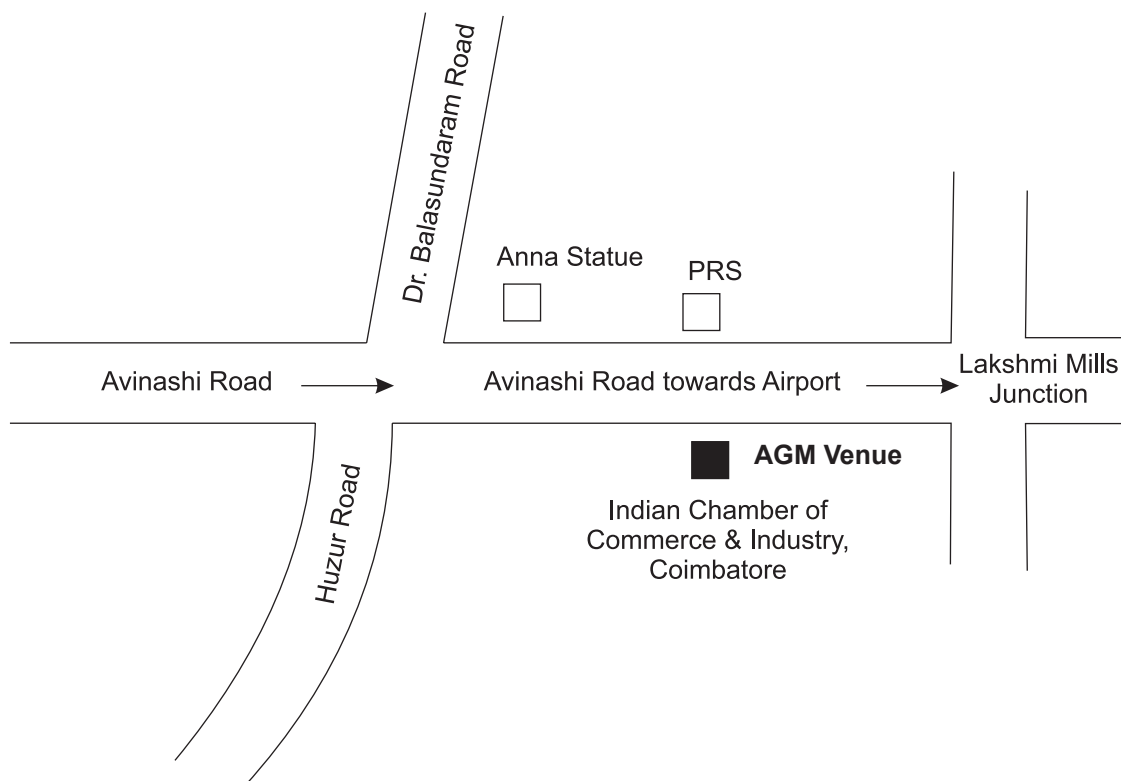
For Members holding shares in Dematerialised Form and Physical Form	
PAN	Enter your 10 digit alpha numeric PAN issued by the Income Tax Department (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number printed on the attendance slip enclosed indicated 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	Enter the dividend bank details as recorded in your demat account or in the Company's records for the said demat account or folio. 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 member ID / folio number in the dividend bank details field as mentioned in instruction (iv)

- viii. After entering these details appropriately click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly company screen. However members holding shares in demat form will now reach "password creation" menu wherein they are required to mandatorily enter their login password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this notice.
- xi. Click on the relevant EVSN – The Peria Karamalai Tea & Produce Co.Ltd on which you choose to vote.
- xii. On the voting page you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- xiv. After selecting the resolution you have decided to vote on click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote click on "OK" else to change you vote click o "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting by you by clicking on "Click here to print" option on the voting page.
- xvii. If demat account holder has forgotten the changed password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based Mobiles. The m-Voting app can be downloaded from Google Play Store iPhone and Windows Phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non-Individual Shareholders and Custodians
- Non Individual Shareholders (other than individuals HUF NRI etc.) and custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



- e) Scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian if any should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- f) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdlsindia.com
24. The voting rights of shareholders shall be in proportionate to their shares of the paid up equity share capital of the Company as on the cut off date (record date) of 5th August 2016. Mr. M.D. Selvaraj FCS, MDS & Associates, Company Secretaries in Practice Coimbatore has been appointed as the Scrutiniser to scrutinize the e-voting process in a fair and transparent manner.
25. The scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against if any forthwith to the Chairman of the Company.
26. The results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.periatea.com and on the website of CDSL within (2) two days and communicated to the Stock Exchanges where the Company's shares are listed.
- The notice of the Annual General Meeting and this communication are also available on the website of the Company www.periatea.com and of the Registrar & Share Transfer Agent www.skdc-consultants.com**
- By Order of the Board
R.V. SRIDHARAN
Company Secretary
- Kolkata
30th May 2016.

Venue of the 103rd Annual General Meeting - Route Map





Details of Directors seeking reappointment at the ensuing Annual General Meeting

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and Secretarial Standards 2 (SS 2 on General Meetings))

Name	Shri Shreeyash Bangur
DIN	00012825
Date of Birth / Age	01.06.1980 / 36 years
Nationality	Indian
Date of appointment on the Board	05.11.2012
Qualification	Graduate in Accounting & Management Master of Science in Engineering Business Management
Expertise	Has more than 10 years of experience as an Industrialist
No. of Shares held	Does not hold any share in the Company
Relationship with other Directors	Shri L.N.Bangur – Father Smt Alka Bangur – Mother
List of Directorships held in other companies	1. Kiran Vyapar Limited 2. Navjoti Commodity Management Services Limited 3. Sidhidata Tradecomm Limited 4. Sidhidata Solar Urja Limited 5. Jubilee Hills Residency Limited 6. Golden Greenaries Pvt. Limited 7. LNB Renewable Energy Pvt. Limited 8. Sarvadeva Greenpark Pvt. Limited 9. Subhprada Greeneries Pvt. Limited 10. Satyawatche Greeneries Pvt. Limited 11. Parmarth Wind Energy Pvt. Limited 12. Palimarwar Solar Project Pvt. Limited 13. Eminence Agrifield Pvt. Limited 14. Manifold Agri crops Pvt. Limited 15. Yasheshvi Greenhub Pvt. Limited
Other Committee Membership	Nil
Terms and conditions of re-appointment	The terms and conditions of re-appointment are same as stated in the resolution passed by the members at the 102nd Annual General Meeting held on 28.09.2015.
Remuneration sought to be paid per annum	Rs. 27.24 lakhs (Including contribution to Provident Fund and Superannuation Fund)
Remuneration last drawn per annum	Rs. 35.34 lakhs
Number of meetings of the Board attended during the year	4



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 103rd Annual Report for the year ended 31st March 2016.

FINANCIAL RESULTS

₹ in lakhs

	2015-16	2014-15
Profit / (Loss) before interest depreciation and tax	134.62	(115.72)
Interest	117.57	51.85
Profit/(Loss) before depreciation	17.05	(167.57)
Depreciation	237.24	230.90
Profit/(Loss) before Tax	(220.19)	(398.47)
Provision for tax:		
Current tax	6.00	12.00
Deferred tax liability / (Asset)	(7.27)	2.35
Profit (Loss) after tax	(218.92)	(412.82)
Add: Balance brought forward from previous year	958.28	1399.05
Profit available for appropriation	739.36	986.23
APPROPRIATIONS		
Proposed Dividend @ Rs.0.75 /- per share	23.22	23.22
Tax on proposed dividend	4.73	4.73
Transfer to General Reserve	—	—
Surplus carried to Balance Sheet	711.41	958.28
Total	739.36	986.23

Operations

Production

During the financial year 2015-16, your company produced a crop of 37,35,120 kg of made tea as against 35,80,624 kg of made tea in 2014-15. Erratic weather pattern and emergence of pest and diseases along with depleting top soil virginity lead to crop loss and increase in cost of production.

The whole Anamalai region reported 1% drop in production because of the above said factors. However your company reported 8% increase in production during the year under review.

Price & Sales

Your company's tea realized average price of Rs. 93.69 per kg as against Rs. 91.35 per kg realized last year.

During the year the company has made a total sales realization of Rs. 3846.05 lakhs compared to Rs. 3034.44 lakhs made during the same period last year.

Wind Turbines

During the year under review the Wind Mills generated 23,55,637 units as against 45,74,885 units generated during the same period last year. The drop in generation was due to disconnection of our wind mill from the Government Spinning Mill Feeder and frequent power outages.

Dividend

The Board of Directors is pleased to recommend a dividend of Rs.0.75/- per share (last year Rs.0.75/- per share) for the year ended 31st March 2016 subject to the approval of the shareholders.

Transfer to Reserves

The Company has not transferred any amount to its Reserves during the year under review. However, current year loss of Rs. 2,18,92,051 has been adjusted in the surplus brought forward from previous year and the aggregate amount is shown under Reserves and Surplus in the Balance Sheet.

Share Capital

The paid up capital of the Company as at 31st March 2016 stood at Rs.3,09,85,790. During the year under review, the Company has not made any fresh issue of shares.

Transfer of unclaimed dividend to Investor Education and Protection Fund

The Company has transferred an amount of Rs. 1,50,171 to Investor Education and Protection Fund during the financial year 2015-16. In terms of Section 205(a) of the Companies Act 1956 any unclaimed or unpaid dividend relating to the financial year 2008-09 will be remitted to the Investor Education and Protection Fund established by the Central Government within the stipulated time.

Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act 2013 read with Rule



12 of the Companies (Management and Administration) Rules 2014 in Form MGT-9 is furnished in **Annexure A** which forms part of this report.

Board Meetings and its Committees

During the year under review 5 meetings of the Board of Directors 5 meetings of the Audit Committee 2 meetings of the Nomination and Remuneration Committee 1 meeting of the Corporate Social Responsibility Meeting and 28 meetings of the Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

Public Deposits

The Company did not accept any fresh deposits during the financial year 2015-16.

Listing

Your Company's shares are listed in National Stock Exchange of India Limited and Calcutta Stock Exchange Limited. The Company has paid the Annual Listing Fee to both the stock exchanges for the year 2016-17.

Directors' Responsibility Statement

In compliance of Section 134(3)(c) of the Companies Act 2013 the Directors of your Company confirm that:

1. In the preparation of annual accounts all applicable accounting standards have been followed and there are no material departures from those standards.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
4. The Directors have prepared the annual accounts on a going concern basis.
5. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under section 143(12) of the Companies Act 2013 other than those which are reportable to the Central Government

There have been no instances of frauds identified or reported by the statutory auditors during the course of their audit pursuant to Section 143(12) of the Companies Act 2013.

Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Company's Policy relating to Directors appointment payment of remuneration and other matters provided under Section 178 (3) of the Companies Act 2013

The Board on the recommendation of the Nomination and Remuneration Committee framed a policy for fixing and revising remuneration of Directors Key Managerial Personnel Senior Management Personnel and employees of the Company. The criteria for selection of Non-Executive Directors are stated in **Annexure B** to this report. The Remuneration Policy of the Company is annexed herewith as **Annexure C** and can also be accessed on the Company's website www.periatea.com

Comments on Auditors' Report

There are no qualifications reservations or adverse remarks or disclaimers made by M/s.S.Krishnamoorthy & Co Statutory Auditors.

With reference to the observations made by the Secretarial Auditor in the Secretarial Audit Report with regard to non-filing of some forms the Directors wish to state that the Company is taking necessary steps to file the forms. In regard to the observation regarding delay in publication of the Public notice to Shareholders the Directors wish to state that necessary steps would be taken to ensure that the Public Notice to the shareholders is published within the stipulated time.

Particulars of loans guarantees or investments made under Section 186 of the Companies Act 2013

Details of loans given investments made guarantees given and securities provided during the year pursuant to Section 186 of the Companies Act 2013 have been given in the notes to the financial statements.

**Particulars of contracts or arrangements with related parties**

All transactions with related parties during the financial year 2015-16 were in the ordinary course of business and on arm's length price. Since there were no transactions which were not on arm's length and material nature Form AOC 2 is not annexed.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the Company's website and may be accessed at www.periatea.com.

Material changes and commitments affecting the financial position of the Company.

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2016 and the date of this report.

Conservation of energy technology absorption foreign exchange earnings and outgo

The information on foreign exchange earnings and outgo technology absorption conservation of energy stipulated under Section 134 (3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is annexed herewith as **Annexure D**.

Risk Management

The Company has in place a mechanism to identify assess monitor and mitigate various risks that may impact key business objectives of your Company. The Company has adopted a Risk Management Policy which is available on the website of the Company www.periatea.com.

The specific objectives of the Risk Management Policy are to ensure that all the current and future material risk exposures of the Company are identified assessed quantified appropriately mitigated and managed to establish a framework for the company's risk management process and to ensure companywide implementation in order to ensure systematic and uniform assessment of risks and to enable compliance with appropriate regulations wherever applicable through the adoption of best practices and to assure business growth with financial stability.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are

routinely tested and certified by Statutory and Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

Annual Evaluation of the Board's performance and of the Individual Directors

On the advice of the Board of Directors and the Nomination and Remuneration Committee the Company formulated a criteria for the evaluation of the performance of the Board of Directors its committees Independent Directors Non-Independent Directors and the Managing Directors. Based on those criteria performance evaluation has been done. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated.

Directors and Key Managerial Personnel

Shri Shreeyash Bangur Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri A. Thiagarajan was appointed as the Chief Financial Officer of the Company with effect from 14th March 2016. Shri R.V. Sridharan will continue as Company Secretary consequent to the appointment of Shri A. Thiagarajan.

The following are the Key Managerial Personnel of the Company as at the end of the year.

1. Smt. Alka Devi Bangur – Managing Director
2. Shri Shreeyash Bangur – Managing Director
3. Shri S.K. Singh – Chief Executive Officer
4. Shri A. Thiagarajan – Chief Financial Officer
5. Shri R.V. Sridharan – Company Secretary

Reports on the performance and financial position of each of the subsidiaries Associates and Joint Venture Companies included in the Consolidated Financial Statements

The Company has two subsidiaries. Statement pursuant to Section 129 (3) of the Companies Act 2013 containing the salient features of the financial statements of Subsidiary Companies forms part of this report.

Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

There is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.



Adequacy of Internal Financial Controls with reference to the financial statements

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information complying with applicable statutes and policies safeguarding of assets prevention and detection of frauds accuracy and completeness of accounting records. The Company has appointed Internal Auditor with a dedicated internal audit team. The Internal Audit Reports were reviewed periodically by the Audit Committee. Further the Audit Committee annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 M/s. S. Krishnamoorthy & Co. Chartered Accountants the Statutory Auditors of the Company hold office up to the conclusion of the 104th Annual General Meeting. However their appointment as Statutory Auditors of the Company is subject to ratification by the Members at every Annual General Meeting.

Also it is proposed to appoint M/s. Srikishen & Co. Chartered Accountants as Statutory Auditors of the Company for a period of 5 years from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the 108th Annual General Meeting of the Company.

The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed. Necessary resolution for ratification of appointment of M/s. S. Krishnamoorthy & Co. and the appointment of M/s. Srikishen & Co. is included in the Notice of Annual General Meeting for seeking approval of members.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Company has appointed Mr. M.D.Selvaraj, MDS & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditors is annexed herewith as **Annexure E**.

Internal Auditors

The Board of Directors at their meeting held on 15th May 2015 have appointed Shri K.R. Narayanan (having Membership Number: 22965) Chartered Accountant, Chennai as Internal Auditor of the Company for the financial year 2015-16.

Industrial Relations

The relation between management and labour was cordial during the year.

Particulars of employees

Statement pursuant to Section 134 of the Companies Act 2013 read with the Companies (Particulars of Employees) Rules 1975 and Section 197 (12) of the Companies Act 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is given in **Annexure F**.

Disclosures under Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013. An Internal Complaint Committee has been set up to redress complaints received. All employees (permanent contractual temporary trainees) are covered under this policy. The Committee has not received any complaint from any employee during the financial year 2015-16.

Composition of Audit Committee and Vigil Mechanism

The Board has constituted an Audit Committee details of which are enumerated in the Corporate Governance Report. The Company has a Whistle Blower Policy for Directors and employees and adopted the Whistle Blower Policy in terms of Section 177 of the Companies Act 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 to report concerns about unethical behavior wrongful conduct and violation of Company's code of conduct or ethics. The whistle blower policy is available on the company's website www.periatea.com.

Corporate Social Responsibility (CSR)

The Board has constituted a Corporate Social Responsibility Committee comprising of the following directors as its Members:



1. Shri L.N. Bangur – Chairman
2. Shri P.R. Ramakrishnan – Member
3. Shri N. Swaminathan – Member

The Company has adopted a Corporate Social Responsibility Policy defining therein the CSR activities to be undertaken by the Company in line with the provisions of Schedule VII of the Companies Act 2013.

The Corporate Social Responsibility Committee of the Board is responsible for the implementation and effective monitoring of the CSR activities of the Company.

The Company was not required to spend any amount towards Corporate Social Responsibility (CSR) during the financial year 2015-16 as the average net profit of the Company for the financial years 2012-13, 2013-14 and 2014-15 was negative.

The Annual Report on CSR activities of the Company is furnished in **Annexure G** of this report.

Corporate Governance

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance

stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Managing Directors Certification

The Managing Director of the Company has certified to the Board on the financial statements and other matters in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 relating to CEO certification for the financial year ended 31st March 2016.

Acknowledgements

The Board wishes to thank all the shareholders customers vendors financial institutions banks and depositors for the support extended by them.

The Board also wishes to place on record their appreciation of the contribution made by the employees at all levels during the year.

For and on behalf of the Board

Kolkata
30th May 2016.

L.N. Bangur
Chairman
(DIN 00012617)

**Annexure A****FORM NO. MGT-9**

**EXTRACT OF THE ANNUAL RETURN
as on the Financial year ended 31.03.2016**

[Pursuant to section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies
(Management and Administration) Rules 2015]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L01132TZ1913PLC000350
ii)	Registration Date	5th July 1913
iii)	Name of the Company	The Peria Karamalai Tea and Produce Company Limited
iv)	Category/sub category of the Company	Public Limited Company having share capital
v)	Address of the Registered office and contact details	No.286 Race Course Road Coimbatore – 641 018 Phone: 91-422-2221352 Fax: 91-422-2220380 E-mail ID: periatea@dataone.in Website: www.periatea.com
vi)	Whether listed company	Yes
vii)	Name Address and Contact details of Registrar and Transfer Agent if any	SKDC Consultants Limited Kanapathy Towers Ganapathy Coimbatore - 641 006 Phone: 91-422-6549995 2539835 2539836 Fax: 91-422-2539837 E-mail ID: info@SKDC-Consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Tea	09.0230	92%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES
(No. of Companies for which information is being filled)

S. No	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1	PKT Plantations Limited	U01132TZ2009PLC015537	Subsidiary	100%	Section 2(87)(ii)
2	Shivphal Vinimay Private Limited	U51909WB2011PTC168574	Subsidiary	100%	Section 2(87)(ii)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	105678	19901	125579	4.056	105678	19901	125579	4.056	0
b) Central Government	0	0	0	0	0	0	0	0	0
C) State Government	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	1370811	0	1370811	44.279	1370811	0	1370811	44.279	0
e) Fis/Banks	0	0	0	0	0	0	0	0	0
f) Any others									
Trust	0	0	0	0	0	0	0	0	0
Sub Total (A)(1)	1476489	19901	1496390	48.335	1476489	19901	1496390	48.335	0
2. Foreign									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Others - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other...	—	—	—	—	—	—	—	—	—
Sub Total (A)(2)	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1476489	19901	1496390	48.335	1476489	19901	1496390	48.335	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Fis/Banks	2122	1813	3935	0.127	2122	1813	3935	0.127	0
c) Central Government	9238	18477	27715	0.895	9238	18477	27715	0.895	0
d) State Government	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	360138	0	360138	11.633	360138	0	360138	11.633	0
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—
i) Any Other (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	371498	20290	391788	12.655	371498	20290	391788	12.655	0
2. Non-Institutions									
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	78646	16819	95465	3.084	84425	16819	101244	3.270	0.186
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	479067	404035	883102	28.524	486207	385200	871407	28.147	(0.377)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	177592	0	177592	5.736	185312	0	185312	5.986	0.250
c) Others (specify)	—	—	—	—	—	—	—	—	—
a) Directors & their relatives	1125	450	1575	0.051	1125	450	1575	0.051	0
b) Foreign Nationals	0	4139	4139	0.134	71	4068	4139	0.134	0
c) Non Resident Indians	6427	6448	12875	0.416	7200	6448	13648	0.441	0.025
d) Clearing Members	3982	0	3982	0.129	3368	0	3368	0.109	(0.020)
e) Hindu Undivided Families	28971	0	28971	0.936	27008	0	27008	0.872	(0.064)
Sub-total (B)(2):-	775810	431891	1207701	39.010	794716	412985	1207701	39.010	—
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1147308	452181	1599489	51.665	1166214	433275	1599489	51.665	0
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	2623797	472082	3095879	100.000	2642703	453176	3095879	100.000	0

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Shri Lakshmi Niwas Bangur	25481	0.823	0	25481	0.823	0	0
Smt Alka Bangur	37638	1.216	0	37638	1.216	0	0
Navjoti Commodity Management Services Limited	6912	0.223	0	6912	0.223	0	0
The General Investment Company Limited	21000	0.678	0	21000	0.678	0	0
Kiran Vyapar Limited	470224	15.189	0	470224	15.189	0	0
MB Commercial Co.Ltd	121275	3.917	0	121275	3.917	0	0
Placid Limited	663454	21.430	0	663454	21.430	0	0
Mugneeram Ramcoowar Bangur Charitable & Religious Co.	34500	1.114	0	34500	1.114	0	0



Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Shree Krishna Agency Ltd	53446	1.726	0	53446	1.726	0	0
Shri Lakshmi Niwas Bangur (HUF)	61200	1.977	0	61200	1.977	0	0
Ms Sheetal Bangur	1260	0.041	0	1260	0.041	0	0
TOTAL	1496390	48.333	0	1496390	48.333	0	0

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	There has been no change in Share holding of the Promoters during the year			
2	Increase / Decrease in Promoters Shareholding during the year				
3	At the end of the year				

iv) Shareholding pattern of top ten shareholders (other than Directors Promoters and Holders of GDRs and ADR)

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	2,07,712	6.709	2,07,712	6.709
2	Mahendra Girdharilal	1,15,373	3.727	1,15,373	3.727
3	The Oriental Insurance Company Limited	76,354	2.466	76,354	2.466
4	United India Insurance Company Limited	76,072	2.457	76,072	2.457
5	Sunil Kumar Gupta	22,200	0.717	22,200	0.717
6	Dolly Behram Aryana	21,019	0.679	18,326	0.592
7	Maruti Business Services Limited	19,650	0.635	19,650	0.635
8	Anjali S Ghorpade	19,000	0.614	19,000	0.614
9	Governor of Kerala	18,477	0.597	18,477	0.597
10	The Property Company Private Limited	12,678	0.409	18,660	0.603



iv) Shareholding pattern of top ten shareholders (other than Directors Promoters and Holders of GDRs and ADR)

Sl. No.	For Each of the Top 10 Shareholders Name Date & Reason of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India				
	At the beginning of the year	2,07,712	6.71%	2,07,712	6.71%
	Transfer of shares during the year				
	At the end of the year	2,07,712	6.71%	2,07,712	6.71%
2	Mahendra Girdharilal				
	At the beginning of the year	1,15,373	3.73%	115373	3.73%
	Transfer of shares during the year				
	At the end of the year	1,15,373	3.73%	1,15,373	3.73%
3	The Oriental Insurance Company Limited				
	At the beginning of the year	76,354	2.47%	76,354	2.47%
	Transfer of shares during the year				
	At the end of the year	76,354	2.47%	76,354	2.47%
4	United Insurance Company Limited				
	At the beginning of the year	76,072	2.46%	76,072	2.46%
	Transfer of shares during the year				
	At the end of the year	76,072	2.46%	76,072	2.46%
5	Sunil Kumar Gupta				
	At the beginning of the year	22,200	0.72%	22,200	0.72%
	Transfer of shares during the year				
	At the end of the year	22,200	0.72%	22,200	0.72%
6	Maruti Business Services Limited				
	At the beginning of the year	19,650	0.63%	19,650	0.63%
	Transfer of shares during the year				
	At the end of the year	19,650	0.63%	19,650	0.63%
7	Anjali S Ghorpade				
	At the beginning of the year	19,000	0.61%	19,000	0.61%
	Transfer of shares during the year				
	At the end of the year	19,000	0.61%	19,000	0.61%
8	Governor of Kerala				
	At the beginning of the year	18,477	0.60%	18,477	0.60%
	Transfer of shares during the year				
	At the end of the year	18,477	0.60%	18,477	0.60%



Sl. No.	For Each of the Top 10 Shareholders Name Date & Reason of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Dolly Behram Aryana				
	At the beginning of the year	21,019	0.68%	21,019	0.68%
	Transfer of shares on 09.10.15	(6)	(0.00%)	21,013	0.68%
	Transfer of shares on 16.10.15	(453)	(0.01%)	20,560	0.66%
	Transfer of shares on 20.11.15	(300)	(0.01%)	20,260	0.65%
	Transfer of shares on 27.11.15	(999)	(0.03%)	19,261	0.62%
	Transfer of shares on 29.01.16	(356)	(0.01%)	18,905	0.61%
	Transfer of shares on 05.02.16	(574)	(0.02%)	18,331	0.59%
	Transfer of shares on 12.02.16	(5)	(0.00%)	18,326	0.59%
	At the end of the year	18,326	(0.59%)	18,326	0.59%
10	The Property Company Private Limited**				
	At the beginning of the year	12,678	0.41%	12,678	0.41%
	Transfer of shares on 23.10.15	400	0.01%	13,078	0.42%
	Transfer of shares on 30.10.15	4,276	0.14%	17,354	0.56%
	Transfer of shares on 06.11.15	405	0.01%	17,759	0.57%
	Transfer of shares on 13.11.15	72	0.00%	17,831	0.57%
	Transfer of shares on 20.11.15	759	0.02%	18,590	0.60%
	Transfer of shares on 08.01.16	70	0.00%	18,660	0.60%
	Transfer of shares on 31.03.16	18,660	0.60%	18,660	0.60%
11	The Indian Cotton Purchasers Limited ##				
	At the beginning of the year	17,850	0.577%	17,850	0.577%
	Transfer of shares during the year	—	—	—	—
	At the end of the year	17,850	0.577%	17,850	0.577%

** Not in the list of top 10 Shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the top ten shareholders as on 31.03.2016.

Ceased to be in the list of top ten shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the top ten shareholders as on 31.03.2015.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Lakshmi Niwas Bangur	25,481	0.823	25,481	0.823
2	Shri Lakshmi Niwas Bangur (HUF)	61,200	1.977	61,200	1.977
3	Smt Alka Bangur	37,638	1.216	37,638	1.216
4	Shri Ratanlal Gaggar	1,125	0.036	1,125	0.036
5	Shri H.M. Parekh	—	—	—	—
6	Shri P.R.Ramakrishnan	300	0.010	300	0.010
7	Shri N.Swaminathan	150	0.005	150	0.005
8	Shri S.K. Singh	—	—	—	—
9	Shri A. Thiagarajan	—	—	—	—
10	Shri R.V. Sridharan	—	—	—	—

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	84,14,597	5,40,00,000	—	6,24,14,597
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	84,14,597	5,40,00,000	—	6,24,14,597
Change in Indebtedness during the financial year				
i) Addition	13,33,03,753	—	—	13,33,03,753
ii) Reduction	34,34,485	5,40,00,000	—	5,74,34,485
iii) Exchange difference	—	—	—	—
Net Change	13,03,69,268	5,40,00,000	—	7,63,69,268
Indebtedness at the end of the financial year				
i) Principal amount	13,87,83,865	—	—	13,87,83,865
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	13,87,83,865	—	—	13,87,83,865

VI. Remuneration of Directors and Key Managerial Personnel**(A) Remuneration to Managing Director and Deputy Managing Director**

Sl. No.	Particulars of Remuneration	Remuneration to Managing Directors		Total Amount
		Smt. Alka Bangur	Shri. Shreyash Bangur	
1	Gross salary			
	a) Salary u/s 17(1) of the Income Tax Act 1961	22,50,000	15,56,667	38,06,667
	(b) Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	13,57,200	15,56,667	29,13,867
	(c) Profits in lieu of salary u/s 17 (3) of the Income Tax Act 1961)	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission - as % of profit - others specify	—	—	—
5	Others (Contribution to Provident & Superannuation Fund)	6,07,500	4,20,300	10,27,800
	Total (A)	42,14,700	35,33,634	77,41,134
	Overall ceiling as per the Act	As per Schedule V of the Companies Act 2013		



(B) Remuneration to other directors

Sl. No.	Particulars of remuneration	Name of Directors					Total Amount
		Shri R.L. Gagar	Shri H.M. Parekh	Shri P.R. Ramakrishnan	Shri N. Swaminathan	Shri L.N. Bangur	
1	Independent Directors						
	(a) Fee for attending Board Committee Meetings	15,000	30,000	40,000	50,000	—	1,35,000
	Commission	—	—	—	—	—	—
	Others please specify	—	—	—	—	—	—
	Total (1)	15,000	30,000	40,000	50,000	—	1,35,000
2	Other Non-Executive Directors						
	(a) Fee for attending Board Committee Meetings	—	—	—	—	40,000	40,000
	(b) Commission	—	—	—	—	—	—
	(c) Others please specify	—	—	—	—	—	—
	Total (2)	—	—	—	—	40,000	40,000
	Total (B)=(1+2)	15,000	30,000	40,000	50,000	40,000	1,75,000
	Total Managerial Remuneration	—	—	—	—	—	—
	Ceiling as per the Act	Sitting fee of Rs. 100000/- per meeting					

c) Remuneration to Key Managerial Personnel other than MD/WTD/Manager

Sl. No.	Particulars of Remuneration	Remuneration to Key Managerial Personnel		
		Shri S.K.Singh Chief Executive Officer	Shri R.V. Sridharan Company Secretary	Shri A.Thiagarajan * Chief Financial Officer
1	Gross salary			
	a) Salary u/s 17(1) of the Income Tax Act 1961	23,66,700	14,65,200	57,500
	(b) Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	6,01,864	3,73,337	40,635
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit	—	—	—
	others specify...	—	—	—
5	Others (Contribution to Provident & Superannuation Fund)	6,39,009	3,95,604	6,900
	Total	36,07,573	22,34,141	1,05,035

Note :

* Employed for part of the year

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					



Annexure - B

CRITERIA FOR SELECTION OF NON-EXECUTIVE DIRECTORS:

The Non Executive Director shall:-

- have adequate skills background experience and knowledge
- possess industry bias i.e. should be reasonably conversant with and follow the Tea Plantation industry
- be a person of intellect and integrity
- not be discriminated on the basis of age gender and race.
- believe in and be committed to practice the Peria Karamalai values.
- be capable of working in harmony with other board members and contribute effectively in Board and Shareholder meetings
- be in alignment with the Company's objectives and goals.

Annexure - C

NOMINATION AND REMUNERATION POLICY

1. Preamble

Sub-section (3) of Section 178 of the Companies Act 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors key managerial personnel and other employees.

Section 178 of the Companies Act 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.

The Policy provides a framework for remuneration to the members of the Board of Directors ("Board") Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives").

The expression "senior management" means employees of Company who are members of its core management team excluding directors comprising all members of management one level below the executive directors including the functional heads.

The Members of the Nomination and Remuneration Committee ("the Committee or NRC") shall be appointed

by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.

This Policy will be called "PK Tea Nomination & Remuneration Policy" and referred to as "the Policy".

The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

2. Objectives

The objectives of the Policy are as follows:

To set criteria for determining qualifications positive attributes and independence of a director and remuneration of the Executives.

To enable the Company to attract retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.

To enable the Company to provide a well-balanced and performance-related compensation package taking into account shareholder interests industry standards and relevant Indian corporate regulations.

To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance objectives values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

To ensure that remuneration to directors KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. Principles of remuneration

Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with and supports and reinforces the achievement of the Company's vision and strategy.

Transparency: The process of remuneration management shall be transparent conducted in good faith and in accordance with appropriate levels of confidentiality.

Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

External equity: The Company strives to pay an equitable remuneration capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures. Reference to external market



norms will be made using appropriate market sources including relevant and comparative survey data as determined to have meaning to the Company's remuneration practices at that time.

Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.

Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.

Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. Terms of Reference and Role of the Committee

The Terms of Reference and Role of the Committee as set by the Board of Directors are as under:

1. To formulate criteria for:
 - a. determining qualifications positive attributes and independence of a director;
 - b. evaluation of independent directors and the Board.
2. To devise the following policies on:
 - a. remuneration including any compensation related payments of the directors key managerial personnel and other employees and recommend the same to the board of the Company;
 - b. board diversity laying out an optimum mix of executive independent and non-independent directors keeping in mind the needs of the Company.
3. To identify persons who are qualified to:
 - a. become directors in accordance with the criteria laid down and recommend to the Board the appointment and removal of directors;
 - b. be appointed in senior management cadre in accordance with the policies of the Company and recommend their appointment:
 - i. For listed companies – to the board as the revised Clause 49 requires the NRC to recommend the appointment to the Board.
4. To discuss approve the appointment and reappointment of executive directors managing directors and also to fix their remuneration packages and designations;
5. To carry out evaluation of the performance of every director of the Company;

6. To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.

7. To carry out such other business as may be required by applicable law or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

The Committee shall:

- review the ongoing appropriateness and relevance of the Policy;
- ensure that all provisions regarding disclosure of remuneration including pensions leave encashment gratuity etc. are fulfilled;
- obtain reliable up-to-date information about remuneration in other companies;
- ensure that no director or executive is involved in any decisions as to their own remuneration.
- without prejudice to the generality of the terms of reference as set out above the Committee shall:
 - operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes as the case may be;
 - liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
 - review the terms of Executives service contracts from time to time.

5. Procedure for selection and appointment of the Board Members

Board membership criteria:

The Committee along with the Board shall review on an annual basis appropriate skills characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business government academics technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members the Committee shall take into account many factors including general understanding of the Company's business dynamics global business and social perspective educational and professional background and personal achievements. Directors must possess experience



at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

Director should possess the highest personal and professional ethics integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions rather than advancing the interests of a particular constituency.

In addition Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee shall evaluate each Director with the objective of having a group that best enables the success of the Company's business.

Selection of Board Members/ extending invitation to a potential director to join the Board:

One of the roles of the Committee is to periodically identify competency gaps in the Board evaluate potential candidates as per the criteria laid above ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement resignation or demise of an existing Board member. Based on the recommendations of the Committee the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same the new Director may be appointed by the Board.

6. Procedure for selection and nomination of KMP and SMPs

The Chairman and the Managing Director (MD) along with the Chief Executive Officer identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic professional qualifications relevant work experience skill and other capabilities suitable to the position of concerning KMP or SMP.

Further in case of KMP (excluding Executive Director) appointment approval of the Board of Directors /

concerned Committee shall be taken in accordance with provisions of relevant Act statutes regulations etc. existing as on that date. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

Further in case of appointment of SMPs (excluding KMPs) the appointment as approved by the MD and Chief Executive Officer shall be placed before the NRC at regular intervals.

7. Compensation Structure

Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company will be paid remuneration by way of fees only for attending the meetings of the Board of Directors and its Committees. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act 2013 which is currently Rs. 100000/- per meeting i.e. Board or Committee. Beside the sitting fees they are also entitled to reimbursement of expenses and payment of commission on net profits.

The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act 2013 and amended from time to time.

An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission as may be permissible by the Applicable law.

If any such director draws or receives directly or indirectly by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction where it is required under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded hold it in trust for the Company.

Remuneration to Executive Directors Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s) (SMPs)

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/ WTDs) Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment track record potential individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting



which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act 2013. As a policy the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

If any Director draws or receives directly or indirectly by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction where it is required under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded hold it in trust for the Company.

A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company may receive any remuneration or commission from any holding or subsidiary company of the Company subject to its disclosure by the Company in the Board's report.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by Chairman along with the MD and Chief Executive Officer after taking into consideration the academic professional qualifications work experience skill other capabilities and industry standards.

Further the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/concerned Committees if stipulated by any Act statute regulations etc.

8. Powers of the Committee and Meetings of the Committee

The Committee shall have inter-alia the following powers:

- Conduct studies or authorise studies of issues within the scope of the Committee with full access to all books records facilities and personnel of the Company;
- Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;
- Delegate its powers to any Member of the Committee or any KMP of the Company or form sub-committees to perform any of its functions or role under this Policy.

The Committee shall meet as per the requirements of law or at such larger frequency as may be required.

9. Approval and publication

This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act 2013.

10. Supplementary provisions

This Policy shall formally be implemented from the date on which it is adopted by the Board of Directors.

Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations the Company's Articles of Association.

The right to interpret this Policy vests in the Board of Directors of the Company.

Annexure - D

Conservation of Energy Technology absorption & Foreign Exchange Earnings and Outgo

A. Conservation of Energy

Steps taken for conservation of energy

Energy conservation is the need of the hour not only to reduce the cost but also to save nature. The Management has initiated various steps to reduce / conserve energy consumption.

- a) Putting Energy Efficient Motors in place of mechanical motors is in process and this will be done in a phased manner. It is targeted to complete this exercise within three years.
- b) To minimise the consumption of fire wood ID fans in with sensors introduced to provide optimum level of oxygen for proper combustion.
- c) LED lights installed in place of Sodium Vapour Lights to reduce electricity consumption.

Steps taken by the Company for utilising alternate source of energy

The Company has got 9 wind mills having total installed capacity of 2.275 MW. 65 to 70% of the power generated by the wind mills is consumed by our own factories.

The total number of Units generated by these Windmills during the year was 23,55,637 units.

The Company is in the process of setting up of around 5 MW Solar Power Plant in Tamil Nadu.

B. Technology Absorption

i) Efforts made towards technology absorption

The Company is continuously adapting suggestions/ recommendations of UPASI Scientists besides its own efforts for improvement in upkeep productivity quality



higher yields and energy conservation.

ii) Benefits derived

Cost reduction improvement in yield Quality up-gradation of the field and on the field.

iii) Import of technology - Nil

C.Foreign Exchange Earnings and outgo

Particulars are given in the Notes on Financial Statements forming part of accounts.

Annexure - E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

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

To

The Members

The Peria Karamalai Tea and Produce Company Limited
(CIN: L01132TZ1913PLC000350)
No. 286 Race Course Road
Coimbatore - 641 018.

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. The Peria Karamalai Tea and Produce Company Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. The Peria Karamalai Tea and Produce Company Limited's** books papers minute books forms and returns filed and other records maintained by the Company and also the information provided by the Company its officers agents and authorized representatives during the conduct of secretarial audit I hereby report that in my opinion the Company has during the audit period covering the financial year ended **31st March 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter.

I have examined the books papers minute books forms and returns filed and other records maintained by the

Company for the financial year ended on 31st March 2016 according to the provisions of:

- ii. The Companies Act 2013 (the Act) and the rules made thereunder;
- ii. The Companies Act 1956 (the Act) and the rules made thereunder (to the extent applicable);
- iii. The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act 1996 and the Regulations and bye-laws framed thereunder;
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Enforced from 1st December 2015);
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (till 14th May 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (Enforced from 15th May 2015);
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client.
- vi. Laws specifically applicable to the industry to which the Company belongs as identified by the management:-

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

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July 2015 and it was noted that the Company has generally complied with the same however stricter application of Secretarial Standards is to be observed by the Company;
- b. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act Rules Regulations



Standards etc. as mentioned above subject to the following observations:

- a. Report on Annual General Meeting in e-form MGT-15 pursuant to section 121 of the Companies Act 2013 and applicable rules have not been filed by the Company.
- b. The Board of Directors of the Company at their meeting held on 4th November 2015 have passed a resolution for borrowing of Rs. 1 Crore from Shree Krishna Agency Limited for which e-Form MGT-14 pursuant to the provisions of Section 117(3)(g) of the Companies Act 2013 has not yet been filed.
- c. Public notice to be published by the Company by way of an advertisement pursuant to Rule 20 of the Companies (Management and Administration) Rules 2014 for the Annual General Meeting of the Company held on 28th September 2015 was not done within the stipulated time.

I further report that during the year under review there were no actions/events in pursuance of the following Rules/Regulations requiring compliance thereof by the Company:

- a. Foreign Exchange Management Act 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof on test-check basis the Company has complied with the labour laws and environmental laws as applicable to the Company.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors Non-Executive Directors Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

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

I further report that during the audit period there were no instances of:

- Public / Rights / Preferential issue of shares / debentures / sweat equity
- Redemption / buy-back of securities
- Major decision taken by the members pursuant to section 180 of the Companies Act 2013
- Merger / amalgamation / reconstruction etc
- Foreign technical collaborations.

Place : Coimbatore
Date : 30th May 2016

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

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



'Annexure A' to Secretarial Audit Report

To

The Members

The Peria Karamalai Tea and

Produce Company Limited

(CIN: L01132TZ1913PLC000350)

No. 286 Race Course Road

Coimbatore – 641 018.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws rules and regulation standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore

Date : 30th May 2016

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

Annexure - F

Statement pursuant to Section 134 of the Companies Act 2013 read with the Companies (Particulars of Employees) Rules 1975 and Section 197 (12) of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2015.

Particulars of Employees

I. Employed throughout the year and was in receipt of remuneration not less than Rs.60 lacs per annum

There were no employees who were in receipt of remuneration exceeding Rs.60 Lakhs per annum

II. Particulars pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2015



a) The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year is given below:

Name	Ratio
Executive Directors	
Smt Alka Bangur (Managing Director)	75.60:1
Shri Shreeyash Bangur (Managing Director)	63.39:1
Non Executive Directors	
Shri L.N.Bangur (Director)	0.72:1
Shri R.L.Gaggar (Director)	0.27:1
Shri H.M.Parekh (Director)	0.54:1
Shri P.R.Ramakrishnan (Director)	0.72:1
Shri N.Swaminathan (Director)	0.90:1

The percentage increase in remuneration of Managing Director Chief Executive Officer Chief Financial Officer Company Secretary or Manager

Name	Category	Percentage
Smt Alka Bangur	Managing Director	2.58%
Shri Shreeyash Bangur	Managing Director	(8.05%)
Shri S.K. Singh	Chief Executive Officer	17.06%
Shri A. Thiagarajan	Chief Financial Officer	N.A.
Shri R.V.Sridharan	Company Secretary	9.26%

Percentage increase in the median remuneration of employees in the financial year: 6.5%

Number of permanent employees on the rolls of the Company : 1767

Explanation on the relationship between average increase in remuneration and company performance:

The average increase is based on cost of living index and wage agreement between the company and the trade unions at state level.

Comparison of remuneration of Key Managerial Personnel against the performance of the Company

The Key Managerial Personnel were collectively paid a remuneration of Rs.136.95 lakhs for the financial year 2015-16. This represents 3.55% of the total standalone turnover of Rs. 3855.86 lakhs of the Company and (62.56%) of its standalone profits (losses).

The Company believes that the Key Managerial Personnel have been compensated commensurate with their knowledge experience and contributions notwithstanding the fact that their collective remuneration does not impact the Company's performance significantly.

Variations in the market capitalisation of the Company price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the



shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	31 st March 2016	31 st March 2015
Issued Capital (in Nos)	30,95,879	30,95,879
Market Capitalisation (in Rs.)	41,20,61,495	35,91,21,964
Closing Price at National Stock Exchange (last traded price on 31.07.2015 in Rs.)	133.10	116
Earnings per Share (in Rs.)	(7.07)	4.73
Price Earnings Ratio as at the closing date	18.83	24.52

Percentage increase over decrease in market quotations of the shares of the company in comparison with the last public offer is not applicable as the last public offer was made many years ago and the data is incomparable.

Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

The Average increase in remuneration is 6.5% for both workers and staff.

Comparison of the Remuneration Key Managerial Personnel against the performance of the Company

Name	Designation	Remuneration paid Rs.	Profit / (Loss) before Tax Rs.
Smt. Alka Bangur	Managing Director	42,14,700	(2,20,19,089)
Shri Shreeyash Bangur	Managing Director	35,33,634	(2,20,19,089)
Shri S.K. Singh	Chief Executive Officer	36,07,573	(2,20,19,089)
Shri A. Thiagarajan*	Chief Financial Officer	1,05,035	(2,20,19,089)
Shri R V Sridharan	Company Secretary	22,34,141	(2,20,19,089)

* Employed for the part of the year.

The key parameters for any variable component of remuneration availed by the Directors

Non Executive Directors

The Company does not pay any variable component of remuneration to the Non-Executive Directors as they are paid only sitting fee for attending the meetings.

Executive Directors

Executive Directors are paid annual increments based on the performance of the company and as recommended by the Nomination and Remuneration Committee.

The ratio of remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year : Not applicable

Affirmation that Remuneration paid is as per the Remuneration Policy of the Company

It is affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

**Annexure G****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****1) A Brief outline of the Company's CSR policy:**

The Company's CSR Policy and Programmes are directed towards education basic sanitation facilities promote gender equality women empowerment environmental sustainability protection of National Heritage Culture music drama sports fine arts and rural development projects. The detailed policy on the Corporate Social Responsibility has been posted on the Website of the company : www.periatea.com

2) Composition of CSR Committee:

CSR Committee has been constituted with Shri L.N. Bangur as Chairman Shri P.R. Ramakrishnan and Shri N. Swaminathan as members.

3) Average Net Profit of the Company For the last three financial years:

There was net loss for the immediately preceding three financial years.

4) Prescribed CSR Expenditure (2% of the Average Net Profit):

The Company was not required to spend on CSR activities as the average net profit of the immediately preceding three financial years of the company was in the negative.

5) Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year : The Company was not required to spend any amount on CSR activities.

b) Amount unspent if any : Nil

c) Manner in which the amount spent during the financial year:

As the Company was not required to spend any amount on CSR activities the disclosure with regard to the manner in which the amount was spent during the financial year does not arise.

d) Reason for not spending the amount:

The Company was not required to spend on CSR activities as the average net profit of the immediately preceding three financial years of the company was in the negative.

6) Responsibility Statement by the CSR Committee

The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Place : Coimbatore
Date : 30th May 2016

N. SWAMINATHAN
Director
(DIN 02743671)

L.N. BANGUR
Chairman CSR Committee
(DIN 00012617)



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

India produced 1208.66 million kg in 2015 compared to 1207.31 million kg in 2014. South Indian Tea industry produced 227.57 million kg in 2015 compared to 241.36 million kg in 2014. North India produced 981.09 million kg in 2015 compared to 965.20 million kg in 2014.

All India auction average stood at Rs.124.48 per kg in 2015 compared to Rs.126.88 per kg in 2014. North India averaged Rs. 139.79 per kg compared to Rs.143.07 per kg in 2014. South Indian Tea averaged Rs. 81.40 per kg compared to Rs.82.89 per kg.

Export of tea from India was 232 million kg in 2015 compared to 207.44 million kg in 2014.

Performance

During 2015 tea market was sluggish with lack of demand despite price shedding. South India reported crop loss of 14 million kg compared to last year because of labour unrest in Kerala. In the export front there was tough competition from Kenya and geo political situation in Middle East added subdued demand which resulted in significant drop in price realization. The South Indian Auction price started moving up only from December 2015 onwards with optimum level of sale percentage. Market stabilized during the last quarter which helped to maintain the overall average price.

Tea business accounted for 95.09% of the total revenue of the Company.

Future Prospects

The Company has taken host of initiatives towards automation for curtailing the operating cost and up gradation of plant and machinery to produce flawless tea which will bring better price realization and increasing popularity among the buyers.

The increasing health awareness among the younger generation has been observed and the Company has proposed to manufacture green tea /value added tea on a small scale to judge the growing ostentation of value added tea among the upcountry buyers as well as export front.

Opportunities

Mechanization of all tea operations in the light of labour shortage is imperative for future growth of tea industry. Sharing the social cost by the State Governments will reduce the cost of production and thereby increase the competitive strength of Indian tea. Acquisition of gardens outside India and branching out to other related businesses is the only solution for tea industry's survival in future.

Challenges

Climate change poses big challenge to the tea industry resulting in lower crops as well as higher incidence of pests and diseases. Introduction of plant production code adds up the woes of tea industry. High cost of labour, rising input cost and acute shortage of labour are major challenges.

Declining soil fertility and slower pace of re-plantation of old bushes affect the productivity. Indian CTC tea producers face tough competition from Kenya. Lack of standardization and quality with respect to packing pesticide and MRL problems affect export of Indian Teas.

Risk Management

Risk management is an integral part of the business process. With the help of experts the company mapped the risks at the business processes and enterprise levels and evolved a risk management framework. Risk mitigating measures have been identified in respect of the latter. These would be periodically reviewed by the Board of Directors

Internal Control

The Company has adequate internal control system to monitor internal business process financial reporting and compliance with applicable laws. The internal control system ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The Company periodically reviews the adequacy and effectiveness of the control systems. The Audit Committee of the Board assures the existence of effective internal control environment.

Human Resource

Relationship with employees at all level remains cordial. Training and development of employees continue to be an area of prime importance. The devotion and commitment of employees has enabled the Company to fulfill its targets and deadlines in time. The total number of employees on the rolls of the Company as on 31st March 2016 was 1767.

Forward looking statements

Certain statements included above may be forward looking and would involve number of risks uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. The Company undertakes no obligation to publicly update or revise any forward looking statements whether as a result of new information future events or otherwise.



REPORT ON CORPORATE GOVERNANCE

Compliance Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 is furnished below:

Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance with focus on fiduciary and trusteeship role of directors to align and direct the actions of the organization brings lasting shareholder value and enhances interest of all other stakeholders.

Board of Directors

Composition

The Board consists of seven (7) Directors (out of which five (5) are non-executive directors and two (2) are executive directors including one (1) Woman Director). Smt Alka Bangur and Shri Shreeyash Bangur are the Executive Directors and all others are Non-Executive Directors.

Name of Director	Category	Other Directorships	Membership of Board Committees	
			Member	Chairman
Shri L.N.Bangur	Promoter–Non Executive Chairman	9	4	2
Smt.Alka Bangur	Promoter-Managing Director	2	1	1
Shri Shreeyash Bangur	Promoter-Managing Director	5	—	—
Shri R.L.Gaggar	Independent	8	9	—
Shri H.M.Parekh	Independent	7	4	5
Shri P.R.Ramakrishnan	Independent	1	1	1
Shri N.Swaminathan	Independent	1	2	—

#Excludes directorship in private companies.

*Only Audit Committee and Stakeholders Relationship Committee are considered.

Shri L. N. Bangur and Smt. Alka Bangur are related to each other as husband and wife and Shri Shreeyash Bangur is their son. None of the other directors are related.

As per the disclosures received from the directors none of the directors serve as member of more than ten committees or chairman of more than five committees as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Meetings of the Board of Directors

During the financial year 2015-16 five meetings of the Board of Directors were held on 15th May 2015 3rd August 2015 4th November 2015 25th January 2016 and 14th March 2016.

Attendance of Directors at Board Meetings and Annual General Meeting

The attendance of directors at the meetings of Board of Directors held during the financial year 2015-16 and at the last Annual General Meeting held on 28th September 2015 were as under:



Name of the Director	Board Meeting		Annual General Meeting
	Held during the year	Attended	
Shri L.N.Bangur	5	5	Yes
Smt.Alka Bangur	5	4	No
Shri Shreeyash Bangur	5	4	Yes
Shri R.L.Gaggar	5	3	No
Shri H.M.Parekh	5	4	No
Shri P.R.Ramakrishnan	5	2	Yes
Shri N.Swaminathan	5	3	Yes

Shareholding of Non-Executive Directors

Name	No. of Shares
Shri L.N.Bangur	25,481
Shri L.N.Bangur (HUF)	61,200
Shri R.L.Gaggar	1,125
Shri H.M.Parekh	Nil
Shri P.R.Ramakrishnan	300
Shri N.Swaminathan	150

Familiarisation Program for Independent Directors

The Independent Directors were regularly provided with documents reports and other internal policies of the Company to familiarize them with the Company's policies procedures and practices. Periodic presentations are made at the Board/ Committee meetings on the Company's business developments and various statutory compliances.

They were briefed about the manufacturing process field operations cultural practices productivity labour related matters overall power consumption cost savings and environmental protection activities undertaken by the factories. Two of the Independent Directors are tea professionals and possess considerable experience and knowledge about the tea industry

The familiarization programme and the appointment letters of Independent Directors has been posted on the Company's website www.periatea.com.

Separate meeting of the Independent Directors

The independent Directors' meeting was held on 25th January 2016 without the attendance of Non-Independent Directors and members of Management and they interalia reviewed the performance of the Non-Independent Directors and the Board as a whole reviewed the performance of the Chairman and accessed the quality quantity and timeliness of flow of information between the Company and the Board.

Committees of the Board

At present the Board has 4 Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

The Board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the Board.



Audit Committee

Three of the members of the Audit Committee are independent and have knowledge of finance accounts and tea industry. The quorum for Audit Committee meeting is minimum two independent directors.

The role power and functions of the Audit Committee are as per Section 177 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The terms of reference of the Audit Committee are as required by SEBI under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Besides having access to all the information within the Company the Committee can obtain external professional advice whenever required. The committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies review reports of the statutory and internal auditors and meet with them to discuss their findings suggestions and other related matters. The committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors.

Composition

The members of the Audit Committee as on 31st March 2016 comprised of:

Name of the Director	Designation	Category
Shri P.R.Ramakrishnan	Chairman	Independent - Non-Executive
Shri L.N.Bangur	Member	Promoter - Non-Executive
Shri H.M.Parekh	Member	Independent - Non-Executive
Shri N.Swaminathan	Member	Independent - Non-Executive

All the above members are Independent Non-Executive Directors except Shri L.N.Bangur. Shri P.R.Ramakrishnan and Shri H.M.Parekh possess expert knowledge in finance and accounts.

Audit Committee meetings are attended by the head of internal audit head of finance senior management team and representatives of statutory auditor.

Shri R.V.Sridharan Company Secretary is the Secretary of the Committee.

Meetings

During the year the Audit Committee met five (5) times on 15th May 2015 27th July 2015 30th October 2015 22nd January 2016 and 14th March 2016.

Attendance of each member is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Shri P.R.Ramakrishnan	5	4
Shri L.N.Bangur	5	2
Shri H.M.Parekh	5	2
Shri N.Swaminathan	5	5

Nomination & Remuneration Committee

The role powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The terms of reference of this Committee are as required by SEBI under Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The committee reviews and determines the Company's policy on managerial remuneration and recommends to the Board specific remunerations of Executive Directors so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry standards.



The Nomination and Remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website www.periatea.com

Composition

The members of the Nomination and Remuneration Committee as on 31st March 2016 comprised of:

Name of the Director	Designation	Category
Shri P.R.Ramakrishnan	Chairman	Independent - Non-Executive
Shri L.N.Bangur	Member	Promoter - Non-Executive
Shri H.M.Parekh	Member	Independent - Non-Executive
Shri N.Swaminathan	Member	Independent - Non-Executive

Meeting

During the year 2015-16, Nomination and Remuneration Committee met on 27th July 2015 and 14th March 2016.

Attendance of each member is given below:

Name of the Director	No. of meeting held	No. of Meetings attended
Shri P.R.Ramakrishnan	2	2
Shri L.N.Bangur	2	1
Shri H.M. Parekh	2	—
Shri N.Swaminathan	2	2

Performance evaluation criteria for Independent Directors

The Company has devised a policy for the performance evaluation of Independent Directors Board Committees and other Directors which includes the criteria for the performance evaluation of the Non-Executive Directors and Executive Directors and shall carry out evaluation of every Director's performance.

Remuneration to Executive Directors

The details of remuneration paid to Smt. Alka Bangur, Managing Director and Shri Shreeyash Bangur, Deputy Managing Director during the financial year 2015-16 are given below:

Name	Designation	Total Remuneration (In Rs Lakhs)	Period of Appointment
Smt. Alka Bangur	Managing Director	42.15	3 years with effect from 17.09.2014
Shri Shreeyash Bangur	Dy Managing Director	35.34	3 years with effect from 05.11.2015

Remuneration to Non-Executive Directors

Name	Sitting Fees Rs.
Shri L.N.Bangur	40,000
Shri R.L.Gaggar	15,000
Shri H.M.Parekh	30,000
Shri P.R.Ramakrishnan	40,000
Shri N.Swaminathan	50,000

The Company does not pay remuneration to any of its Non-Executive Directors except sitting fees for attending the Board/ Committee Meeting(s).



There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

The Company does not have any stock option scheme.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act 2013 read with Regulation 20 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This Committee is responsible for the satisfactory redressal of investors' complaints pertaining to the share transfers/ transmission, non-receipt of Annual Reports, dividend payments, issue of duplicate certificates and other miscellaneous complaints. In addition the Committee looks into the other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

Composition

The members of the Committee as on 31st March 2016 comprised of:

Name of the Director	Designation	No. of Meetings Held	No. of Meetings Attended
Shri L.N. Bangur	Chairman	28	—
Shri P.R. Ramakrishnan	Member	28	28
Shri N. Swaminathan	Member	28	28

The Board has designated Shri R.V. Sridharan, Company Secretary as Compliance Officer.

The status of complaints received from the investors during the financial year 2015-16 is furnished below:

Complaints pending as on 1st April 2015	Nil
Complaints received during the year	1
Complaints resolved during the year	1
Complaints pending as on 31st March 2016	Nil

Pursuant to Clause 47(c) of the Listing Agreement/Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from the Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

Unclaimed Suspense Account

The company has sent reminders to the Shareholders who have not claimed their shares. The company is in the process of opening "Unclaimed Suspense Account" for transferring the unclaimed shares.

Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 the Company has constituted the Corporate Social Responsibility Committee.



The members of the Committee as on 31st March 2016 comprised of:

Name of the Director	Designation	Category
Shri L.N.Bangur	Chairman	Promoter - Non-Executive
Shri P.R.Ramakrishnan	Member	Independent - Non-Executive
Shri N.Swaminathan	Member	Independent - Non-Executive

During the year under review the Committee met once on 14th March 2016. The terms of reference of the Committee encompasses:

- To formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013.
- To recommend the amount of expenditure to be incurred on the activities referred to in Clause A
- To monitor CSR Policy of the Company from time to time
- Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act 2013 or Rules made thereunder or any other statutory laws of India

The Company formulates CSR Policy which is uploaded on the website of the Company www.periatea.com.

General Body Meetings

The location and time of the last three Annual General Meetings held are given as under:

Year	Date	Time	Venue
2012-13	07.08.2013	11.00 a.m.	The Residency Avinashi Road, Coimbatore - 641 018
2013-14	22.09.2014	11.00 a.m.	The Indian Chamber of Commerce & Industry, Coimbatore - 641 018
2014-15	29.08.2015	11.00 a.m.	The Indian Chamber of Commerce & Industry, Coimbatore - 641 018

Special Resolutions passed in the previous three Annual General Meetings:

Date	Description of Special Resolutions passed
22.09.2014	Appointment of Shri R.L. Gaggar as Independent Director of the Company for a period of five years
	Appointment of Shri N. Swaminathan as Independent Director of the Company for a period of five years
	Appointment of Shri H.M. Parekh as Independent Director of the Company for a period of five years
	Appointment of Shri P.R. Ramakrishnan as Independent Director of the Company for a period of five years
	Alteration of Article 155 of the Articles of Association to make the office of Managing Director / Wholtime Director liable for retirement by rotation.
	Partial modification of the resolution approving the terms of appointment of Shri Shreeyash Bangur Deputy Managing Director that he shall be subject to retirement by rotation.
	Authority to Board of Directors to mortgage or otherwise dispose of or to create or modify charge hypothecate the whole or substantially the whole of the undertaking of the company.
	Re-appointment of Smt. Alka Bangur as Managing of the Company for a further term of 3 years.



EGM and Postal Ballot

During the year no EGM was held. No resolutions were put through postal ballot last year. No special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting of the Company.

Management Discussion and Analysis Report forms part of this Annual Report.

Means of Communication

Quarterly half yearly and annual financial results are published in The Hindu-Business Line (English Version) and Dinamalar (Tamil Version) and simultaneously posted on the website of the Company. Quarterly and half yearly financial results are not sent to the shareholders individually.

General Shareholder Information

	Date & Time	Venue
103rd Annual General Meeting	12.08.2016 10.15 a.m.	The Indian Chamber of Commerce & Industry Avinashi Road Coimbatore - 641 018

Financial Calendar (tentative and subject to change)

Particulars of meeting	On or before
Unaudited Financial Results for the quarter ending 30th June 2016	14th August 2016
Unaudited Financial Results for the quarter ending 30th September 2016	14th November 2016
Unaudited Financial Results for the quarter ending 31st December 2016	14th February 2017
Audited Financial Results for the year ending 31st March 2017	30th May 2017

Date of Book closure for payment of dividend : 06.08.2016 to 12.08.2016
(Both days inclusive)

Date of Payment of Equity Dividend : 10.09.2016

Listing on Stock Exchanges

The Company's Shares are listed in the following Stock Exchange:

The National Stock Exchange of India Limited

Exchange Plaza 5th Floor Plot No. C/1
'G' Block Bandra-Kurla Complex
Bandra (East) Mumbai – 400 051

The Calcutta Stock Exchange Limited

No.7 Lyons Range
Kolkata - 700 001

The Company has paid the annual listing fees for the year 2016-17 to the National Stock Exchange of India Limited and Calcutta Stock Exchange.

Stock Code

National Stock Exchange of India Limited	PKTEA
Calcutta Stock Exchange Limited	10026140
ISIN (for demat)	INE 431F01018



Details of monthly high and low quotations of the equity shares of the company traded on National Stock Exchange under the permitted category during the financial year 2015-16

Month	* PKTEA NSE (Rs.)			NSE NIFTY		
	High	Low	Month Close	High	Low	Month Close
April 2015	—	—	—	—	—	—
May 2015	—	—	—	—	—	—
June 2015	—	—	—	—	—	—
July 2015	—	—	—	—	—	—
August 2015	—	—	—	—	—	—
September 2015	—	—	—	—	—	—
October 2015	315.00	116.50	122.00	8336.30	7930.65	8065.80
November 2015	157.00	104.55	127.70	8116.10	7714.15	7935.25
December 2015	135.00	114.20	123.10	7979.30	1771.05	7946.35
January 2016	158.00	120.00	147.25	7972.55	7241.50	7563.55
February 2016	168.50	124.70	140.00	7600.45	6825.80	6987.05
March 2016	160.95	121.30	133.10	7777.60	7035.10	7738.40

* The equity shares of the Company has been listed and admitted to dealings on the National Stock Exchange of India Limited (NSE) with effect from 19th August 2015 and trading started from October 2015 onwards.

There was no trading in the equity shares of the Company in Calcutta Stock Exchange during the year.

Registrar and Transfer Agents

SKDC Consultants Limited
 Kanapathy Towers 3rd Floor
 1391/A-1 Sathy Road Ganapathy
 Coimbatore – 641 006
 Tel No +91(422)6549995 5239835 2539836
 Fax No +91 (422) 2539837
 Email: info@skdc-consultants.com

Share Transfer system

Shares in physical form are processed by the Registrar and Share Transfer Agents SKDC Consultants Limited and approved by the Stakeholders Relationship Committee of the Company. Share Transfers are processed within a period of 15 days from the date of receipt of documents by the Registrar & Share Transfer Agents if the documents are complete in all respects. All requests for dematerialisation of shares are processed and confirmed to the depositories NSDL and CDSL within 15 days.

Distribution of Equity Shareholding as on 31st March 2016

Slab of Shareholdings	Shareholders		Shares	
	Number of shareholders	%	Number of Shares	%
1 – 500	4,148	90.15	4,78,483	15.46
501 – 1000	267	5.80	1,82,811	5.90
1001 – 2000	122	2.65	1,62,467	5.25



Slab of Shareholdings	Shareholders		Shares	
	Number of shareholders	%	Number of Shares	%
2001 – 3000	22	0.48	53,885	1.74
3001 – 4000	8	0.17	25,985	0.84
4001 – 5000	2	0.04	8,782	0.28
5001 – 10000	13	0.28	98,576	3.18
Above 10000	20	0.43	20,84,890	67.35
Total	4,602	100.00	30,95,879	100.00

Category of Shareholders as on 31st March 2016

S.No.	Category	Number of shares	%
A	Indian Promoters & Promoters Group	14,96,390	48.333
B	Public Shareholding		
	1. Institutions		
	a) Financial Institutions / Banks	3,935	0.127
	b) Insurance Companies	3,60,138	11.633
	c) Central / State Governments	27,715	0.895
	2. Non Institutions		
	a) Bodies Corporate	1,01,244	3.270
	b) Individuals	11,06,457	35.742
	Total Public Share holding (1+2)	15,99,489	51.667
	Total (A + B)	30,95,879	100.000

Dematerialisation of shares as on 31st March 2016

Name of the Depository		No. of shares dematerialised	Percentage on Equity Share Capital
A	National Securities Depository Limited	19,40,065	62.66
	Central Depository Services (India) Limited	7,02,638	22.70
	Total	26,42,703	85.36
B	Physical	4,53,176	14.64
	Total (A+B)	30,95,879	100.00

No GDRs ADRs or Warrants have been issued by the Company during the year.

**Commodity Price Risk Foreign Exchange Risk and Hedging Activities**

During the year the Company has not engaged in any hedging activities.

Estate Location

- | | |
|---|--|
| 1. Karamalai Estate
Karamalai Bazaar Post
Valparai - 642 130 | 2. Akkamalai Estate
Akkamalai Branch P.O.
Valparai - 642 127 |
| 3. Vellamalai Estate
Karamalai Bazaar Post
Valparai - 642 130 | 4. Nadumalai Estate
Valparai - 642 127 |

Wind Mill Location

Aralvaimozhi
Muppandal Kanyakumari District
Tamil Nadu

Address for correspondence

The Company Secretary
The Peria Karamalai Tea & Produce Co. Ltd
No.286 Race Course Road
Coimbatore - 641 018

Email ID for Investor Grievance Redressal : periatea@dataone.in

DISCLOSURES***Disclosure on materially significant related party transactions***

All the related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website www.periatea.com.

Details of non-compliance by the Company

There were no penalties strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company www.periatea.com.

Your Company hereby affirms that no complaints were received during the year under review.

Compliance with non-mandatory requirements

The Company has complied with the following non-mandatory requirements of Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.



1. The Company has appointed separate persons to the post of Chairman and Managing Director
2. Internal Auditor reports directly to the Audit Committee

The Company has not adopted any other non-mandatory requirements.

Material Subsidiaries

The Company does not have any material subsidiaries.

Disclosure on commodity price risks and hedging activities

During the financial year ended 31st March 2016 the Company did not engage in commodity hedging activities.

Compliance with Accounting Standards

In the preparation of financial statements the Company has followed the Accounting Standards Referred to in Section 133 of the Companies Act 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Risk Management

Business Risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

There have been no instances of non-compliance of any requirement of Corporate Governance Report.

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Certificate from CEO/CFO

The CEO/CFO certification of the financial statements for the year has been submitted to the Board of Directors in its meeting held on 30th May 2016 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Code of conduct for Directors and Senior Management Personnel

The Company has adopted a Code of Business Conduct and Ethics for its Directors and Senior Management Personnel. The same has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct for the year under review.

The Managing Director has given a declaration that all the Directors and concerned Senior Management Personnel have affirmed compliance with the Code of Conduct.

Code for prevention of Insider Trading

The Company has framed a code of conduct for monitoring the trading done by Insiders based on SEBI (Prohibition of Insider Trading) Regulations 2015. This code is applicable to all Directors / Officers / Designated Employees.

The Company has also formulated 'The Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' (UPSI) in compliance with SEBI (Prohibition of Insider Trading) Regulations 2015.

Declaration for Code of Conduct

I hereby affirm and state that all Board Members and Senior Management Personnel of the Company have given a declaration pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and I hereby affirm compliance with the said Code of Conduct for the financial year 2015-16.

Kolkata
30th May 2016

Alka Bangur
Managing Director
DIN : 00012894

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of
The Peria Karamalai Tea & Produce Co. Ltd.

1. We have examined the compliance of conditions of Corporate Governance by **THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED** ("the Company") for the year ended on March 31 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period April 1 2015 to November 30 2015 and as per the relevant provision of Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Agreement') as referred to in Regulation 15(2) of the Listing Regulations for the period December 1 2015 to March 32 2016:
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above during the year ended March 31 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. KRISHNAMOORTHY & CO**
Chartered Accountants
Regn. No. 001496S

Coimbatore
30th May 2016

K.N. Sreedharan
Partner Auditors
Membership No. 12026



INDEPENDENT AUDITORS' REPORT

To the Members of **The Peria Karamalai Tea and Produce Company Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of The Peria Karamalai Tea & Produce Company Limited ('the Company') which comprise the Balance Sheet as at 31st March 2016 the Statement of Profit and Loss the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- a) In the case of the Balance Sheet the state of affairs of the Company as at 31 March 2016.
- b) In the case of the Statement of Profit and Loss of the loss 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

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our



knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet the statement of Profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. KRISHNAMOORTHY & CO**

Chartered Accountants

Registration No: 001496S

K.N. Sreedharan

Partner Auditors

Membership No. 12026

Coimbatore

30th May 2016



Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- | | |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets</p> <p>(b) The fixed assets of the company have been physically verified in a phased periodical manner by the management which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>(c) The title deeds of all the immovable properties of the company shown under the Fixed Assets schedule are held in the name of the company.</p> <p>(ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.</p> <p>(iii) The Company has not granted any loans secured or unsecured to companies firms limited liability partnerships or other parties covered in the register maintained under section 189.</p> <p>(iv) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act.</p> <p>The investment made in the capital of the subsidiary companies is within the overall limit prescribed under section 186 of the Act.</p> | <p>(v) The Company has not accepted any deposits and therefore paragraph 3(v) of the CARO is not applicable to the Company.</p> <p>(vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act in respect of manufacture of tea as well as generation and transmission of electricity by the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however carried out a detailed examination of the same.</p> <p>(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund employee's state insurance income-tax sales tax service tax duty of customs duty of excise value added tax cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.</p> <p style="padding-left: 40px;">There are no undisputed arrears of statutory dues which were outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us there are no disputed statutory dues which have not been deposited by the Company .</p> <p>(viii) The Company has not borrowed from any financial institution and has not issued any debentures till date. The Company has not defaulted in repayment of loans and borrowings to banks.</p> <p>(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.</p> <p>(x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.</p> |
|---|---|



(xi) In our opinion the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V of the Act.

(xii) The Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made preferential allotment of shares during the year

(xv) The Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S. KRISHNAMOORTHY & CO**

Chartered Accountants

Registration No: 001496S

K.N. Sreedharan

Partner Auditors

Membership No. 12026

Coimbatore

30th May 2016



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The Peria Karamalai Tea & Produce Company Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies the safeguarding of its assets the prevention and detection of frauds and errors the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Companies Act 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013 to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting



to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016 based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. KRISHNAMOORTHY & CO**

Chartered Accountants
Registration No: 001496S

K.N. Sreedharan

Partner Auditors
Membership No. 12026

Coimbatore
30th May 2016

**BALANCE SHEET AS AT 31ST MARCH 2016**

(₹)

	Note No.	31.3.2016	31.3.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	3,09,58,790	3,09,58,790
(b) Reserves and surplus	2	93,34,94,704	95,81,81,351
(c) Money received against share warrants		—	—
		<u>96,44,53,494</u>	<u>98,91,40,141</u>
(2) Share application money pending allotment			
		—	—
(3) Non-current liabilities			
(a) Long-term borrowings	3	12,92,743	47,27,228
(b) Deferred tax liabilities (Net)	4	45,66,852	52,93,890
(c) Long-term provisions	5	4,24,904	4,24,904
		<u>62,84,499</u>	<u>1,04,46,022</u>
(4) Current liabilities			
(a) Short-term borrowings	6	13,40,56,637	5,42,52,884
(b) Trade payables	7	4,98,97,357	5,47,20,492
(c) Other current liabilities	8	66,57,262	63,41,551
(d) Short-term provisions	9	27,94,596	34,84,514
		<u>19,34,05,852</u>	<u>11,87,99,441</u>
TOTAL		<u>116,41,43,846</u>	<u>111,83,85,604</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	17,40,44,284	17,51,64,499
(ii) Intangible assets		47,177	70,785
(iii) Capital Work in Progress		2,79,719	1,12,11,706
(b) Non-current investments	11	11,92,70,975	11,92,70,975
(c) Long-term loans and advances	12	1,90,17,737	1,52,88,596
		<u>31,26,59,892</u>	<u>32,10,06,561</u>
(2) Current assets			
(a) Current investments	13	54,08,18,592	51,35,00,000
(b) Inventories	14	5,66,54,987	7,22,35,083
(c) Trade receivables	15	2,37,88,763	2,38,85,765
(d) Cash and cash equivalents	16	9,18,24,388	84,52,085
(e) Short-term loans and advances	17	12,97,93,744	16,84,33,853
(f) Other current assets	18	86,03,450	1,08,72,257
		<u>85,14,83,954</u>	<u>79,73,79,043</u>
TOTAL		<u>116,41,43,846</u>	<u>111,83,85,604</u>

See accompanying notes to the financial statements

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board
L.N. Bangur **Alka Bangur**
Chairman Managing Director

R.V. Sridharan **A. Thiagarajan**
Company Secretary Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹)

	Note No.	31.3.2016	31.3.2015
I Income:			
a) Revenue from operations	19	38,55,86,357	30,62,60,182
b) Other income	20	1,99,20,590	2,69,04,814
Total Revenue (a+b)		40,55,06,947	33,31,64,996
II. Expenses:			
a) Cost of materials consumed		3,58,44,466	3,91,02,358
b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	1,88,69,370	(2,26,43,770)
c) Employee benefits expense	22	21,49,21,462	20,79,16,282
d) Finance costs	23	1,17,56,996	51,84,867
e) Depreciation and amortization expense		2,37,24,543	2,30,89,788
f) Other expenses	24	12,35,76,944	11,95,86,832
Total expenses		42,86,93,782	37,22,36,356
III. Profit / (Loss) before exceptional and extraordinary items and tax (I-II)		(2,31,86,835)	(3,90,71,360)
IV. Prior year Income		11,67,746	—
V. Exceptional items - Solar Power Project Expenses		—	7,75,590
VI. Profit / (Loss) before extraordinary items and tax (III - IV)		(2,20,19,089)	(3,98,46,950)
VII. Extraordinary Items		—	—
VIII. Profit / (Loss) before tax (VI-VII)		(2,20,19,089)	(3,98,46,950)
IX. Tax expense:			
(1) Current tax		6,00,000	12,00,000
(2) Deferred Tax Liability Provided / (Reversed)		(7,27,038)	2,35,037
X. Profit / (Loss) for the period from continuing operations (VIII-IX)		(2,18,92,051)	(4,12,81,987)
XI. Profit/(Loss) from discontinuing operations (after tax)		—	—
XII. Profit/(Loss) for the period (X+XI)		(2,18,92,051)	(4,12,81,987)
XIII. Earnings per equity share:			
(1) Basic		(7.07)	(13.33)
(2) Diluted		(7.07)	(13.33)

See accompanying notes to the financial statements

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board
L.N. Bangur
Chairman

Alka Bangur
Managing Director

R.V. Sridharan
Company Secretary

A. Thiagarajan
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

(₹)

	31.3.2016	31.3.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax and Extraordinary items	(2,31,86,835)	(3,90,71,360)
Adjustments for:		
Depreciation	2,37,24,543	2,30,89,788
Loss / (Profit) on sale of asset	(1,23,808)	6,01,414
Profit on sale of investments	(13,18,592)	(66,35,579)
Income from Wind Mill	(9,81,665)	(28,16,297)
Sale of Trees	(25,20,700)	(16,00,000)
Interest received	(1,51,77,766)	(1,64,64,455)
Dividend received	(7,384)	(7,29,190)
Interest payments	1,17,56,996	51,84,867
Operating Profit before working capital charges	(78,35,211)	(3,84,40,812)
Adjustments for:		
Trade and other receivables	(78,80,986)	1,12,92,790
Inventories	1,55,80,096	(2,03,40,788)
Trade Payables	(51,62,633)	(55,94,956)
Short term borrowings	7,98,03,753	2,55,86,046
Cash generated from operations before extraordinary items	7,45,05,019	(2,74,97,720)
Exceptional item	—	(7,75,590)
	7,45,05,019	(2,82,73,310)
Direct Taxes paid	27,11,073	22,43,558
Net Cash from operating activities	7,17,93,946	(3,05,16,868)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,16,48,735)	(5,48,09,917)
Sale of fixed assets	1,23,810	20,56,190
Purchase of investments	(9,29,00,000)	(12,92,51,534)
Sale of investments	6,69,00,000	14,40,40,637
Sale of trees	25,20,700	16,00,000
Income from Wind Mill	9,81,665	28,16,297
Interest received	1,86,14,319	1,30,87,329
Intercompany loans received	4,50,00,000	5,40,00,000
Long term borrowing	(34,34,485)	81,61,713
Dividend received	7,384	7,29,190
Net Cash used in investing activities	2,61,64,658	4,24,29,905
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fixed Deposit repaid	—	(13,58,000)
Interest paid	(1,17,59,799)	(54,78,567)
Dividend paid including dividend distribution tax	(28,26,501)	(52,80,406)
Net Cash used in financing activities	(1,45,86,300)	(1,21,16,973)
Net increase / decrease in Cash and Cash Equivalents	8,33,72,303	(2,03,936)
Opening Cash and Cash Equivalents	84,52,085	86,56,022
Closing Cash and Cash Equivalents	9,18,24,388	84,52,086

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board

L.N. Bangur
Chairman

Alka Bangur
Managing Director

R.V. Sridharan
Company Secretary

A. Thiagarajan
Chief Financial Officer

**NOTES TO FINANCIAL STATEMENTS**

(₹)

1. SHARE CAPITAL**Authorised**

75,00,000 Equity Shares of ₹ 10/- each
(Seventy five lakh shares of Rupees ten each)

31.3.2016

31.3.2015

7,50,00,000

7,50,00,000

Issued and Subscribed

30,95,879 Equity Shares of ₹ 10/- each fully paid

3,09,58,790

3,09,58,790

Number of Shares

	31.3.2016	31.3.2015
At the commencement of the year	30,95,879	30,95,879
Changes during the year	—	—
At the close of the year	30,95,879	30,95,879

Equity shareholders holding more than 5% shares:

Placid Ltd.	6,63,454	6,63,454
Kiran Vyapar Ltd.	4,70,224	4,70,224
Life Insurance Corporation of India Ltd	2,07,712	2,07,712

2. RESERVES AND SURPLUS**a) Reserves****Capital Subsidy**

As per last Balance Sheet

41,69,108

41,69,108

Securities Premium Account

As per last Balance Sheet

2,79,73,700

2,79,73,700

General Reserve

As per last Balance Sheet

83,02,10,161

83,02,10,161



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
b) Surplus		
Balance in Statement of P&L as per last Balance Sheet	9,58,28,382	13,99,04,965
Profit / (Loss) after tax for the year	(2,18,92,051)	(4,12,81,987)
Proposed Dividend	(23,21,909)	(23,21,909)
[Dividend per share Rs. 0.75 (Previous year - Rs. 0.75)]		
Tax on Dividend	(4,72,687)	(4,72,687)
	<u>7,11,41,735</u>	<u>9,58,28,382</u>
Total	<u>93,34,94,704</u>	<u>95,81,81,351</u>
 3. LONG-TERM BORROWINGS		
Hire Purchase loans for vehicle	12,92,743	47,27,228
Note: Repayable in 36 installments of Rs. 339700/- Period & amount of default - Nil		
Total	<u>12,92,743</u>	<u>47,27,228</u>
 4. DEFERRED TAX LIABILITIES (Net)		
Opening Deferred Tax Liability	52,93,890	50,58,853
Add : Provided / (reversed) during the year	(7,27,038)	2,35,037
Closing Deferred Tax Liability	<u>45,66,852</u>	<u>52,93,890</u>
 5. LONG-TERM PROVISIONS		
Others (Sales Tax - Disputed)	4,24,904	4,24,904
Total	<u>4,24,904</u>	<u>4,24,904</u>
 6. SHORT-TERM BORROWINGS		
(a) Secured - Loans repayable on demand		
From Bank		
Cash Credit from YES Bank	6,40,56,637	2,52,884
(Secured by exclusive charge on all current assets and movable fixed assets of the Company)		
Limit - Rs. 7,00,00,000/- Interest rate @ 10.75% per annum		
Period & amount of default - Nil		
From Bank - YES Bank	7,00,00,000	—
Loan against Lien on Fixed Deposit. Interest rate @ 6.8% per annum		
Period & amount of default - Nil		
(b) Unsecured Loan - From group company		
Kiran Vyapar Limited	—	5,40,00,000
(Repayable within one month Interest rate @11% per annum. Period & amount of default - Rs. Nil)		
Total	<u>13,40,56,637</u>	<u>5,42,52,884</u>



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
7. TRADE PAYABLES		
Sundry Creditors		
Due to Micro Small & Medium Enterprises	—	—
Due to Others	4,98,97,357	5,47,20,492
Total	4,98,97,357	5,47,20,492
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt	34,34,485	34,34,485
(b) Unpaid dividends*	28,07,966	28,39,871
(c) Unclaimed interest*	—	2,803
* (No amount is due to be credited to Investors Education and Protection Fund)		
(d) Other Payables		
Customer Credit Balance	4,14,811	64,392
	66,57,262	63,41,551
9. SHORT-TERM PROVISIONS		
(a) Provision for Employees benefit:		
Gratuity contribution	—	3,89,918
(b) Proposed Dividend	23,21,909	23,21,909
(c) Tax on Dividend	4,72,687	4,72,687
(d) Wealth Tax	—	3,00,000
	27,94,596	34,84,514



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

10. FIXED ASSETS

DESCRIPTION OF ASSETS	COST				DEPRECIATION				NET VALUE OF ASSETS	
	As at 01.04.15	Additions during the year	Deductions during the year	As at 31.03.16	As at 01.04.15	For the year	Deductions during the year	As at 31.03.16	As at 31.03.16	As at 31.03.15
I. TANGIBLE ASSET										
Free hold Land & Development	2,95,38,380	42,00,908	—	3,37,39,288	—	—	—	—	3,37,39,288	2,95,38,380
Buildings	8,50,50,459	86,897	—	8,51,37,356	5,04,16,984	17,95,547	—	5,22,12,531	3,29,24,825	3,46,33,475
Plant & Equipments	23,11,28,012	1,68,20,615	—	24,79,48,627	17,29,85,761	1,07,78,818	—	18,37,64,579	6,41,84,048	5,81,42,251
Furniture & Fixtures	2,20,60,406	2,66,046	—	2,23,26,452	90,48,620	19,22,312	—	1,09,70,932	1,13,55,520	1,30,11,786
Vehicles	6,74,66,085	11,17,506	4,71,423	6,81,12,168	2,92,63,222	84,19,085	4,71,421	3,72,10,886	3,09,01,282	3,82,02,863
Computers	73,05,128	88,750	—	73,93,878	56,69,384	7,85,173	—	64,54,557	9,39,321	16,35,744
	44,25,48,470	2,25,80,722	4,71,423	46,46,57,769	26,73,83,971	2,37,00,935	4,71,421	29,06,13,485	17,40,44,284	17,51,64,499
II. INTANGIBLE ASSETS										
Computer Software	4,32,050	—	—	4,32,050	3,61,265	23,608	—	3,84,873	47,177	70,785
III. Capital Work in Progress	1,12,11,706	—	1,09,31,987	2,79,719	—	—	—	—	2,79,719	1,12,11,706
Total	45,41,92,226	2,25,80,722	1,14,03,410	46,53,69,538	26,77,45,236	2,37,24,543	4,71,421	29,09,98,358	17,43,71,180	18,64,46,990
Previous Year	40,61,03,384	5,48,09,917	67,21,075	45,41,92,226	24,87,18,919	2,30,89,788	40,63,471	26,77,45,236	18,64,46,990	15,73,84,465



NOTES TO FINANCIAL STATEMENTS (Contd..)

11. NON CURRENT INVESTMENTS

Particulars	Nomi- nal value of each Share ₹	As at 31-03-2015		During the year				As at 31-03-2016	
				Additions		Disposals			
		No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Non - Trade :									
a) In fully paid Equity Shares at cost :									
Quoted :									
MOIL Limited	10	1,136	4,26,000	—	—	—	—	1,136	4,26,000
DPSC Limited	1	6,50,000	1,83,26,358	—	—	—	—	6,50,000	1,83,26,358
Unquoted :									
i) In Associate Companies - at Cost									
Placid Limited	100	93,590	4,50,64,617	—	—	—	—	93,590	4,50,64,617
Navyjoti Commodity Management Services Ltd	10	2,50,000	87,50,000	—	—	—	—	2,50,000	87,50,000
ii) In Subsidiary Companies :									
PKT Plantations Ltd	10	2,50,000	25,00,000	—	—	—	—	2,50,000	25,00,000
Shivpal Vinimay Private Ltd	10	50,000	5,00,000	—	—	—	—	50,000	5,00,000
b) In Bonds : Quoted									
Tax Free Bonds:									
Power Finance Corporation of India - 8.20% 10 Year	—	28,479	2,84,79,000	—	—	—	—	28,479	2,84,79,000
Indian Railway Finance Corporation - 8.00% 10 year	—	15,225	1,52,25,000	—	—	—	—	15,225	1,52,25,000
			11,92,70,975	—	—	—	—	—	11,92,70,975

	As at 31-03-2015						As at 31-03-2016	
	Cost ₹	Market Value ₹					Cost ₹	Market Value ₹
Quoted Investments	6,24,56,358	5,88,70,854					6,24,56,358	5,52,93,807



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

12. LONG-TERM LOANS AND ADVANCES

Unsecured and Considered Good

(a) Capital Advances

(b) Pre-operative expenses - Solar Power Project

(c) Security Deposits

(d) Others:

Rent Advance

31.3.2016

31.3.2015

4,00,000

17,58,932

25,59,487

—

1,11,89,150

86,70,564

48,69,100

48,59,100

1,90,17,737

1,52,88,596

13. CURRENT INVESTMENTS

Particulars	Balance As at 31-03-2015		During the year				Balance As at 31-03-2016	
	No. of Units	Amount ₹	Additions		Disposals		No. of Units	Amount ₹
			No. of Units	Amount ₹	No. of Units	Amount ₹		
Non - Trade : Quoted								
In Mutual Funds at cost :								
HDFC Medium Term Opportunity Fund	3,97,45,277	45,00,00,000	—	—	—	—	3,97,45,277	45,00,00,000
HDFC Capital Builder Fund Growth	3,17,559	5,00,00,000	—	—	—	—	3,17,559	5,00,00,000
IDFC Ultra Short Term Fund	6,17,451	1,35,00,000	41,35,655.97	9,29,00,000	29,72,034	6,55,81,408	17,81,072	4,08,18,592
		51,35,00,000		9,29,00,000		6,55,81,408		54,08,18,592

	As at 31-03-2015						As at 31-03-2016	
	Cost ₹	Market value (₹)					Cost ₹	Market value (₹)
Quoted Investments	51,35,00,000	66,27,43,515					54,08,18,592	75,91,71,340



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
14. INVENTORIES		
(a) Finished Goods		
Tea - valued at lower of cost or net realisable value	3,85,34,400	5,74,03,770
(b) Stores and Spare Parts - valued at average cost	1,47,25,964	1,27,48,033
(c) Loose Tools - valued at average cost	3,62,100	5,25,187
(d) Nursery Stock - valued at average cost	30,32,523	15,58,094
	<u>5,66,54,987</u>	<u>7,22,35,083</u>
15. TRADE RECEIVABLES		
Unsecured considered good;		
(a) Outstanding for a period exceeding six months from the date they become due	7,59,070	32,22,319
(b) Others	2,30,29,693	2,06,63,446
	<u>2,37,88,763</u>	<u>2,38,85,765</u>
16. CASH AND CASH EQUIVALENTS		
(a) Balance with Banks	1,81,38,848	46,84,160
(b) Cash on hand	6,18,822	4,65,303
(c) Unpaid Dividend Account	28,07,966	28,39,871
(d) Balance with banks to the extent held as margin money or security against the borrowings guarantees other commitments	2,58,751	2,58,751
(e) Bank deposits maturing within one year	7,00,00,000	2,04,000
	<u>9,18,24,388</u>	<u>84,52,085</u>



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
17. SHORT-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
(a) Loans and advances to:		
Public Limited Company - others	3,40,00,000	7,90,00,000
(b) Others:		
i) Advances recoverable in cash or in kind or for value to be recovered	1,34,69,851	92,21,003
ii) Balance with Central Excise Authorities	2,19,215	2,19,215
iii) Advance payment of Tax (Net of provision)	8,21,04,708	7,99,93,635
	12,97,93,774	16,84,33,853
18. OTHER CURRENT ASSETS		
Interest accrued on Bank and other deposits	86,03,450	1,08,72,257
	86,03,450	1,08,72,257



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

19 REVENUE FROM OPERATIONS :

	31.3.2016	31.3.2015
Sales of Products		
Tea	37,29,89,310	30,30,70,170
Green leaf	1,16,15,382	3,73,715
Other Operating Revenues		
Sale of Electricity to TNEB	9,81,665	28,16,297
	<u>38,55,86,357</u>	<u>30,62,60,182</u>
Less : Excise Duty	—	—
	<u>38,55,86,357</u>	<u>30,62,60,182</u>

20 OTHER INCOME

Interest on		
Bank Deposit	46,61,096	7,44,361
Loans and Advances	60,28,306	1,23,65,390
Other Investments	44,88,364	33,54,704
Dividend Income	7,384	7,29,190
Profit on sale of Investments	13,18,592	66,35,579
Profit on sale of Assets	1,23,808	—
Other Non Operating Income:		
Scrap sale	19,340	9,20,506
Rent Receipt	1,50,000	—
Miscellaneous Receipts	—	4,41,334
Sale of Trees	25,20,700	16,00,000
Sundry Receipts	6,03,000	—
Insurance Claim	—	1,13,750
	<u>1,99,20,590</u>	<u>2,69,04,814</u>

21 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock of Finished Goods		
Tea	5,74,03,770	3,47,60,000
Minor Produce	—	—
	<u>5,74,03,770</u>	<u>3,47,60,000</u>
Less : Closing Stock of Finished Goods		
Tea	3,85,34,400	5,74,03,770
Minor Produce	—	—
Net changes in inventories	<u>1,88,69,370</u>	<u>(2,26,43,770)</u>



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
22 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	18,35,47,164	17,15,00,772
Contribution to Provident Gratuity and Pension Fund	1,87,16,956	2,24,77,180
Employees Welfare Expenses	1,26,57,342	1,39,38,330
	<u>21,49,21,462</u>	<u>20,79,16,282</u>
23 FINANCE COSTS		
Interest expense		
Public Deposits	—	44,174
Cash Credit and others	1,17,56,996	51,40,693
	<u>1,17,56,996</u>	<u>51,84,867</u>
24 OTHER EXPENSES		
Power and Fuel	4,89,83,586	3,78,99,302
Rent	29,41,144	55,21,239
Repairs to Buildings	1,53,43,323	1,57,46,450
Repairs to Machinery	94,80,626	1,15,65,382
Insurance	20,93,220	24,07,437
Rates and Taxes	16,14,832	9,35,439
Transport	55,09,123	48,17,868
General Charges - Estate	55,93,359	63,41,772
Commission and Brokerage	38,56,081	39,96,008
Warehousing charges	66,70,327	70,83,670
Payments to Auditors :		
For Statutory Audit fee	1,25,000	1,25,000
For Certification	97,500	15,000
For Taxation	3,45,000	2,25,000
For Service Tax	66,416	29,664
	<u>6,33,916</u>	
Travelling Expenses	88,13,235	1,11,17,191
Miscellaneous Expenses	1,20,44,172	1,17,60,411
	<u>12,35,76,944</u>	<u>11,95,86,832</u>



ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

1. *Basis of Accounting*

The financial statements are prepared under historical cost convention on accrual basis as a going concern.

2. *Revenue Recognition*

Revenue from sale transaction is recognized as and when significant risks and rewards attached to the ownership in the goods is transferred to the buyer. Revenue from other sources and expenses are recognized on accrual basis.

3. *Fixed Assets*

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. All costs relating to acquisition / installation are capitalized. Expenditure on development and new planting are capitalized.

4. *Depreciation*

Depreciation is provided on Straight Line basis in accordance adopting the period of useful life and residual value as prescribed under Schedule II to the Companies Act 2013 in respect of Plant and Machinery Wind Energy Generators and other assets except field machineries which are depreciated over two year period.

5. *Investments*

Investments are recorded at cost inclusive of brokerage and stamp duty. Long Term investments are not adjusted for diminution in their market value if in the opinion of the management such diminution is temporary in nature.

6. *Inventories*

Stock of plantation produces of tea and pepper are valued at lower of cost and net realizable value. Other inventories are valued at average cost.

7. *Sale of Trees*

Sale value of trees cut on contract basis is accounted on realization.

8. *Employee benefits:*

I. Short Term

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

II. Post Retirement

Post Retirement benefits comprise of Provident Fund Superannuation Fund and Gratuity which are accounted as follows:



NOTES TO FINANCIAL STATEMENTS (Contd..)

A. Provident Fund

This is defined contribution plan and contributions are made to the Fund are charged to revenue. The Company has no further obligations for future provident fund benefits other than annual contributions.

B. Superannuation Fund

This is a defined contribution plan. The company contributes a sum equivalent to defined contribution plan for eligible employees' salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India. The Company has no further obligations for future superannuation benefits other than its annual contributions and recognizes such contributions as expense in the year incurred.

C. Gratuity Fund

This is a defined contribution plan. The Company makes annual contributions to a Gratuity Fund administered by Life Insurance Corporation of India through the trust.

III. Long Term

Leave Encashment

This is a defined contribution plan. The Company makes annual contribution to the Fund administered by Life Insurance Corporation of India. The Company has no further obligations for future leave encashment other than its annual contribution and recognizes such contributions as expense in the year incurred.

9. *Current Tax*

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961.

10. *Deferred Tax*

Deferred tax is recognized on timing differences being difference between the taxable income and the accounting income that originates in one period and capable of reversal in one or more subsequent periods.

11. *Impairment of Assets*

Impairment is recognized to the extent that the recoverable amount of assets is less than the carrying value and is charged to Profit & Loss Account.

12. *Wind Power*

The value of power generated by Wind Energy Generators and exported to the Grid is treated as reduction in the power charges to the extent it is adjusted in the bills by TNEB and the surplus if any as sale of electricity.

B. OTHER NOTES TO FINANCIAL STATEMENTS

- a) The Company has obtained a stay of proceedings from the Honorable High Court of Madras on 24th March 2006 against a proposition notice from the Commercial Tax Department for levy of sales tax on export sales effected through auction centers. The matter is pending and in common with the other tea planting companies no account has been taken of the contingent liability.



NOTES TO FINANCIAL STATEMENTS (Contd..)

- b) The details of amounts outstanding to Micro Small and Medium Enterprises based on available information with the Company is as under:

Principal amount due and remaining unpaid	Nil
Interest due on above and the unpaid interest	Nil
Interest paid	Nil
Payment made beyond the appointed day during the year	Nil
Interest due and payable for the period of delay	Nil
Interest accrued and remaining unpaid	Nil
Amount of further interest remaining due and payable in succeeding years	Nil

- c) The Company proposes to purchase around 34.50 acres of land at Peraiyur Taluk, Kudipatty Village, Madurai District, Tamil Nadu with an intent to set up around 5 MW Solar Power Plant. Amount advanced for purchase of land relating to the above project where the registration is pending is shown as pre-operative expenses and grouped under Long Term Loans & Advances in the Balance Sheet.

Addition to Freehold and Development includes Rs.23,57,765/- being cost of 6.42 acres of land purchased during the year at Kudipatty Village, Peraiyur Taluk, Madurai District for the proposed solar power project.

- d) Prior year income includes interest on electricity deposits relating to earlier years accounted during the year.
- e) The Company has carried out an exercise to ascertain the impairment if any in the carrying value of fixed assets. The exercise has not revealed any impairment of assets during the year under review.

- f) Deferred Tax:

Deferred tax liability as at 31st March 2016 comprises of:

Particulars	Opening as on 01.04.2015 ₹	Provided during the year ₹	Reversed during the year ₹	Closing as on 31.03.2016 ₹
Deferred tax liability on account of Depreciation	66,53,490	—	7,27,038	59,26,452
Deferred tax asset on account of Section 43B disallowances	13,59,600	13,59,600	13,59,600	13,59,600
Deferred tax liability (Net)	52,93,890	13,59,600	20,86,638	45,66,852

31.3.2016
₹

31.3.2015
₹

- g) Foreign Exchange Earnings & Outgo

i) Earnings in Foreign Exchange	Nil	Nil
ii) Expenditure in Foreign Currency	8,84,331	2,44,467



NOTES TO FINANCIAL STATEMENTS (Contd..)

iii) CIF Value of Imports:

a) Raw materials	Nil	Nil
b) Consumable Stores and Spares	Nil	Nil
c) Capital Goods	Nil	Nil

iv) All store items consumed indigenously **100%** 100%

h) Remuneration to Managing Director & Deputy Managing Director

Salary	38,06,667	38,87,667
Contribution to Provident Fund/Superannuation Scheme	10,27,800	10,49,670
Perquisites	29,13,867	30,14,538
Commission	<u>—</u>	<u>—</u>
	<u>77,48,334</u>	<u>79,51,875</u>

i) For the year under audit the company has two reportable segment viz. Tea and Wind Energy Generation.

The total production of the segments are as follows:

a. Tea

Particulars of manufacturing of made tea (Kg)

Production	37,35,120	35,74,763
Sales	39,76,746	33,10,409
Opening Stock	6,37,678	4,02,670
Closing Stock	3,75,158	6,37,678
Green leaf from own estates	1,65,23,520	1,51,35,560

	31.3.2016		31.3.2015	
b. Wind Mill (units)	Units	Value (₹)	Units	Value (₹)
No. of units generated (Net)	23,55,637		45,74,885	
Less : Adjusted in TNEB Bills	18,63,219	1,18,31,440	32,68,049	2,01,13,448
Balance sold to TNEB	3,56,974	9,81,655	10,24,108	28,26,297

The units adjusted have been charged at the tariff as may be levied by the TNEB.



NOTES TO FINANCIAL STATEMENTS (Contd..)

Segment wise revenues results and other information

Particulars	31.03.2016			31.03.2015		
	Tea	Windmill	Total	Tea	Windmill	Total
Revenue						
External Sales	38,46,04,692	9,81,665	38,55,86,357	30,34,43,885	28,16,297	30,62,60,182
Inter segment revenue		1,18,31,440	1,18,31,440		2,01,13,448	2,01,13,448
Total	38,46,04,692	1,28,13,105	39,74,17,797	30,34,43,885	2,29,29,747	32,63,73,630
Less Inter Segment Revenue			1,18,31,440			2,01,13,448
			38,55,86,357			30,62,59,782
Results						
Operating Profit/(Loss)	(4,06,62,950)	1,04,79,867	(3,01,83,083)	(4,22,69,971)	2,02,53,044	(2,20,16,927)
Less: Interest			(1,17,56,596)			(51,84,867)
Add: Other Income			1,99,20,590			2,69,04,814
Profit before tax			(2,20,19,089)			(3,98,46,950)
Provision for taxation			(1,27,038)			14,35,037
Profit after tax			(2,18,92,051)			(4,12,81,987)
Other Information						
Segment Assets			50,40,54,279			48,56,14,629
Add: Unallocated assets			66,00,89,567			63,27,70,975
Total			116,41,43,846			111,83,85,604
Segment Liabilities	19,96,90,351		19,96,90,351	12,92,45,463		12,92,45,463
Add: Unallocated liabilities			96,44,53,494			98,91,40,141
Enterprise liabilities			116,41,43,846			111,83,85,604
Capital Expenditure	2,25,80,722		2,25,80,722	5,48,09,917		5,48,09,917
Depreciation	2,36,87,705	36,838	2,37,24,543	2,30,52,949	36,839	2,30,89,788

j) Employee Benefits

a) Defined Contribution Plan :

The Company makes contribution towards employees' provident fund and superannuation fund. Under the rules of these schemes the company is required to contribute a specified percentage of payroll costs. The company during the year recognized Rs.1,61,06,159 /-(Previous year Rs.1,51,86,350/-) as expense towards contribution to the Provident Fund.

Out of the total contribution made for employees' provident fund Rs.12,36,456/-(previous year Rs.13,16,431/-) is made to the PL Planting Provident Fund while the remainder contribution is made to Provident Fund Plan operated by the Regional Provident Fund Commissioner.

The liability towards superannuation fund for the year ended 31st March 2016 amounting to Rs.19,30,689/- (Previous year Rs.18,29,545/-) has been charged to Statement of Profit and Loss.

There was no liability towards leave encashment for the year ended 31st March 2016 as it was adequately funded and no amount (previous year Rs. Nil) has been charged to Statement of Profit and Loss.



NOTES TO FINANCIAL STATEMENTS (Contd..)

b) Defined Benefit Plan:

Gratuity

		31.03.2016 ₹	31.03.2015 ₹
1	Changes in Defined Benefit Obligation		
	Present Value of Defined Benefit Obligation as at the beginning of the year	10,48,48,987	10,69,21,418
	Interest Cost	83,87,919	85,53,713
	Benefits paid	(1,27,42,825)	(1,45,26,754)
	Current Service Cost	67,28,704	67,12,151
	Actuarial (Gain)/Loss	(59,05,176)	(28,11,541)
	Present Value of obligation as at the year end	10,13,17,609	10,48,48,987
2	Changes in fair value of assets		
	Fair Value of Plan Assets as at the beginning of the year	11,03,14,934	10,79,68,530
	Expected Return on Plan Assets	95,54,987	98,67,575
	Contribution by the employer	64,37,965	70,05,583
	Benefits paid	(1,27,42,825)	(1,45,26,754)
	Actuarial Gain/(Loss)	Nil	Nil
	Fair Value of Plan Assets as at the end of the year	11,35,65,061	11,03,14,934
3	Reconciliation of Fair Value of Assets and Obligations		
	Fair Value of Plan Assets	11,35,65,061	11,03,14,934
	Present Value of Obligation	10,13,17,609	10,48,48,487
	Amount recognized in the Balance Sheet (excess of actual)	1,22,47,452	54,64,947
4	Expenses recognized in the Statement of Profit and Loss		
	Current Service Cost	67,28,704	67,12,151
	Interest Cost	83,87,919	85,53,713
	Expected return on plan asset	(95,54,987)	(98,67,575)
	Net Actuarial (Gain)/Loss recognized in the year	(59,05,176)	(28,11,541)
	Expenses recognized in Statement of Profit and Loss	(3,43,540)	25,86,748
5	Principal Actuarial Assumptions		
	Rate of Discounting	8%	8%
	Expected Return on Plan Assets	8%	8%
	Rate of increase in Salaries	7.20%	6%
	Mortality Table (LIC)	1994-95	1994-95

**NOTES TO FINANCIAL STATEMENTS (Contd..)**

- k) The Company has taken office buildings on lease and the lease rent amounts to Rs.29,41,144/- net of reimbursements (previous year Rs.55,21,239/-) has been charged to Profit & Loss Account. Assets are taken on lease over a period of three years. Future minimum lease payments are as under:

	31.03.2016 ₹	31.03.2015 ₹
Not Less than one year	: 93,84,247	21,03,774
Later than one year but not later than five years	: 1,09,52,265	52,92,308
More than five years	: Nil	Nil

- l) Related Party Disclosures

Name of Related Parties and nature of relationship where control exists are as under:

Key Management Personnel	Smt. Alka Bangur, Managing Director Shri Shreeyash Bangur, Deputy Managing Director
Group Companies	M.B.Commercial Company Ltd. Amalgamated Development Ltd. Maharaja Shree Umaid Mills Ltd. Placid Limited The Marwar Textiles (Agency) Pvt.Ltd. Navjoti Commodity Management Services Ltd. Samay Industries Limited The General Investment Co.Ltd Kiran Vyapar Limited Soul Beauty & Wellness Centre Mugneeram Ramcoovar Bangur Charitable & Religious Co. Sree Rama Vaikunth Trust
Wholly owned Subsidiary Companies	PKT Plantations Limited Shivphal Vinimay Private Limited
Relatives of Key Management Personnel	Shri L.N.Bangur Ms.Sheetal Bangur Shri.Yogesh Bangur



NOTES TO FINANCIAL STATEMENTS (Contd..)

m) Transactions during the year with Related Parties

	Nature of transaction	Group Company	Subsidiary Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
		₹		₹	₹
1	Interest receipts				
	a) M.B.Commercial Co.Ltd	Nil (1,65,000)			
	b) General Investment Co.Ltd	Nil (2,31,164)			
2	Interest Payments				
	Kiran Vyapar Limited	94,329 (Nil)			
	Shri Krishna Agency Limited	4,00,295 (Nil)			
3	Rent receipts				
	PKT Plantations Limited		1,50,000 (Nil)		
4	Rent payments				
	a) M.B. Commercial Co. Ltd.	26,700 (25,200)			
	b) Marwar Textiles Agency Ltd.	79,200 (52,800)			
	c) Shree Rama Vaikunth Trust	3,30,000 (3,10,000)			
5	Inter Corporate loan received from				
	Kiran Vyapar Ltd.	7,00,00,000 (5,40,00,000)			
	Shri Krishna Agency Limited	2,50,00,000 (Nil)			
6	Printing				
	Samay Industries Limited (formerly Samay Books Limited)				83,478 (10,870)
7	Remuneration				
	a) Smt. Alka Bangur			42,14,700 (41,08,765)	
	b) Shri. Shreeyash Bangur			35,33,634 (38,43,110)	

**NOTES TO FINANCIAL STATEMENTS (Contd..)**

	Nature of transaction	Group Company	Subsidiary Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
		₹		₹	₹
8	Outstandings				
	Receivables	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Payables	Nil (5,40,00,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Note : Figures in bracket represents previous year's amount.

n) Earnings Per Share

	31.03.2016	31.03.2015
Profit /(Loss) after tax Rs.	(2,18,92,051)	(4,12,81,998)
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share ₹ (Nominal value of equity shares ₹10/- per share)	(7.07)	(13.33)

o) Previous year's figures have been reclassified wherever necessary to conform to this year's classification.

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board
L.N. Bangur
Chairman

Alka Bangur
Managing Director

R.V. Sridharan
Company Secretary

A. Thiagarajan
Chief Financial Officer



FINANCIAL HIGHLIGHTS

(₹. in lakhs)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue from operations	2233.74	2263.95	3319.35	4331.26	3321.93	2994.15	4008.93	3696.82	3062.60	3855.86
Other Income	186.70	115.95	123.56	191.04	407.70	7732.02	228.44	298.44	269.05	199.20
Total Income	2420.44	2379.90	3442.91	4522.30	3729.63	10726.17	4237.37	3995.26	3331.65	4055.07
Total Expenditure	2244.51	2212.93	2756.82	3256.81	3216.87	3588.17	4060.14	3800.13	3722.36	4286.94
Profit before tax	175.94	166.96	686.09	1265.48	532.83	7138.00	177.22	195.13	-398.47	-220.19
Profit after tax	157.88	148.35	635.64	1128.00	481.07	6301.59	142.73	146.37	-412.82	-218.92
Dividend (%)	10.00	15.00	30.00	35.00	30.00	50.00	20.00	15.00	7.50	7.50
Networth	1969.64	2081.78	2668.53	3676.94	4049.35	10169.84	10240.13	10332.17	9891.40	9644.53
Share Capital	206.39	206.39	206.39	309.59	309.59	309.59	309.59	309.59	309.59	309.59
Reserves & Surplus	1763.25	1875.39	2462.14	3367.35	3739.76	9860.25	9930.54	10022.58	9581.81	9334.95
Investments	492.87	746.00	756.43	908.48	1041.26	7282.63	7108.49	6409.25	6327.71	6600.90
Net Fixed Assets	888.78	930.95	894.80	1001.14	1464.95	1709.56	1674.43	1573.85	1752.35	1740.91
Current Assets	1346.23	1071.36	1866.40	2810.95	2589.03	2077.31	2284.01	3186.83	2838.79	3106.65
Current Liabilities	212.31	201.13	421.92	663.82	539.87	929.77	901.23	995.11	1187.99	1934.06

**RATIOS**

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Net Profit Margin (%)	7.88	7.37	20.67	29.22	16.04	23.80	4.42	5.28	-13.01	-5.71
Current Ratio (Times)	6.34	5.33	4.42	4.23	4.80	2.23	2.53	3.20	2.39	1.61
Return on Networth (%)	8.02	7.13	23.82	30.68	11.88	61.96	1.39	1.42	-4.17	-2.27
Earnings per share (Rs)	7.65	7.19	30.80	54.00	15.54	203.55	4.61	4.73	-13.33	-7.07
Dividend per Share (Rs)	1.00	1.50	3.00	3.50	3.00	5.00	2.00	1.50	0.75	0.75
Dividend Cover (Times)	7.65	4.79	10.27	15.43	5.18	40.71	2.31	3.15	-17.77	-9.43
Book Value per share (Rs)	95.43	100.86	129.29	118.76	130.79	328.48	330.75	333.73	319.49	319.50



CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To

To The Members of The Peria Karamalai Tea and Produce Company Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Peria Karamalai Tea and Produce Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2016 the Consolidated Statement of Profit and Loss the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as "the Act") 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 the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements of the subsidiary the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India



- a) In the case of the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2016;
- b) In the case of the Consolidated Statement of Profit and Loss of the Consolidated Loss for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement of the Consolidated Cash Flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the M/s Shivphal Vinimay Private Limited (Subsidiary) whose financial statements reflect total assets of Rs. 4,38,197/- as at 31st March 2016 total revenues of Rs. 24,056/- and net cash outflows amounting to Rs.24,509/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditors.
 - (c) The Consolidated Balance Sheet the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
- (e) On the basis of the written representations received from the directors of the holding company and subsidiary company as on 31st March 2016 taken on record by the Board of Directors of the respective Companies and the Report of the Statutory auditors of the Subsidiary Company referred to in the Other Matter paragraph above none of the directors of the Group is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls a separate report has been given in "Annexure A" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For **S. KRISHNAMOORTHY & CO**
Chartered Accountants
Registration No: 001496S

Coimbatore
30th May 2016

K.N. Sreedharan
Partner Auditors
Membership No. 12026

**ANNEXURE TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of The Peria Karamalai Tea and Produce Company Limited ("the Holding Company") and its subsidiary companies as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013 to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their report referred to in the Other Matters paragraph mentioned below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Opinion

In our opinion the Holding Company and its subsidiary companies has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016 based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary is based on the corresponding report of the auditor of such company.

For **S. KRISHNAMOORTHY & CO**
Chartered Accountants
Registration No: 001496S

Coimbatore
30th May 2016

K.N. Sreedharan
Partner Auditors
Membership No. 12026



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

	Note No.	31.3.2016	31.3.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	3,09,58,790	3,09,58,790
(b) Reserves and Surplus	2	93,43,55,910	95,85,97,454
(c) Money received against share warrants		—	—
		<u>96,53,14,700</u>	<u>98,95,56,244</u>
(2) Share application money pending allotment			
		—	—
(3) Non-current Liabilities			
(a) Long-term borrowings	3	12,92,743	47,27,228
(b) Deferred tax liabilities (Net)	4	45,66,852	52,93,890
(c) Long-term provisions	5	4,24,904	4,24,904
		<u>62,84,499</u>	<u>1,04,46,022</u>
(4) Current Liabilities			
(a) Short-term borrowings	6	13,40,56,636	5,42,52,884
(b) Trade payables	7	4,99,35,107	5,47,48,582
(c) Other current liabilities	8	66,57,262	63,41,551
(d) Short-term provisions	9	27,94,596	34,84,514
		<u>19,34,43,601</u>	<u>11,88,27,532</u>
TOTAL		<u>116,50,42,801</u>	<u>111,88,29,798</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	10	17,40,44,284	17,51,64,499
(ii) Intangible assets		47,177	70,785
(iii) Capital Work In Progress		2,79,719	1,12,11,706
(b) Non-current investments	11	11,62,70,975	11,62,70,975
(c) Deferred tax Asset		—	—
(d) Long-term loans and advances	12	1,90,17,737	1,52,88,596
		<u>30,96,59,892</u>	<u>31,80,06,561</u>
(2) Current Assets			
(a) Current investments	13	54,08,18,592	51,35,00,000
(b) Inventories	14	5,66,54,987	7,22,35,083
(c) Trade receivables	15	2,37,88,763	2,38,85,765
(d) Cash and cash equivalents	16	9,58,08,136	1,18,32,846
(e) Short-term loans and advances	17	12,96,07,323	16,83,96,253
(f) Other current assets	18	87,05,108	1,09,73,290
		<u>85,53,82,909</u>	<u>80,08,23,237</u>
TOTAL		<u>116,50,42,801</u>	<u>111,88,29,798</u>

See accompanying notes to the financial statements

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board

L.N. Bangur
Chairman

Alka Bangur
Managing Director

R.V. Sridharan
Company Secretary

A. Thiagarajan
Chief Financial Officer



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹)

	Note No.	31.3.2016	31.3.2015
I Income:			
a) Revenue from operations	19	38,55,86,357	30,62,60,182
b) Other income	20	2,07,20,901	2,72,01,794
Total Revenue (a+b)		40,63,07,258	33,34,61,976
II. Expenses:			
a) Cost of materials consumed		3,58,44,466	3,91,02,358
b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	1,88,69,370	(2,26,43,770)
c) Employee benefits expense	22	21,49,21,462	20,79,16,282
d) Finance costs	23	1,17,56,996	51,84,867
f) Depreciation and amortization expense		2,37,24,543	2,30,89,788
g) Other expenses	24	12,37,17,153	11,96,83,182
Total expenses		48,28,33,990	37,23,32,707
III. Profit / (Loss) before exceptional and extraordinary items and tax (I-II)		(2,25,26,732)	(3,88,70,731)
IV. Prior year Income		11,67,746	—
V. Exceptional items - Solar Power Project Expenses		—	7,75,590
VI. Profit / (Loss) before extraordinary items and tax (III- VI)		(2,13,58,986)	(3,96,46,321)
VII. Extraordinary Items		—	—
VIII. Profit / (Loss) before tax (VI - VII)		(2,13,58,986)	(3,96,46,321)
IX. Tax expense:			
(1) Current tax		8,15,000	12,66,000
(2) Deferred Tax Liability Provided / (Reversed)		(7,27,038)	2,35,037
(3) Prior year Taxes		—	(4,423)
X. Profit / (Loss) for the period from continuing operations (VIII-IX)		(2,14,46,948)	(4,11,42,935)
XI. Profit/(Loss) from discontinuing operations (after tax)		—	—
XII. Profit/(Loss) for the period (X+XI)		(2,14,46,948)	(4,11,42,935)
XIII. Earnings per equity share:			
(1) Basic		(6.93)	(13.29)
(2) Diluted		(6.93)	(13.29)
See accompanying notes to the financial statements			

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board

L.N. Bangur
Chairman

Alka Bangur
Managing Director

R.V. Sridharan
Company Secretary

A. Thiagarajan
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

(₹)

	31.3.2016	31.3.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	(2,25,26,732)	(3,88,70,731)
Adjustments for:		
Depreciation	2,37,24,543	2,30,89,788
Loss / (Profit) on sale of asset	(1,23,808)	6,01,414
Profit on sale of investments	(13,18,592)	(66,35,579)
Income from Wind Mill	(9,81,665)	(28,16,297)
Sale of Trees	(25,20,700)	(16,00,000)
Interest received	(1,54,66,140)	(1,67,47,441)
Dividend received	(7,384)	(7,43,184)
Interest payments	1,17,56,996	51,84,867
Operating Profit before working capital charges	(74,63,482)	(3,85,37,163)
Adjustments for:		
Trade and other receivables	(78,80,985)	1,13,45,481
Inventories	1,55,80,096	(2,03,40,788)
Trade payables	(51,52,974)	(55,90,462)
Short term borrowings	7,98,03,752	2,55,86,046
Cash generated from operations before extraordinary items	7,48,86,407	(2,75,36,886)
Exceptional Item	—	(7,75,590)
	7,48,86,407	(2,83,12,476)
Direct Taxes paid	27,77,224	(22,99,937)
Net Cash from operating activities	7,21,09,183	(3,06,12,413)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,16,48,735)	(5,48,09,917)
Sale of fixed assets	1,23,810	20,56,190
Purchase of investments	(9,29,00,000)	(12,92,51,534)
Sale of investments	6,69,00,000	14,43,78,830
Sale of trees	25,20,700	16,00,000
Income from Wind Mill	9,81,665	28,16,297
Interest received	1,89,02,068	1,33,70,338
Intercompany loans received	4,50,00,000	5,40,00,000
Long term borrowing	(34,34,485)	81,61,713
Dividend received	7,384	7,43,184
Net Cash used in investing activities	2,64,52,407	430,65,101
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fixed Deposit repaid	—	(13,58,000)
Interest paid	(1,17,59,799)	(54,78,567)
Dividend paid including dividend distribution tax	(28,26,501)	(52,80,406)
Net Cash used in financing activities	(1,45,86,300)	(1,21,16,973)
Net increase / decrease in Cash and Cash Equivalents	8,39,75,290	3,35,715
Opening Cash and Cash Equivalents	1,18,32,846	1,14,97,131
Closing Cash and Cash Equivalents	9,58,08,136	1,18,32,846

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan Kolkata
Partner Auditors M.No. 12026. 30th May 2016

For and on behalf of the Board

L.N. Bangur **Alka Bangur**
Chairman Managing Director

R.V. Sridharan **A. Thiagarajan**
Company Secretary Chief Financial Officer



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹)

	31.3.2016	31.3.2015
1. SHARE CAPITAL		
Authorised		
75,00,000 Equity Shares of ₹ 10/- each (Seventy five lakh shares of Rupees ten each)	7,50,00,000	7,50,00,000
Issued and Subscribed		
30,95,879 Equity Shares of ₹ 10/- each fully paid	3,09,58,790	3,09,58,790
	Number of Shares	
	31.3.2016	31.3.2015
At the commencement of the year	30,95,879	30,95,879
Changes during the year	—	—
At the close of the year	30,95,879	30,95,879
Equity shareholders holding more than 5% shares:		
Placid Ltd.	6,63,454	6,63,454
Kiran Vyapar Ltd.	4,70,224	4,70,224
Life Insurance Corporation of India Ltd	2,07,712	2,07,712
2. RESERVES AND SURPLUS		
a) Reserves		
Capital Subsidy		
As per last Balance Sheet	41,69,108	41,69,108
Securities Premium Account		
As per last Balance Sheet	2,79,73,700	2,79,73,700
General Reserve		
As per last Balance Sheet	83,02,10,161	83,02,10,161



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

b) Surplus	31.3.2016	31.3.2015
Balance in Statement of P & L as per last Balance Sheet	9,62,44,485	14,01,82,016
Profit /(Loss) after tax for the year	(2,14,46,948)	(4,11,42,935)
Proposed Dividend (Dividend per Share is Rs. 0.75 (Previous year - Rs. 0.75))	(23,21,909)	(23,21,909)
Tax on Dividend	(4,72,687)	(4,72,687)
	7,20,02,941	9,62,44,485
Total	93,43,55,910	95,85,97,454
 3. LONG-TERM BORROWINGS		
Hire Purchase Loan for vehicle	12,92,743	47,27,228
(Repayable in 36 installments of Rs. 3,39,700/- interest rate 10.5% per annum. Period and amount of continuing default - Nil.		
Total	12,92,743	47,27,228
 4. DEFERRED TAX LIABILITIES (Net)		
Opening Deferred Tax Liability	52,93,890	50,58,853
Add : Provided / (reserved) during the year	(7,27,038)	2,35,037
Closing Deferred Tax Liability	45,66,852	52,93,890
 5. LONG-TERM PROVISIONS		
Others (Sales Tax - Disputed)	4,24,904	4,24,904
Total	4,24,904	4,24,904
 6. SHORT-TERM BORROWINGS		
Secured - Loans repayable on demand		
(a) From Bank - Yes Bank	6,40,56,636	2,52,884
Secured by exclusive charge on all current assets and movable fixed assets of the company) Limit Rs. 7,00,00,000/- Interest rate @10.75% per annum Period & amount of default - Nil		
From Bank - Yes Bank	7,00,00,000	—
(Loan against Lien on Fixed Deposit. Interest rate @6.8% per annum Period & amount of default - Rs. Nil		
(b) Unsecured Loan - From Group Company Kiran Vyapar Limited	—	5,40,00,000
(Repayable within one month Interest rate @ 11% per annum Period & amount of default - Nil.		
Total	13,40,56,636	5,42,52,884



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
7. TRADE PAYABLES		
Sundry Creditors		
Due to Micro Small & Medium Enterprises	—	—
Due to Others	4,99,35,107	5,47,48,582
Total	4,99,35,107	5,47,48,582
8. OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt	34,34,485	34,34,485
(b) Unpaid dividends*	28,07,966	28,39,871
(d) Unclaimed interest*	—	2,803
* (No amount is due to be credited to Investors Education and Protection Fund)		
(e) Other Payables		
Customer Credit Balance	4,14,811	64,392
	66,57,262	63,41,551
9. SHORT-TERM PROVISIONS		
(a) Provision for Employees benefit:		
Gratuity contribution	—	3,89,918
(b) Proposed Dividend	23,21,909	23,21,909
(c) Tax on Dividend	4,72,687	4,72,687
(d) Wealth Tax	—	3,00,000
	27,94,596	34,84,514



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

10. FIXED ASSETS

DESCRIPTION OF ASSETS	COST				DEPRECIATION				Net Value of Assets	
	As at 01.04.15	Additions during the year	Deductions during the year	As at 31.03.16	As at 01.04.15	For the year	Deductions during the year	As at 31.03.16	As at 31.03.16	As at 31.03.15
I. TANGIBLE ASSET										
Free hold Land & Development	2,95,38,380	42,00,908	—	3,37,39,288	—	—	—	—	3,37,39,288	2,95,38,380
Buildings	8,50,50,459	86,897	—	8,51,37,356	5,04,16,984	17,95,547	—	5,22,12,531	3,29,24,825	3,46,33,475
Plant & Equipments	23,11,28,012	1,68,20,615	—	24,79,48,627	17,29,85,761	1,07,78,818	—	18,37,64,579	6,41,84,048	5,81,42,251
Furniture & Fixtures	2,20,60,406	2,66,046	—	2,23,26,452	90,48,620	19,22,312	—	1,09,70,932	1,13,55,520	1,30,11,786
Vehicles	6,74,66,085	11,17,506	4,71,423	6,81,12,168	2,92,63,222	84,19,085	4,71,421	3,72,10,886	3,09,01,282	3,82,02,863
Computers	73,05,128	88,750	—	73,93,878	56,69,384	7,85,173	—	64,54,557	9,39,321	16,35,744
	44,25,48,470	2,25,80,722	4,71,423	46,46,57,769	26,73,83,971	2,37,00,935	4,71,421	29,06,13,485	17,40,44,284	17,51,64,499
II. INTANGIBLE ASSETS										
Computer Software	4,32,050	—	—	4,32,050	3,61,265	23,608	—	3,84,873	47,177	70,785
III. Capital Work in Progress	1,12,11,706	—	1,09,31,987	2,79,719	—	—	—	—	2,79,719	1,12,11,706
Total	45,41,92,226	2,25,80,722	1,14,03,410	46,53,69,538	26,77,45,236	2,37,24,543	4,71,421	29,09,98,358	17,43,71,180	18,64,46,990
Previous Year	40,61,03,384	5,48,09,917	67,21,075	45,41,92,226	24,87,18,919	2,30,89,788	40,63,471	26,77,45,236	18,64,46,990	15,73,84,465



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

11. NON CURRENT INVESTMENTS

Particulars	Nomi- nal value of each Share ₹	As at 31-03-2015		During the year				As at 31-03-2016	
				Additions		Disposals			
		No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Non - /Trade :									
a) In fully paid Equity Shares at cost :									
Quoted :									
MOIL Limited	10	1,136	4,26,000	—	—	—	—	1,136	4,26,000
DPSC Limited	1	6,50,000	1,83,26,358	—	—	—	—	6,50,000	1,83,26,358
Unquoted :									
i) In Associate Companies - at Cost									
Placid Limited	100	93,590	4,50,64,617	—	—	—	—	93,590	4,50,64,617
Navjyoti Commodity Management Services Ltd	10	2,50,000	87,50,000	—	—	—	—	2,50,000	87,50,000
b) In Bonds : Quoted									
Tax Free Bonds:									
Power finance Corporation of India - 8.20% 10 Year	—	28,479	2,84,79,000	—	—	—	—	28,479	2,84,79,000
Indian Railway Finance Corporation - 8.00% 10 year	—	15,225	1,52,25,000	—	—	—	—	15,225	1,52,25,000
			11,62,70,975	—	—	—	—	—	11,62,70,975

		As at 31-03-2015						As at 31-03-2016	
		Cost ₹	Market Value ₹					Cost ₹	Market Value ₹
Quoted Investments		6,24,56,358	5,88,70,854					6,24,56,358	5,52,93,807



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

12. LONG-TERM LOANS AND ADVANCES

Unsecured and Considered Good

	31.3.2016	31.3.2015
(a) Capital Advances	4,00,000	17,58,932
(b) Pre-operative expenses - Solar Power Project	25,59,487	—
(c) Security Deposits	1,11,89,150	86,70,564
(d) Others:		
Rent Advance	48,69,100	48,59,100
	1,90,17,737	1,52,88,596

13. CURRENT INVESTMENTS

Particulars	Balance As at 31-03-2015		During the year				Balance As at 31-03-2016	
	No. of Units	Amount ₹	Additions		Disposals		No. of Units	Amount ₹
			No. of Units	Amount ₹	No. of Units	Amount ₹		
Non - Trade : Quoted								
In Mutual Funds at cost :								
HDFC Medium Term Opportunity Fund	3,97,45,277	45,00,00,000					3,97,45,277	45,00,00,000
HDFC Capital buider Fund Growth	3,17,559	5,00,00,000					3,17,559	5,00,00,000
IDFC Ultra Short term Fund	6,17,451	1,35,00,000	41,35,655.97	9,29,00,000	29,72,034	6,55,81,408	17,81,072	4,08,18,592
		51,35,00,000		9,29,00,000		6,55,81,408		54,08,18,592

	As at 31-03-2015						As at 31-03-2016	
	Cost ₹	Market value (₹)					Cost ₹	Market value (₹)
Quoted Investments	51,35,00,000	66,27,43,515					54,08,18,592	75,91,71,340

14. INVENTORIES

	31.3.2016	31.3.2015
(a) Finished Goods		
Tea - Valued at lower of Cost / net realisable value	3,85,34,400	5,74,03,770
(b) Stores and Spare Parts - valued at average cost	1,47,25,964	1,27,48,033
(c) Loose Tools - valued at average cost	3,62,100	5,25,187
(d) Nursery Stock - valued at average cost	30,32,523	15,58,094
	5,66,54,987	7,22,35,083



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
15. TRADE RECEIVABLES		
Unsecured considered good;		
(a) Outstanding for a period exceeding six months from the date they become due	7,59,070	32,22,319
(b) Others	2,30,29,693	2,06,63,446
	<u>2,37,88,763</u>	<u>2,38,85,765</u>
16. CASH AND CASH EQUIVALENTS		
(a) Balance with Banks	1,87,89,123	49,07,878
(b) Cash on hand	6,77,295	5,25,976
(c) Unpaid dividend Account	28,07,966	28,39,871
(d) Balance with banks to the extent held as margin money or security against the borrowings guarantees other commitments	2,68,469	2,68,469
(e) Bank deposits maturing within one year	7,32,65,282	32,90,652
	<u>9,58,08,136</u>	<u>1,18,32,846</u>
17. SHORT-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
(a) Loans and advances to:		
Public Limited Company - others	3,40,00,000	7,90,00,000
(b) Others:		
i) Advances recoverable in cash or in kind or for value to be recovered	1,34,69,851	92,21,005
ii) Balance with Central Excise Authorities	2,19,215	2,19,215
iii) Advance payment of Tax (Net of provision)	8,19,18,257	7,99,56,033
	<u>12,96,07,323</u>	<u>16,83,96,253</u>
18. OTHER CURRENT ASSETS		
(a) Interest accrued on Bank and other deposits	87,05,108	1,09,73,290
	<u>87,05,108</u>	<u>1,09,73,290</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

19 REVENUE FROM OPERATIONS :

31.3.2016

31.3.2015

Sales of Products

Tea

37,29,89,310

30,30,70,170

Green leaf

1,16,15,382

3,73,715

Other Operating Revenues

Sale of Electricity to TNEB

9,81,665

28,16,297

38,55,86,357

30,62,60,182

Less : Excise Duty

—

—

38,55,86,357

30,62,60,182

20 OTHER INCOME

Interest on

Bank Deposit

49,49,470

10,27,347

Loans and Advances

60,28,306

1,23,65,390

Other Investments

44,88,364

33,54,704

Dividend Income

7,384

7,43,184

Profit on sale of Investments

13,18,592

66,35,579

Profit on sale of Assets

1,23,808

—

Other Non Operating Income:

Scrap sales

19,340

9,20,506

Miscellaneous Receipts

6,61,937

4,41,334

Sale of Trees

25,20,700

16,00,000

Sundry Receipts

6,03,000

—

Insurance Claim

—

1,13,750

2,07,20,901

2,72,01,794

21 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock of Finished Goods

Tea

5,74,03,770

3,47,60,000

Minor Produce

—

—

5,74,03,770

3,47,60,000

Less : Closing Stock of Finished Goods

Tea

3,85,34,400

5,74,03,770

Minor Produce

—

—

Net changes in inventories

1,88,69,370

(2,26,43,770)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2016	31.3.2015
22 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	18,35,47,165	17,15,00,772
Contribution to Provident Gratuity and Pension Fund	1,87,16,956	2,24,77,180
Employees Welfare Expenses	1,26,57,342	1,39,38,330
	<u>21,49,21,462</u>	<u>20,79,16,282</u>
23 FINANCE COSTS		
Interest expense		
Public Deposits	—	44,174
Cash Credit and others	1,17,56,996	51,40,693
	<u>1,17,56,996</u>	<u>51,84,867</u>
24 OTHER EXPENSES		
Power and Fuel	4,89,83,586	3,78,99,302
Rent	29,41,144	55,21,239
Repairs to Buildings	1,53,43,324	1,57,46,450
Repairs to Machinery	94,80,626	1,15,65,382
Insurance	20,93,220	24,07,437
Rates and Taxes	16,14,832	9,35,439
Transport	55,09,123	48,17,868
General Charges - Estate	55,93,359	63,41,772
Commission and Brokerage	38,56,081	39,96,008
Warehousing charges	66,70,327	70,83,670
Payments to Auditors for :		
For Statutory Audit fee	1,52,175	1,50,000
For Certification	97,500	15,000
For Taxation	3,60,000	2,37,500
For Service Tax	66,416	34,299
	<u>6,76,091</u>	
Travelling Expenses	88,13,235	1,11,17,191
Miscellaneous Expenses	1,21,42,205	1,18,14,627
	<u>12,37,17,153</u>	<u>11,96,83,182</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)****7. ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS****A. ACCOUNTING POLICIES****1. Basis of Preparation**

The financial statements are prepared under historical cost convention using accounting policies and in accordance with the generally accepted accounting principles and Accounting Standard 21 on "Consolidated Financial Statements" and are presented to the extent possible in the same manner as the company's separate financial statements except as otherwise disclosed in the Notes to the Accounts.

2. Principles of Consolidation

The financial statements of the Company and its subsidiary have been combined on a line by line basis adding together the book value of the like items of assets liabilities income and expenses after eliminating intra-group balances and intra-group transactions.

3. Method of Accounting

The financial statements are prepared under historical cost convention and on accrual basis and in accordance with provisions of the Companies Act 1956 and accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006 issued by the Central Government to the extent possible. The accounting is on the basis of going concern concept.

4. Revenue Recognition

Revenue from sale transaction is recognized as and when significant risks and rewards attached to the ownership in the goods is transferred to the buyer. Revenue from other sources and expenses are recognized on accrual basis.

5. Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. All costs relating to acquisition / installation are capitalized. Expenditure on development and new planting are capitalized.

6. Depreciation

Depreciation is provided on Straight Line basis in accordance adopting the period of useful life and residual value as prescribed under Schedule II to the Companies Act 2013 in respect of Plant and Machinery Wind Energy Generators and other assets except field machineries which are depreciated over two year period.

7. Investments

Investments are recorded at cost inclusive of brokerage and stamp duty. Long Term investments are not adjusted for diminution in their market value if in the opinion of the management such diminution is temporary in nature.

8. Inventories

Stock of plantation produces of tea and pepper are valued at lower of cost and net realizable value. Other inventories are valued at average cost.

9. Sale of Trees

Sale of trees given on contract is accounted on realization.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

10. *Employee Benefits:*

I. Short Term

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employees benefits are administrated through an approved benefit fund contributions to which are made in accordance with year end actuarial valuation and charged to the Statement of Profit and Loss of the relevant period.

11. *Current Tax*

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961.

12. *Deferred Tax*

Deferred tax is recognized on timing differences being difference between the taxable income and the accounting income that originates in one period and capable of reversal in one or more subsequent periods.

13. *Impairment of Assets*

Impairment is recognized to the extent that the recoverable amount of assets is less than the carrying value and is charged to Statement of Profit & Loss.

14. *Wind Power*

The value of power generated by Wind Energy Generators and exported to the Grid is treated as reduction in the power charges to the extent it is adjusted in the bills by TNEB and the surplus if any as sale of electricity.

B. OTHER NOTES TO FINANCIAL STATEMENTS

- a) The Company proposes to purchase around 34.50 acres of land at Peraiyur Taluk, Kudipatty Village, Madurai District, Tamil Nadu with an intent to set up around 5 MW Solar Power Plant. Amount advanced for purchase of land relating to the above project is shown as pre-operative expenses and grouped under Long Term Loans & Advances in the Balance Sheet.

Addition to Freehold and Development includes Rs. 23,57,765/- being cost of 6.42 acres of land purchased during the year at Kudipatty Village, Peraiyur Taluk, Madurai District for the proposed solar power project.

- b) Prior year income includes interest on electricity deposits relating to earlier years accounted during the year.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

- c) The details of amounts outstanding to Micro Small and Medium Enterprises based on available information with the Company is as under:

Principal amount due and remaining unpaid	Nil
Interest due on above and the unpaid interest	Nil
Interest paid	Nil
Payment made beyond the appointed day during the year	Nil
Interest due and payable for the period of delay	Nil
Interest accrued and remaining unpaid	Nil
Amount of further interest remaining due and payable in succeeding years	Nil

- d) The Company has carried out an exercise to ascertain the impairment if any in the carrying value of fixed assets. The exercise has not revealed any impairment of assets during the year under review.

- e) Subsidiary companies considered in the consolidated financial statements.

Name of the Company	Country of Incorporation	% of Voting Power held on 31.03.2016	% of Voting Power held on 31.03.2015
PKT Plantations Limited	India	100%	100%
Shivphal Vinimay (P) Limited	India	100%	100%

- f) Deferred Tax:

Deferred tax liability as at 31st March 2016 comprises of:

Particulars	Opening as on 01.04.2015 ₹	Provided during the year ₹	Reversed during the year ₹	Closing as on 31.03.2016 ₹
On account of depreciation	66,53,490	—	7,27,038	59,26,452
On account of 43 B Disallowances	13,59,600	13,59,600	13,59,600	13,59,600
Deferred tax liability (Net)	52,93,890	13,59,600	20,86,638	45,66,852

	31.3.2016 ₹	31.3.2015 ₹
g) Foreign Exchange Earnings & Outgo		
i) Earnings in Foreign Exchange	Nil	Nil
ii) Expenditure in Foreign Currency - Travelling	8,84,331	2,44,467
iii) CIF Value of Imports:		
a) Raw materials	Nil	Nil
b) Consumable Stores and Spares	Nil	Nil
c) Capital Goods	Nil	Nil
iv) All store items consumed indigenously	100%	100%



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

h) Segment wise revenues results and other information: (in ₹)

Particulars	31.03.2016			31.03.2015		
	Tea	Windmill	Total	Tea	Windmill	Total
Revenue						
External Sales	38,46,04,692	9,81,665	38,55,86,357	30,34,43,885	28,16,297	30,62,60,182
Inter segment revenue		1,18,31,440	1,18,31,440		2,01,13,448	2,01,13,448
Total	38,46,04,692	1,28,13,105	39,74,17,797	30,34,43,885	2,29,29,747	32,63,73,630
Less Inter Segment Revenue			1,18,31,440			2,01,13,448
			38,55,86,357			30,62,59,782
Results						
Operating Profit/(Loss)	(15,15,962)	1,04,79,867	89,63,905	(4,22,69,971)	2,02,53,044	(2,20,16,927)
Less: Interest			(1,17,55,996)			(51,84,867)
Add: Other Income			2,07,20,901			2,72,01,794
Profit before tax			(2,13,58,986)			(3,96,46,321)
Provision for taxation			87,962			14,96,614
Profit after tax			(2,14,46,948)			(4,11,42,935)
Other Information						
Segment Assets			50,79,53,234			48,90,58,822
Add: Unallocated assets			65,70,89,567			62,97,70,795
Total			116,50,42,801			111,88,29,797
Segment Liabilities	19,97,28,101		19,97,28,101	12,92,73,553		12,92,73,553
Add: Unallocated liabilities			96,53,14,700			98,95,56,245
Enterprise liabilities			116,50,42,801			111,88,29,797
Capital Expenditure	2,25,80,722		2,25,80,722	5,48,09,917		5,48,09,917
Depreciation	2,36,87,705	36,838	2,37,24,543	2,30,52,949	36,839	2,30,89,788

- i) The Company has taken office buildings on lease and the lease rent amounts to Rs.29,41,144/- net of reimbursements (previous year Rs.55,21,239/-) has been charged to Profit & Loss Account. Assets are taken on lease over a period of three years. Future minimum lease payments are as under:

	31.03.2016	31.03.2015
	₹	₹
Not Less than one year	: 93,84,247	21,03,774
Later than one year but not later than five years	: 1,09,52,265	52,92,308
More than five years	: Nil	Nil



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

j) Related Party Disclosures

Name of Related Parties and nature of relationship where control exists are as under:

Key Management Personnel	Smt.Alka Bangur, Managing Director Shri Shreeyash Bangur, Deputy Managing Director
Group Companies	M.B.Commercial Company Ltd. Amalgamated Development Ltd. Maharaja Shree Umaid Mills Ltd. Placid Limited The Marwar Textiles (Agency) Pvt.Ltd. Navjoti Commodity Management Services Ltd. Samay Industries Limited The General Investment Co.Ltd Kiran Vyapar Limited Soul Beauty & Wellness Centre Mugneeram Ramcoovar Bangur Charitable & Religious Co. Sree Rama Vaikunth Trust
Relatives of Key Management Personnel	Shri L.N.Bangur Ms.Sheetal Bangur Shri.Yogesh Bangur

k) Transactions during the year with Related Parties

	Nature of transaction	Group Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
		₹	₹	₹
1	Interest receipts a) M.B.Commercial Co. Ltd b) General Investment Co. Ltd	Nil (1,65,000) Nil (2,31,164)		
2	Interest Payments Kiran Vyapar Limited Shri Krishna Agency Limited	94,329 (Nil) 4,00,295 (Nil)		



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

	Nature of transaction	Group Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
		₹	₹	₹
3	Rent payments			
	a) M.B. Commercial Co. Ltd.	26,700 (25,200)		
	b) Marwar Textiles Agency Ltd.	79,200 (52,800)		
	c) Shree Rama Vaikunth Trust	3,30,000 (3,10,000)		
4	Inter Corporate loan received from			
	Kiran Vyapar Ltd.	7,00,00,000 (5,40,00,000)		
	Shri Krishna Agency Limited	2,50,00,000 (Nil)		
5	Printing			
	Samay Industries Limited (formerly Samay Books Limited)			83,478 (10,870)
6	Remuneration			
	a) Smt. Alka Bangur		42,14,700 (41,08,765)	
	b) Shri. Shreeyash Bangur		35,33,634 (38,43,110)	
7	Outstandings			
	Receivables	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Payables	Nil (5,40,00,000)	Nil (Nil)	Nil (Nil)

Note : Figures in bracket represents previous year's amount.

l) Earnings Per Share

	31.03.2016	31.03.2015
Profit /(Loss) after tax Rs.	(2,14,46,950)	(4,11,42,935)
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share ₹ (Nominal value of equity shares ₹10/- per share)	(6.93)	(13.29)

m) Previous year's figures have been reclassified wherever necessary to conform to this year's classification

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)****Form No. AOC - 1 Part A : Subsidiaries**

Pursuant to Section 129 (3) of the Companies Act 2013 read with Rule 5
of Companies (Accounts) Rules 2015

Statement containing salient features of the Financial Statement of Subsidiaries.

Name of the Subsidiary	PKT Plantations Limited	Shivphal Vinimay Private Limited
Reporting Currency	INR	INR
Financial Year of the Subsidiary ended on	31st March 2016	31st March 2016
Exchange Rate		
Share Capital	25,00,000	5,00,000
Reserves & Surplus	9,49,309	(88,103)
Share application money pending allotment		
Total Liabilities	36,75,759	4,38,197
Total Assets (excluding investments)	36,75,759	4,38,197
Investments (other than investments in subsidiaries)		
Turnover	9,26,255	24,056
Profit before tax	6,95,339	(35,237)
Provision for taxation	2,15,000	—
Profit after tax	4,80,339	(35,237)
Proposed dividend	—	—
% of Shareholding	100	100

Part B : Associates and Joint ventures

Statement pursuant to section 129(3) of the Companies act 2013 related to Associate Companies and Joint venture

NOT APPLICABLE

Name of associates / Joint venture

- 1 Latest Audited Balance Sheet date
- 2 Shares of Associates/Joint Ventures held by the Company at the year end
Amount of investment in Associates / Joint Venture
- 3 Description how there is significant influence
- 4 Reason why the Associate / Joint Venture is not consolidated
- 5 Networth attributable to shareholding as per latest audited Balance Sheet
- 6 Profit / (Loss) for the year
 - i) considered in consolidation
 - ii) not considered in consolidation
- 7 Name of Associates or Joint Ventured which are yet to commence operations
- 8 Name of Associates or Joint Ventures which have been liquidated or sold during the year



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

Additional Information

Name of the entity in the	Net Assets (Total Assets minus total Liabilities)		Share in profit or loss	
	As % of consolidated Net Assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent				
The Peria Karamalai Tea & Produce Company Limited	99.60	96,53,14,700	(2,14,46,948)	(102.07)
Subsidiaries				
Indian				
1. PKT Plantations Limited	0.36	34,49,309	4,80,339	2.23
2. Shivphal Vinimay Private Limited	0.04	4,11,897	(35,237)	(0.16)
Foreign				
Minority Interest in all subsidiaries	—	—	—	—
Associates (Investment as per the equity method)				
Indian	—	—	—	—
Foreign	—	—	—	—
Joint Venture (as per proportionate consolidation/investment as per the equity method)				
Indian	—	—	—	—
Foreign	—	—	—	—
TOTAL	100.00	96,53,14,700	(2,14,48,948)	(100.00)

Per our Report of even date attached
For S. Krishnamoorthy & Co
Chartered Accountants
Reg. No. 001496S

K.N. Sreedharan
Partner Auditors M.No. 12026.

Kolkata
30th May 2016

For and on behalf of the Board
L.N. Bangur **Alka Bangur**
Chairman Managing Director

R.V. Sridharan **A. Thiagarajan**
Company Secretary Chief Financial Officer